



Annual Comprehensive Financial Report

For Fiscal Year Ended June 30, 2025

Virginia Beach, Virginia



CITY OF
**VIRGINIA
BEACH**

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT
OF THE
CITY OF VIRGINIA BEACH, VIRGINIA**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

**PREPARED BY
DEPARTMENT OF FINANCE**

ACKNOWLEDGEMENTS

The preparation of this report has been accomplished by the efficient and dedicated services of the staff of the Department of Finance. I would also like to thank the City Auditor's Office for their assistance in managing the audit and audit contract. The contributions of all are invaluable and sincerely appreciated and clearly reflect the high standards which have been set by the City of Virginia Beach.

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(in alphabetical order)

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Photographer and layout: City of Virginia Beach Communications Office

It is also appropriate to thank the City Manager, Mayor and Members of City Council for making possible the excellent financial position of the City through their interest and support in planning and conducting the financial affairs of the City.

**CITY OF VIRGINIA BEACH, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025**

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INTRODUCTORY SECTION

CITY OF VIRGINIA BEACH, VIRGINIA

PRINCIPAL OFFICIALS

AS OF JUNE 30, 2025

CITY COUNCIL

Robert M. Dyer, Mayor.....At-Large
 Rosemary Wilson, Vice Mayor..... District 5
 David Hutcheson.....District 1
 Barbara Henley.....District 2
 Michael Berlucchi.....District 3
 Dr. Amelia Ross-Hammond.....District 4
 Robert W. Remick.....District 6
 Cal F. Jackson-GreenDistrict 7
 Stacy CummingsDistrict 8
 Joashua F. Schulman.....District 9
 Jennifer V. Rouse.....District 10

CONSTITUTIONAL OFFICERS

V. Leigh Henderson..... City Treasurer
 Philip J. Kellam..... Commissioner of the Revenue
 Tina E. Sinnen..... Clerk of Circuit Court
 Colin Stolle Commonwealth's Attorney
 Rocky Holcomb..... Sheriff

APPOINTED OFFICERS

Patrick A. DuhaneyCity Manager
 Mark D. Stiles City Attorney
 Amanda Barnes..... City Clerk
 Sue C. Cunningham.....Real Estate Assessor
 Lyndon S. Remias.....City Auditor

CITY LEADERS

Kenneth L. Chandler..... Deputy City Manager
 Monica D. Croskey Deputy City Manager
 Amanda Jarratt Deputy City Manager

SCHOOL BOARD

Kathleen Brown, ChairDistrict 10
 Carolyn D. Weems.....District 9
 Rose DwyerDistrict 1 - Centerville
 Kimberly A. Melnyk.....District 2
 Mark Bohensiel..... District 3 – Rose Hall
 Dr. Alveta J. Green.....District 4
 Melinda Rogers..... District 5
 Michael Callan..... District 6
 Matt Cummings.....District 7
 David Culpepper..... District 8
 Sharon Felton..... At-Large

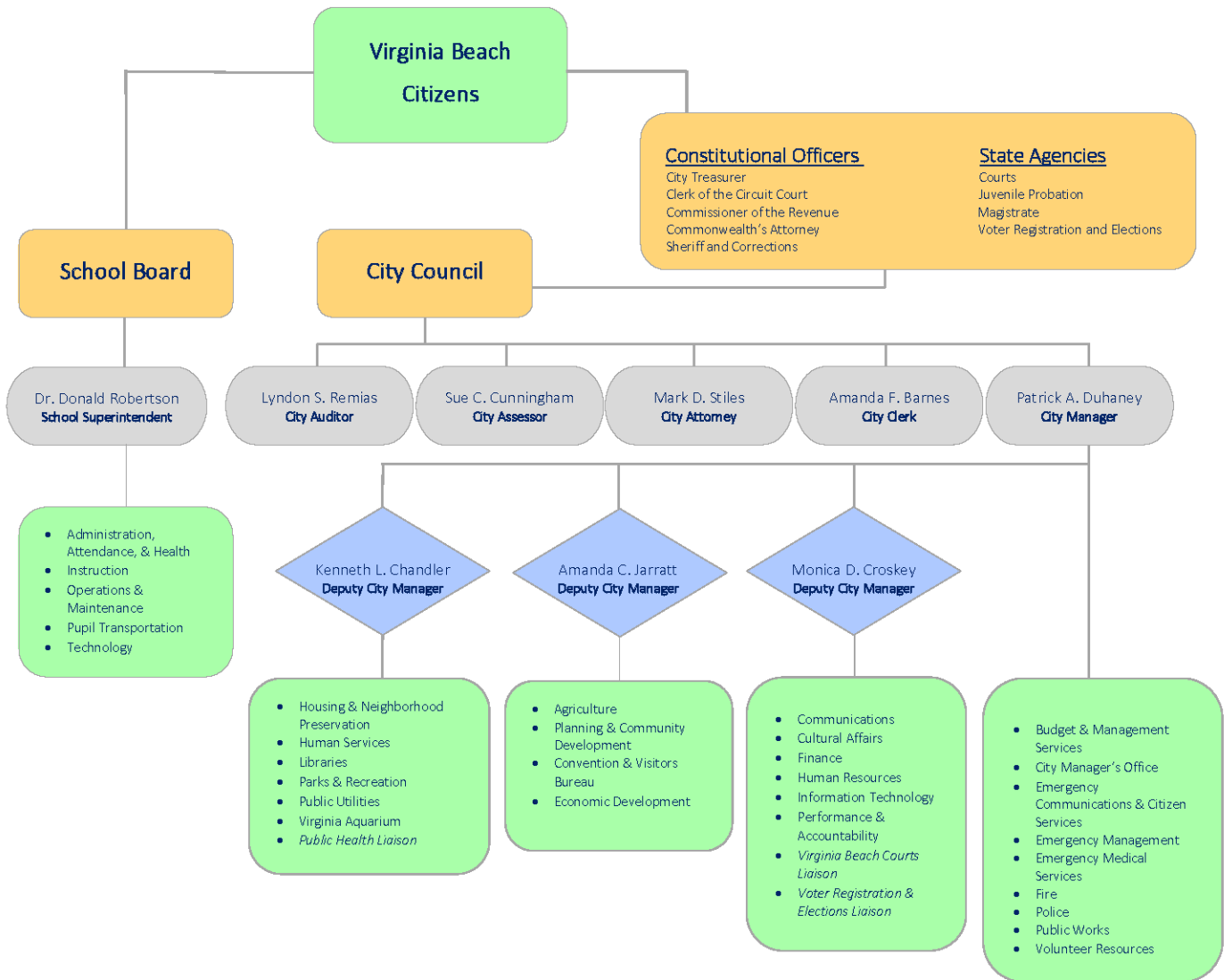
VIRGINIA BEACH DEVELOPMENT AUTHORITY

Lisa M. Murphy.....Chair
 W. Taylor Franklin Vice Chair
 Guenter H. Weissenseel Secretary
 William Brunke Treasurer
 Eric Keplinger Assistant Secretary
 Donald Horsley Commissioner
 Akhil Jain Commissioner
 Esmel Meeks Commissioner
 Penny Morgan..... Commissioner
 Michael J. Standing Commissioner
 David Weiner Commissioner

VIRGINIA BEACH COMMUNITY DEVELOPMENT CORPORATION

J. David Crain JrChair
 Dr. Audrey Douglas-Cooke Vice President
 Gary Sharpe... Secretary/Treasurer
 Kay Ashby Director
 Marshal Brice Director
 Christopher L. Brown..... Director
 Robert Ewell Director
 Matthew Hamaker..... Director
 Jeremy C. Johnson Director
 Frank McKinney Director
 Esmel Meeks Director

CITY ORGANIZATION





December 4, 2025

The Honorable Robert “Bobby” M. Dyer, Mayor
Members of the City Council

Subject: FY 2025 Annual Comprehensive Financial Report

Dear Mayor and Council Members and Residents of Virginia Beach, Virginia:

We are pleased to present the City of Virginia Beach’s (the City) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. This report is designed to present fairly the financial position of the financial reporting entity, which consists of the City of Virginia Beach as well as its component units including City of Virginia Beach School Board, Virginia Beach Development Authority, Atlantic Park Community Development Authority, and Community Development Corporation in all material respects and to demonstrate compliance with applicable finance-related legal and contractual provisions. The report adheres to the principle of full disclosure so that the reader may gain the maximum understanding of the City’s financial affairs.

The Finance Department has prepared this report in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with *Government Auditing Standards* by a firm of independent certified public accountants. This report complies with state law and guidelines of the Auditor of Public Accounts of the Commonwealth of Virginia.

Responsibility for the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported to present fairly the financial position of the City. All disclosures necessary to enable the reader to gain an understanding of the City’s financial activities have been included.

CITY PROFILE AND SERVICES

The City of Virginia Beach, Virginia was established on January 1, 1963, by the merger of Princess Anne County and the former, smaller City of Virginia Beach. This merger created one of the largest cities in the Commonwealth of Virginia that covers 310 square miles and 38 miles of shoreline on the Atlantic Ocean and the Chesapeake Bay. The city encompasses the entire eastern border of Virginia south of the Delmarva Peninsula and includes all the area from the Chesapeake Bay to the North Carolina border. The latest estimated population as of July 1, 2024, for the city is 452,965, which makes Virginia Beach the most populated city in the region and Virginia, and third most populated locality behind Fairfax County and Prince William County in Virginia (*Source: University of Virginia Weldon Cooper Center for Public Service*). The city is part of a Metropolitan Statistical Area (MSA) comprised of 16 localities, classified by the U.S. Census Bureau as Virginia Beach-Norfolk-Newport News, VA-NC Metro Area, and commonly referred to as Tidewater, Hampton Roads, Coastal Virginia, or by the region’s area code “757”. It had a population in 2024 of 1,796,689, making it the 38th most populous MSA nationwide (*Source: Census*

Bureau, American Community Survey 2024). The Virginia Beach-Norfolk-Newport News, VA-NC Metro Area is centrally located on the Eastern Seaboard, providing businesses access to more than half of the total U.S. population within a 750-mile (1,200 km) radius.

The City of Virginia Beach derives its governing authority from a charter granted by the General Assembly of the Commonwealth of Virginia. The governing body of the City is the City Council, which formulates policies for the administration of the City. The City Council has 11 members who serve for four-year terms. On August 15, 2023, the City Council adopted its decennial redistricting ordinance and included a 10-1 voting system. This system divides the city into ten districts of approximately equal voting-age population. Under this system, each voter can vote for the mayor and the representative for their ward district. The decennial redistricting ordinance was challenged in state court as violative of the City Charter. The state court found the redistricting ordinance exceeded the City's authority, but the court stayed further action until after a November referendum election. This referendum election asked whether the electorate desires the City Charter be amended to reflect the 10-1 voting system that was used in the 2022 and 2024 elections. The results of the referendum have been certified and are 53 percent in favor of the amended City Charter. This proposed amendment has been sent to the General Assembly for action at its 2026 Session. The City Council elects a Vice-Mayor from among its members for a two-year term at its biennial organizational meeting. The City operates under the Council-Manager form of government as established by its City Charter. The City Manager is the administrative head of the municipal government and carries out the policies of the City Council. The City Manager is appointed by the City Council and serves at the pleasure of the City Council.

The City Council also appoints members to certain boards, commissions, and authorities as it deems necessary to the operation of the City. The School Board is made up of 11 members who serve four-year terms. The Virginia Beach City Charter requires the election of the School Board to be in the same manner and according to the same schedule as elections of the City Council. Accordingly, the 10-1 election ward district system used to elect the City Council is used to elect School Board members. The School Board exercises all the powers conferred and performs all the duties imposed upon them by general law. It does not have taxing authority.

The City and School Board provide a full range of general governmental services. These services include police, emergency medical response, fire protection, collection and disposal of refuse, water and sewer, storm water services, parks and recreation facilities, museums, libraries, and maintenance of streets, highways, parks, and public beaches. Other services provided include public education in grades kindergarten through twelfth grade, public health and social services, certain technical and special education services, behavioral health assistance, planning development services, agricultural services, housing, correctional facilities, and judicial services.

The City budget appropriates all funds including City, state and federal pass-through funds for education, social services, correctional facilities, and judicial activities. Cities in Virginia have sole property taxing jurisdiction over the entire area within their boundaries and operate independently of any county government. There are no overlapping jurisdictions and, consequently, residents of Virginia cities are not subject to overlapping debt or taxation. Further, cities in Virginia are prohibited from annexation to adjust their boundaries.

LOCAL ECONOMY – ECONOMIC CONDITIONS AND OUTLOOK

Hampton Roads Region

The 26th annual *State of the Region: Hampton Roads* report by Old Dominion University’s Dragas Center for Economic Analysis and Policy provides a positive assessment of the state of the regional economy for 2025 in terms of performance by its three pillars Defense Spending, Port of Virginia, and Tourism. However, the report indicated that the economy is facing various challenges due to rapid changes in federal policy related to international trade involving higher tariffs, tax and expenditure reductions, and tightening of immigration. The impacts of these policies have reduced the federal workforce, reduced trade, slowed job growth and international tourism. Some highlights from the report include:

- The regional economy/Gross Domestic Product (GDP) continued to grow for a fourth consecutive year in 2024 and is projected to grow in 2025 but at a slower pace than in recent years. In 2024, real (adjusted for inflation) GDP in Hampton Roads was estimated at \$106.7 million reflecting growth from 2023 of 2.6 percent. For 2025, the real regional GDP is projected to grow 2.0 percent to \$108.9 million (in real/2017 inflation-adjusted dollars) with increases in defense spending projected to offset uncertainty related to further reductions in federal civilian employment. Growth in GDP in 2024 was driven by increased federal defense spending, continued growth in cargo moving through the Port of Virginia, and growth in the tourism industry.
- Total Department of Defense (DoD) budget funding (in nominal/current dollars) has increased to roughly \$909.6 billion in FY 2024 (comprised of base funding of \$842.3 billion and supplemental funding of \$67.3 billion) compared to \$900.4 billion in FY 2023. For FY 2025, total DoD budget declined to \$860.4 billion with base budget increased to \$848.3 billion and supplemental funding declined to \$11.8 billion. For FY 2024, the estimated direct DoD spending in Hampton Roads was \$28.6 billion.
- Cargo traffic as well as inbound loaded and outbound loaded Twenty-Foot Equivalent Container Units (TEUs) increased in 2024 compared with 2023. General cargo tonnage increased by 7.5 percent (from 24.8 million tons to 26.7 million tons), inbound loaded TEUs increased 6.6 percent (from 1.53 million to 1.63 million) and outbound loaded TEUs increased 3.4 percent (from 1.10 million to 1.14 million). From 2020 through 2024, the Port gained market share for east coast ports (New York/New Jersey, Savannah, and Charleston) in terms of total loaded TEUs growing from 16.1 percent to 18.1 percent. The strategic investments made in the Port over the last decade in infrastructure, increased shipping services, and improved inland connectivity along with diversification in its trading partnerships with other countries have improved the Port’s efficiency, capabilities, and competitiveness, making it well positioned for expansion in the future.
- Hotel room supply and nominal revenues continued to increase in 2024; however real revenues adjusted for inflation and occupancy rates declined slightly in 2024. The total number of hotel rooms in the region was 38,818 in 2024, which was an increase of 121 from 2023 reflecting the fourth consecutive year of hotel room growth. Since 2020 1,800 hotel rooms were added in the region; however total rooms remained about 1,834 rooms below the peak of 40,652 in 2010. Total rooms sold at 23,749 in 2024. In 2024 nominal hotel revenues exceeded \$1.126 billion compared with over \$1.123 billion in 2023; however real revenues accounting for inflation fell 2.6 percent in 2024 following a decline of 1.1 percent in 2023. From 2019 through 2024, the hotel industry in the region outperformed the hotel industry in Virginia and across the United States in terms of growth in the supply of hotel rooms, hotel rooms sold, average daily room rate and

revenue per available room.

- In summary, the three pillars of the economy remain strong. Although the defense sector remains the main cornerstone of the region's economy, long-term growth in defense spending may not be sustainable given the growing federal deficit and national debt. Reiterating its recommendation from previous years' State of the Region reports, the 2026 report recommends that the region should reduce its reliance on federal government defense-related spending by diversifying selected key industry clusters to expand job growth in the private sector. This will involve investments in the Port of Virginia, improving transportation in and around the region, and addressing challenges related to housing including limited housing supply, increased cost of housing and access to housing.

Virginia Beach

As a city on the eastern seaboard, Virginia Beach has always been known as a resort community. The strength of the city's economy, however, lies in its diversification. Construction/real estate, light industry, technology services, wholesale and retail sales, agriculture, advanced manufacturing, healthcare, four major military bases, and resort and convention trade are the major aspects of the economy. The City encourages and supports this diversification. According to the most recent data published in December 2024 from the U.S. Bureau of Economic Analysis, Virginia Beach's Real GDP was \$24.0 billion in 2023 or 22.6 percent of the regional economy (\$104 billion) and 4.0 percent of the Commonwealth of Virginia's economy (\$597.6 billion). It is anticipated that GDP and personal income for the City for 2024 will be released by the U.S. Bureau of Economic Analysis in early December 2025. Increased real estate and personal property assessments, outperforming consumer-driven revenues such as restaurant meals and general sales, and positive trends in the hospitality sector have continued for 2025. There is also growth in jobs, tourism, and the tax base.

Labor Force and Employment – Consistent with its larger population the city also has the largest labor force in the MSA according to the most recent annual data from the U.S. Department of Labor, Bureau of Labor Statistics, averaging 235,565 in 2024 and 233,919 year-to-date June 2025. The City's civilian labor force was 1.86 times larger than that of the second largest city in the region (Chesapeake 126,922 in 2024 and 125,532 year-to-date June 2025). The City's civilian workforce in 2024 was 26.7 percent of the MSA of 879,683 (and 26.4 percent of MSA year-to-date June 2025 of 883,768). The City has also realized slight employment growth of 0.35 percent compared with 2023, however, year-to-date June 2025 saw a decline of 1.7 percent compared to the same period in 2024.

In total 233,469 people are employed in the city ranging in multiple industry sectors in the private sector, which includes services, wholesale and retail trade, construction, financial, manufacturing, transportation and warehousing, information, agriculture, forestry, fishing and mining, and in the public sector with local, state and the federal governments. The five largest employers in the city account for roughly 15.9% of the total employees and include the following employers: (1) City of Virginia Beach and Virginia Beach City Public Schools (18,411), (2) Joint Expeditionary Base Little Creek/Fort Story (5,020), (3) Sentara Healthcare (4,900) , (4) Oceana Naval Air Station (4,500), and (5) GEICO (3,600).

Annual average unemployment rates for 2024 (latest full year available) and year-to-date June 2025 were 2.8 percent and 3.3 percent for Virginia Beach, 3.1 percent and 3.6 percent for the Virginia Beach-Norfolk-Newport News, VA-NC MSA, 2.9 percent and 3.5 percent for Commonwealth of Virginia, and 4.0 percent and 4.2 percent for the U.S., respectively. Unemployment rates have stayed consistent

throughout 2024 for the City, MSA, Commonwealth and nation as the recovery continues from the impacts of the pandemic; however, unemployment rates have started to increase in 2025 for the City, MSA, Commonwealth of Virginia and nation due to weakening job market. (Source: U.S. Department of Labor, Bureau of Labor Statistics (BLS)).

Based on the most recent data available, the per capita personal income for 2023 was \$72,091 for Virginia Beach, \$62,575 for the MSA, \$73,841 for Virginia, and \$69,810 for the U.S. Over the 5-year period from 2019 to 2023, the per capita personal income for Virginia Beach has increased an average of 5.6 percent per year (Source: U.S. Bureau of Economic Analysis (BEA)). Based on the latest data available, the median household income continues to increase for Virginia Beach in 2024 to \$94,579 compared with \$91,141 in 2023. Median household income for the city has increased an average of 3.7 percent per year since 2019. Virginia Beach's median household income has continued to exceed that of the MSA (\$82,402 in 2024), Virginia (\$92,090 in 2024) and the U.S. (\$81,604 in 2024) (Source: US Census Bureau).

Key Consumer Revenues

Hotel/Lodging tax revenue (including taxes produced by non-hotels/short-term rental properties) collected in FY 2025 totaled \$52.2 million, an increase of \$0.1 million (0.2 percent) compared with \$52.1 million collected in FY 2024. Over the longer term, hotel tax revenues rose 9.8 percent annually from FY 2020 to FY 2025 on average, which is indicative of the strength of the tourism industry in Virginia Beach. The citywide hotel tax rate remained at 8.0 percent plus the \$2.00/room night charge throughout FY 2025. However, there is an additional 1.5 percent tax assessed for hotels and short-term rentals in the Sandbridge Special Service District for use for beach replenishment and maintenance, for a total of 9.5 percent.

Restaurant meals tax revenue collected in FY 2025 totaled \$97.9 million, an increase of \$3.8 million (4.0 percent) compared with \$94.1 million collected in FY 2024. Over the long term, restaurant meals tax revenue has been a consistent performer and has increased annually 10.1 percent on average from FY 2020 to FY 2025. The restaurant tax rate remained at 5.5 percent throughout this period.

General sales tax revenue reflects the City's 1 percent share of the State sales tax. The amount collected in FY 2025 totaled \$95.4 million, an increase of \$3.2 million (3.5 percent) compared with \$92.2 million collected in FY 2024. This revenue stream has been increasing annually from FY 2020 to FY 2025 by 7.1 percent on average.

Tax Base - Virginia Beach real estate assessments as of July 1 are projected to total \$86.9 billion in FY 2026, an increase of roughly 5.9 percent over FY 2025 (\$82.0 billion) following a 7.6 percent increase in FY 2025 over FY 2024 (\$76.2 billion). The City's tax base has steadily grown from FY 2019 (\$57.2 billion) through FY 2026 (projected) with annual increases of 6.1 percent on average. (Source: Real Estate Assessor's Office, Annual Report)

Major Industries

Tourism - Tourism is an important industry in Virginia Beach and a vital component in the city's economy producing revenues from visitor spending that supports the provision of City services and capital projects. Examples of projects include the Virginia Beach Convention Center, Virginia Beach Sports Center, Atlantic Park Entertainment Venue, Atlantic Park Parking, 17th Street Regional Stormwater

Facility, and Pacific Avenue improvements. According to a study of the economic impact of visitor spending to Virginia Beach conducted in October 2025 for the City by Tourism Economics (an Oxford Economics Company), there were 14.3 million visitors to the city in 2024 compared with 14.1 million in 2023 and 13.6 million in 2022; these included international and domestic day and overnight visitors. Based on its econometrically based visitor volume model using actual Virginia Beach tourism data, the study estimated direct visitor spending in Virginia Beach totaled \$2.6 billion in 2024 compared with \$2.5 billion in 2023, and \$2.4 billion in 2022. Visitor spending includes spending in these industries: lodging including second home spending (i.e., upkeep costs for seasonal second homes used for recreation), food and beverage, retail, recreation, and local transportation. Furthermore, visitor spending had an estimated total economic impact on Virginia Beach's economy of \$3.9 billion in 2024 (comprised of \$2.6 billion in direct spending, with food and beverage leading the charge at \$1,086.4 billion). Visitor spending contributed \$340.8 million in state and local tax revenues, effectively reducing the annual tax burden by \$1,832 for each household in Virginia Beach. The study indicated that visitor spending directly supported 34,076 total jobs (direct, indirect and induced).

Agriculture - One-fifth of the city's total acreage is agriculture, forestry, open space, swamps, or marshland and of this total, over half is devoted purely to agricultural activities. Forty-four square miles of the city's 248 square miles of land consist of farmland and forestland. This acreage produces positive value for the City. The Agribusiness sector of Virginia Beach's economy continues to grow and is one of the key industries for the City. In 2024 (latest data available) Agriculture comprised 26,419 acres of farmland in production (versus 26,071 in 2023, 25,897 in 2022 and 26,407 in 2021) and over 193 farms and farm-related businesses. Since the inception of the Agricultural Reserve Program (ARP) through June 30, 2025, City Council has authorized for inclusion in the ARP approximately 10,998 acres with total purchase price of \$59.98 million. Including agricultural acreage reserved for future use, total enrolled acreage in the ARP is approximately 11,129 (source: City of Virginia Beach, Department of Agriculture) thus preserving this land for farmland preservation. The agricultural business sector is diverse including production agriculture/agronomic crops (soybeans, corn, and wheat), fruits and vegetables (over 24 different locally grown products including the area's highly regarded strawberry crop), equine, livestock, and agritourism consisting of on-farm agricultural education and programs, pick your own operations, farm to table events, and special theme event programs. According to the latest available annual analysis by Virginia Cooperative Extension/Virginia Polytechnic Institute and State University, agriculture generated \$178.6 million in direct economic impact in 2024 compared with \$182.5 million in 2023, \$190.9 million in 2022 and \$170.9 million in 2021. The reduction in the economic impact of agricultural products in 2024 was due primarily to the reduced global market prices (\$2.6 million reduction) on the top three commodities of corn, wheat and soybeans that comprise over 80 percent of the acres in production, and reduced yields due to unfavorable weather conditions with sporadic rainfall. Economic impact for 2025 agriculture production will be available in spring 2026.

Other - The business community in Virginia Beach is composed of a diverse collection of industries, including national and international corporate headquarters, high-powered and technologically advanced manufacturers, billion-dollar defense contractors, and locally owned small businesses. In addition to tourism and agriculture, industry sectors that are pivotal to the growth of the local economy include these key business clusters:

- **Advanced Manufacturing** – Given the city's central location on the East Coast of the United States and its access to an extensive multi-modal transportation network, and the Port of Virginia offering fifty-foot channels and advanced port terminals, Virginia Beach offers a logistical

advantage to manufacturers looking to transport their goods both domestically and internationally.

- **Defense** – The greater Virginia Beach area is home to the largest active-duty military population in the United States, as well as nine major military installations representing all branches of the U.S. Armed Forces. Private industry support for the area’s defense operation plays a major role in the economy, creating thousands of jobs. Seven of the world’s top ten defense-related firms have a major presence in Virginia Beach. Based on the latest analysis by the U.S. Department of Defense, Office of Local Defense Community Cooperation report “Defense Spending by State Fiscal Year 2024,” defense contract spending totaled \$5.2 billion for Virginia Beach in FFY 2024, an increase of 66.9 percent compared with \$3.1 billion in FFY 2023.
- **Technology and Innovation** – Virginia Beach is rapidly emerging as a leader in the cybersecurity, information technology, and advanced digital communications industries. The city is a growing international digital port and global internet hub for high-speed fiber-optic subsea telecommunication cables and associated data centers, which create higher-paid technology jobs as well as attract new businesses requiring high-speed data transmission. Subsea cables serve as the major carriers of the internet and are responsible for most of the world’s digital traffic. Corporate Landing Business Park, a 325-acre, light industrial, research and Dominion Energy-certified data center park, is the city’s hub for the digital port. Three cables constructed from 2017 to 2020 are in operation (MAREA, BRUSA, and DUNANT), and two additional cable projects (SA-Ex1 South Atlantic Express, and CONFLUENCE-1) have been announced and are in various stages of planning and development. One data center has been constructed (Globalinx) along with a cable landing operated by Telxius. Globalinx Cable Landing Station will expand its station and more than double the subsea cable capacity with the addition of four subsea cables to the three existing cables resulting in the most cables operated by a single company on the East Coast (source: Virginia Beach Development Authority press release 2-7-2025).
- **Maritime & Logistics** – Given the city’s proximity to the Port of Virginia, the deepest harbor on the East Coast, the City has gained a heavy concentration of business involved in freight transportation arrangement, marine cargo handling, logistics consulting services, port and harbor operations, coastal and deep-sea freight transportation, supply chain management, and warehouse and storage.
- **Renewable Energy** – Virginia Beach and Hampton Roads are positioned to become one of the main renewable energy hubs in the nation. The City, alongside State and Regional stakeholders, has been working diligently to help support the growth and development of this new industry by attracting businesses to the local supply chain, working with existing local companies to diversify their offerings and entering the offshore wind supply chain, and partnering with educational institutions to offer workforce training. Dominion Energy’s Coastal Virginia Offshore Wind (CVOW), consists of 176 turbines constructed 27 miles directly off the City’s shores, generating enough clean, renewable energy to power up to 660,000 homes. Project construction began in 2023, was 60% complete by late July 2025, and is scheduled to be completed by the end of 2026. Once in operation, CVOW could create 1,100 direct and indirect jobs annually in Hampton Roads and generate almost \$6 million in revenues for local governments. At the end of calendar 2024, a Dominion Energy subsidiary acquired 40,000-acres of the 120,000-acre Kitty Hawk North Wind offshore wind lease from Avangrid Renewables LLC, located 36-miles from the shore of Virginia Beach. This acreage was initially included with the Kitty Hawk Wind project with estimated cost of \$8 billion to construct up to 180 wind turbine generators 27-miles off the coast of Corolla, North Carolina, and 41-miles from Rudee Inlet in Virginia Beach, which at full build-out, had the potential to yield 3.5 GW of electricity to power over 1 million homes. Under Dominion Energy

ownership, this portion of the Kitty Hawk project has been re-branded CVOW-South and if fully constructed, would connect to Dominion Energy's electrical transmission grid and could generate 800 megawatts of electricity serving 200,000 homes and businesses.

- **Office / Retail** – The Virginia Beach area is home to hundreds of corporations and national and international retailers. With Virginia Beach being a thriving hub for businesses, there has been a natural influx in companies providing different professional services across many areas like talent requisition or geotechnical services. The city has become an extremely attractive place for retailers of all stripes. The city offers a multitude of shopping experiences with its 11 retail districts. Highlighted amongst these is the ever-expanding Town Center which features nearly one million square feet of mixed-use retail space, mostly occupied by higher-end retailers.

FOCUSED ACTION PLAN

The FY 2025 financial report reflects the use of resources to achieve the City's mission as defined by City Council. The City is on a journey to ensure that its operations and efforts are strategic and focused. The City's [**FY24-25 Focused Action Plan**](#) translated vision and goals into an actionable strategy that guided the organization's focus, work, and resource alignment. The Focused Action Plan's three overarching key focus areas – Govern, Envision, Invigorate – and underlying initiatives and performance measures allowed the City to be transparent about our goals, focused in our efforts, and accountable for the results. Performance reports are submitted biannually to City Council to document progress on addressing the initiatives in the Focused Action Plan. During City Council's August 26-27, 2025 retreat, Council discussed the Focused Action Plan, setting priorities for the next 24-months to be reflected in the FY26-27 Focused Action Plan. Council approved a resolution adopting the FY26-27 Focused Action Plan on November 25, 2025.

EDUCATION

The Virginia Beach City Public Schools (VBCPS) is the largest school division in the region, fourth largest in the Commonwealth of Virginia, and 60th largest in the nation. It is one of eight divisions in the Virginia Beach – Chesapeake - Norfolk metropolitan statistical area. The March 31st average daily membership for 2024-25 school year (SY) was 64,127, which was a decrease of 0.5 percent compared with the same period in 2023-24 SY which was 64,460. Average daily membership includes K-12 and Early Childhood Special Education, Pre-Kindergarten students who use public-school facilities. VBCPS consists of 86 facilities comprised of 55 elementary schools, 14 middle schools, 11 high schools, 6 centers, and 10 specialized academies. Except for two subjects in one school, the VBCPS school division is fully accredited. The graduation rate has equaled or exceeded the Commonwealth of Virginia rate.

VBCPS continues to modernize or replace school facilities and has 14 active projects in the adopted FY 2026/FY2031 Capital Improvement Program for various capital needs including facilities-capital maintenance and replacements of roofing, heating, air conditioning and ventilation systems, and school grounds infrastructure, as well as the school payroll system, school playgrounds and tennis court renovations, and energy performance contracts. Funding appropriated-to-date is roughly \$490.1 million with total annual average funding of \$63.4 million. The next three schools identified for replacement, Princess Anne High School (originally built in 1954), Tri-Campus additions to accommodate the elimination of Bettie F. Williams Elementary School (originally built in 1961), Newtown and Diamond Springs Tri-Campus Elementary Schools will add rooms. Bettie F. Williams Elementary School and Bayside High School (originally built in 1964) can no longer accommodate the required instructional programs.

Replacements and additions are included in the FY 2026/FY2031 CIP.

With investment of more than three quarters of a billion dollars, thirty-three school facilities have been modernized or replaced in the past 25 years. Including the most recently completed schools, Virginia Beach City Public Schools will have a total of 14 facilities that are either LEED Certified or constructed to LEED certified standards, representing 2.2+ million square-feet of space or roughly 20% of School assets.

INTERNAL CONTROL AND BUDGETARY ACCOUNTING

The City's management team is responsible for establishing and maintaining an internal control structure to protect the assets of the government from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unexpended appropriations (except for the Capital Projects and Grants Funds) lapse and are closed to the proper fund balance at the end of each fiscal year. Appropriations for the subsequent fiscal year are increased in the amount necessary to satisfy the un-liquidated balance of encumbrances at year-end.

BUDGETARY PROCESS

The City Charter requires the City Manager to submit a balanced (estimated revenues equaling expenditures) Proposed Operating Budget to the City Council at least 90 days before the beginning of each fiscal year which starts July 1. The Operating Budget funds one year of operations. The six-year Capital Improvement Program (CIP) that includes the Capital Program Budget (year one) is submitted to City Council along with the Operating Budget and they are reviewed together. Each department of the City prepares its own budget request for review by the City Manager. The City Council is required to hold a public hearing on the budget, at which time all interested persons have an opportunity to comment.

The budget for Virginia Beach City Public Schools is approved by the School Board, transmitted to the City Manager for review, and then submitted to the City Council for consideration as part of the City's general Operating Budget. If the School Board determines that additional funding is needed, the School Board Chairman makes a formal written request to the City Council, and the School Board holds a public hearing on the issue. The City Council appropriates funding to the schools in a lump sum for the School Operating fund and each of the Schools' remaining funds. How this funding is spent is solely at the discretion of the School Board. School's Capital Improvement Program fund which contains all appropriations for Capital projects, is a City controlled fund which is at the discretion of City Council.

The City Council may amend the budget during the fiscal year. Per City Code section 2-187.1 supplemental appropriations which exceed 1% of the total revenue shown in the currently adopted budget require publishing of a notice of a meeting and public hearing seven days prior to the meeting date. The legally-appropriated funding level determines the spending limits for municipal operations. The City Manager establishes additional controls to assist in managing departmental operations within

the amounts and intent approved by City Council. Departments/agencies are allowed during the fiscal year to make adjustments within their appropriation limits through the transfer process. The City Manager may transfer funding in amounts in accordance with the Operating Budget Ordinance and CIP Ordinance up to a maximum of \$250,000. Transfers exceeding \$250,000 require City Council approval, except during a declared emergency. Transfers from \$25,000 to \$250,000 are reported to City Council monthly. Additional appropriations must be offset by additional estimated revenues and/or an appropriation from the proper undesignated fund balance and require a public hearing if the amount of the additional appropriation exceeds one percent of the total revenue in the approved budget.

The Operating Budget includes a portion of the funding for the CIP. General appropriations used to finance capital projects are shown both in the operating budget and in the CIP. The City Manager directs the Department of Budget and Management Services in conjunction with various City agencies that manage the CIP to develop the six-year CIP and Capital Program Budget for City Council approval. The first year of the CIP is the Capital Program Budget and is appropriated, with years two-through-six unappropriated/programmed funds. Because activities of capital projects often go beyond a fiscal year period, the accounting, encumbering, and controlling of the funds are based upon the length of project activities. City Council may amend the CIP and Capital Program Budget during the fiscal year. The same public hearing notice threshold for the Operating Budget applies to the CIP with the 1% threshold applying to year one of the CIP. The City Manager may transfer funding in amounts in accordance with the CIP Ordinance. Similarly, federal and state grants in the Grants and Grants Consolidated Funds are budgeted separately from the Operating Budget, because these revenues/appropriations do not necessarily align with the City's fiscal year.

Each lease obligation has a subject to appropriation clause which generally states that each fiscal year's lease payments are subject to appropriation by City Council. These lease appropriations are offset by an equal amount of revenue (other financing sources).

FINANCIAL MANAGEMENT POLICIES

The City employs several policies to provide the framework for sound financial management. City Council's continuing fiscal policies include maintaining existing services to the extent possible; positioning the City to withstand local and regional economic disruptions; meeting the demands of natural growth, decline and change; ensuring that citizens understand and support the need for fiscal sustainability and the policies through which it is achieved; maintaining a diverse tax base; maintaining and monitoring existing debt policies; and providing for special services and projects through special dedicated revenue generation (e.g. Tourism Investment Program and the Tourism Advertising Program Special Revenue Funds). City Council's policies provide overall direction and guidance for resource management. In addition, these policies resulted in the high level of financial strength that led to and continue to support the City's credit rating on its General Obligation Bond debt of Triple-A by S&P Global Ratings (S&P), Moody's Investors Service (Moody's), and Fitch Ratings Inc. (Fitch).

Several of the City's financial management policies govern how the operating budget is prepared and managed. For example, the budget will be balanced on a current year revenue to expenditure basis; unencumbered budget appropriations (except for those for capital projects and grants) will lapse and are closed to the proper fund balance at the end of the fiscal year; the appropriations ordinance will set the legal level of budgetary control; and the City will set fees and user charges for each self-supporting enterprise fund at a level that fully supports costs. Regarding fund balance policies, the unassigned fund balance or net position of any fund shall not be used to finance continuing expenditures. Additionally,

the City shall maintain an unassigned fund balance in the General Fund of 8%-to-12% of the following year’s budgeted revenues, equating to approximately one month of operating expenses.

The City further maintains policies that specify what projects may qualify as capital projects. In general, the project must be a major expenditure of over \$250,000 that is ongoing in nature or requires multi-year funding. There are specific criteria used to determine whether a project will be funded by bond referendum or by Charter Bonds, or subject-to-appropriation financing. The City issues bonds for capital improvements with a cost in excess of \$250,000, or which cannot be financed from current revenues. Debt management policies are presented in the following section.

DEBT MANAGEMENT POLICIES

In 1992, the City developed a series of Debt Management Policies to provide a functional tool for debt management and capital planning. Periodically, these policies have been revised. The most recent amendments occurred in 2023 whereby City Council adopted a resolution to amend the City’s financial policies to reflect the most current credit rating criteria and best practices set by three major credit rating agencies. The policies reiterate the City’s commitment to rapid principal retirement, maintaining sufficient working capital to avoid the use of short-term borrowing for operating purposes, and the use of self-supporting or revenue-supported debt as appropriate. As shown in the following table, all debt affordability indicators were within the established guidelines for FY 2025.

Ratio Description	Established Guidelines	As of June 30, 2025
Ratio of General Government Debt Service to General Government Expenditures ¹ .	No greater than 10%	6.7%
Ratio of General Government Debt to Assessed Value of Real Property ² .	No greater than 3.0%	1.3%
Ratio of Fixed Costs to General Government Expenditures ³ .	No greater than 20%	15.7%
Ten-Year Payout Ratio of Tax-Supported Debt ³ .	Greater than 50%	70.0%
<div><div>1.</div>Last modified in 2006.</div> <div><div>2.</div>Amended in FY 2023 from 3.5%.</div> <div><div>3.</div>Debt indicators added in FY 2023 replacing two obsolete indicators.</div>		

In 2025, for the sixteenth consecutive year, three major rating agencies, Fitch Ratings, Moody’s Investors Service, and S&P Global Ratings, affirmed the City’s triple-A ratings with stable outlooks on its outstanding General Obligation Bonds. Ratings for outstanding Public Facility Revenue Bonds (appropriations supported) were generally one notch below the General Obligation rating; the ratings were affirmed in 2024 with stable outlooks at AA+ by Fitch Ratings and S&P Global Ratings and Aa1 by Moody’s Investor Services. Water and Sewer System Revenue Bonds were last rated in September/October 2020 at AAA by Fitch Ratings and S&P Global Ratings and Aa1 by Moody’s Investors Service with stable outlooks. Storm Water Utility Revenue Bonds were last rated for the 2025 Storm Water Utility Revenue Bonds and the outstanding Storm Water Utility Revenue Bonds in April 2025 by Fitch Ratings and Moody’s Investors Service at AAA and Aa1, respectively, with stable outlooks. In its

annual ratings surveillance review, in May 2025, Fitch Ratings last affirmed its AAA ratings with stable outlook for Virginia Beach's outstanding Water and Sewer System Revenue Bonds.

LONG TERM FINANCIAL PLANNING

Annually, the City and Schools jointly prepare a five-year financial forecast of revenues and expenditures for the City's General Fund and Schools Operating Fund, which serves as a planning tool for the annual operating budget. This forecast establishes a framework for use in decision making by highlighting significant issues that must be addressed to maintain a structurally balanced budget. It assists the City in understanding the fiscal challenges ahead and the need to establish priorities. This forecast identifies key factors that affect the City's fiscal outlook such as changes in major revenue streams and costs.

The City has established several General Fund reserves of fund balance including a general-purpose reserve, which holds funds to protect the City from unforeseen increases in expenditures or reductions in revenues, or other extraordinary events which could adversely impact the fiscal health of the City. Specific purpose reserves are created as needed to meet identified future obligations and to fund capital projects.

The City's six-year Capital Improvement Plan is reviewed and revised annually to reflect changing conditions affecting existing projects and changing City Council priorities. This review identifies needed capital projects, estimates capital requirements, develops project financing and timing, and estimates operational expenses of projects subsequent to completion.

REPORT CONTENTS

The ACFR consists of three sections: Introductory, Financial, and Statistical. GAAP requires that management provide a narrative explanation of the financial statements and other statistical data, which will enhance readers' understanding of the City's financial condition, changes in financial condition and results of operation in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The City of Virginia Beach's MD&A can be found immediately following the report of the independent auditor. Beginning with the ACFR for Fiscal Year ended June 30, 2025, the Continuing Disclosure section has been removed from the ACFR and will be submitted as a separate report to Municipal Securities Rulemaking Board Electronic Municipal Market Access system within 180 days after the end of the City's fiscal year. This report provides certain annual financial information and operating data as required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

CERTIFICATE OF ACHIEVEMENT AND AWARDS

For the 46th consecutive year the City of Virginia Beach was awarded the prestigious Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its ACFR for the fiscal year ended June 30, 2024. The Certificate signifies that the City Annual Report meets the highest standards of governmental financial reporting. To be awarded a Certificate of Achievement for Excellence in Financial Reporting, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City believes its FY 2025 ACFR continues to meet the Certificate of

Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

In addition, the City received GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR Award) for its PAFR for fiscal year ended June 30, 2024, for a 7th consecutive time. The City will submit the FY 2025 PAFR to the GFOA for consideration.

The GFOA also presented a Distinguished Budget Presentation Award to the City of Virginia Beach for its annual budget for the fiscal year beginning July 1, 2025 (FY 2026). This reflects the 39th time the City has achieved this prestigious award over many years. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device. Budget documents must be rated "proficient" in all four categories, and in the fourteen mandatory criteria within those categories, to receive the award. The award is valid for a period of one year only.

ACKNOWLEDGMENTS

Ensuring that our City's financial reporting is accurate, transparent, and reliable is an essential foundation for trust in local government. This report relies on the hard work of all the accounting and financial professionals in every City department. We are most appreciative of these efforts and take this opportunity to recognize these outstanding public servants. They maintain the accounting records of the City on a current and timely basis and deserve special consideration.

City Council provides meaningful oversight of the financial affairs and policies of the City. Their support results in a strong financial position for the City and they are to also be commended.

Respectfully submitted,



Patrick A. Duhaney
City Manager



Wendy Hu
Interim Director of Finance



Government Finance Officers Association

Certificate of
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Presented to

City of Virginia Beach

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION

Report of Independent Auditor

The Honorable Members of the City Council
City of Virginia Beach, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Virginia Beach, Virginia (the “City”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Virginia Beach Community Development Corporation, which represent 3.0%, 6.2%, and 0.7%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units, as of June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Virginia Beach Development Corporation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia (the “Specifications”). 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 the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe 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 the City’s ability to continue as a going concern for twelve 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 opinion. 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 generally accepted auditing standards and *Government Auditing Standards* and the Specifications 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 generally accepted auditing standards and *Government Auditing Standards* and the Specifications, 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 the City'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 the City'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 the Required Supplemental Information Other Than Management's Discussion and Analysis, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Combining Schedules Nonmajor Governmental Funds, General Fund Budget to Actual, Combining Schedules and Individual Funds, Debt Service Fund, Capital Projects, Enterprise Funds, Internal Service Funds, Custodial Funds, Discretely Presented School Board Component Unit, and Other Component Units statements and schedules (collectively the "supplementary information"), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the accompanying supplementary information, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections and Continuing Disclosure Schedules, 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 December 4, 2025, on our consideration of the City'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 solely 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 City'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 the City's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Virginia Beach, Virginia
December 4, 2025



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**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Virginia Beach (City) provides this narrative overview and analysis of the City's financial performance during the fiscal year that ended June 30, 2025. Readers are encouraged to consider the information presented here in conjunction with the transmittal letter at the front of this report and the City's financial statements which follow this section.

FINANCIAL HIGHLIGHTS

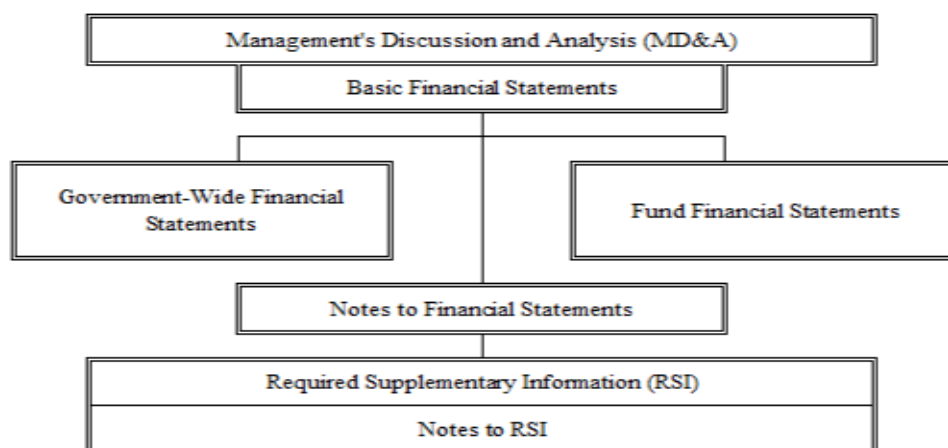
- At the end of the fiscal year 2025, the total net position of the City on a government-wide basis, excluding component units, was \$4.7 billion. Of this amount, the unrestricted net position totals \$524.7 million. Total net position increased by \$199.0 million from the prior fiscal year end's net position.
 - The total net position for governmental activities was \$3.1 billion, an increase of \$110.7 million over the prior year's net position.
 - The business-type activities net position was \$1.6 billion, an increase of \$88.3 million over the prior year's net position.
- As of the close of fiscal year 2025 the City's governmental funds reported combined ending fund balances of \$918.3 million, a decrease of \$84.7 million from the prior year.
 - \$16.8 million, or 1.8 percent, is considered nonspendable (inventories and loans receivable)
 - \$157.3 million, or 17.1 percent, is restricted by outside agencies
 - \$292.5 million, or 31.9 percent, is committed for the capital improvement program, education and outside agencies
 - \$278.0 million, or 30.3 percent, is assigned for specific purposes as identified by the City
 - \$173.6 million, or 18.9 percent, is unassigned in the General Fund and is available for spending at the City's discretion
- During the fiscal year, the City issued \$77.4 million of new money in Storm Water Utility Revenue Bonds.
- For the sixteenth consecutive year, three major rating agencies, S&P Global Ratings, Moody's Investors Service and Fitch Ratings, affirmed the City's triple-A ratings on its outstanding bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial section of the Annual Comprehensive Financial Report (ACFR) consists of four sections: (1) management's discussion and analysis (presented here), (2) basic financial statements, (3) required supplementary information, and (4) other supplementary information.

The City's basic financial statements comprise three components: *government-wide financial statements*, *fund financial statements*, and *notes to the basic financial statements*. The government-wide financial statements provide both long-term and short-term information about the City's overall financial status. The fund financial statements focus on the individual parts of the City government, reporting the operations of the City in more detail than the government-wide statements. Both perspectives (government-wide and individual fund) allow the reader to address relevant questions, broaden the basis for comparison (year-to-year or government to government), and enhance the City's accountability. The *notes to the basic financial statements* explain some of the information in the financial statements and provide more detailed data. This section is followed by the *required supplementary information* that further explains and supports the information in the financial statements.

Figure 1: Components of the Financial Section



Government-Wide Financial Statements

The government-wide financial statements report information about the City as a whole, using accounting methods similar to those used by private sector companies. The two government-wide statements, Statement of Net Position and Statement of Activities, report the City's net position and how it has changed. The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources compared to liabilities and deferred inflows of resources, with the difference between them reported as net position. The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. It accounts for all of the current year's revenues and expenses, regardless of when cash is received or paid.

Over time, increases or decreases in the City's net position are indicators of whether its financial health is improving or deteriorating. To assess the overall health of the City, one needs to consider other non-financial factors such as changes in the City's property tax base and condition of the City's infrastructure.

The government-wide financial statements of the City are divided into three categories:

Governmental Activities - Most of the City's basic services are included here, such as police, fire and other public safety services, parks and recreation, public works, and general administration. Property and sales taxes, charges for services, and state and federal grants finance most of these activities.

Business-type Activities - The City's water and sewer, storm water, waste management, certain economic development functions (blended component unit Virginia Beach Development Authority (VBDA)), and parking operations are reported here. Fees charged to customers help cover the costs of providing these services.

Component units - The City includes four other entities in its report - the City of Virginia Beach School Board (Schools), the Development Authority, the Atlantic Park Community Development Authority (CDA), and the Community Development Corporation (CDC). Although legally separate, these "component units" are important because the City is financially accountable for them, providing operating and capital funding. The VBDA is presented as a blended component unit and included in the City's reporting entity. The Schools, CDA and CDC are discretely presented component units with the Schools reported in a separate column of the entity-wide statements and the CDA and CDC combined and reported in the "Other" column of the entity-wide statements. The CDA and CDC component units are presented individually in the fund financial statements.

Fund Financial Statements

The fund financial statements provide detailed information about the City's most significant funds and will be more familiar to traditional readers of government financial statements. The fund financial statements focus on major funds rather than fund types.

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, such as general statutes or the City's budget ordinances. The City's funds are divided into the following categories:

Governmental funds - Most of the City's basic services are included in governmental funds, which focus on (1) how readily *cash and other financial assets* can be converted to cash flow in and out and (2) year-end balances that are available for spending. Consequently, the governmental funds statements provide a short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statements that explain the relationship (or differences) between them. Governmental funds include the General Fund, Debt Service Fund, Capital Projects Fund, and special revenue funds (such as Parks and Recreation and the Tourism Investment Program).

Proprietary funds - Services for which the City charges customers a fee are generally reported in proprietary funds. These funds, like the government-wide statements, provide both long-term and short-term financial information. The City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but the fund financial statements provide more detail and additional information, such as cash flows. The City utilizes enterprise funds to account for its water and sewer, storm water, waste management, certain economic development functions, and parking operations. The VBDA is presented as a blended component unit and its proprietary fund is included in the City's reporting entity as a major enterprise fund. The City uses internal service funds (the other type of proprietary fund) to report activities that provide supplies and services for the City's other programs and activities. The City's internal service funds are used for providing city garage and fuel services, risk management, school site landscaping, and technology services.

Fiduciary funds - Used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and other governmental units. The City's Fiduciary funds are divided into two separate fund types: the Other Postemployment Benefits Trust Fund and the Custodial Funds (Special Welfare, Sheriff's Inmate Fund and Escheat Funds). Fiduciary funds are reported using the full accrual basis of accounting and the economic resources measurement focus. These fiduciary activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE CITY AS WHOLE

Net Position

The *Statement of Net Position* serves as a useful indicator of a government's financial position. At the end of the fiscal year, the City's total net position was \$4.7 billion. This amount represents an increase of \$199.0 million, or 4.4 percent, over the prior year's net position (Table 1). The net position for governmental activities increased by \$110.7 million and the business-type activities net position increased by \$88.3 million.

The City's total assets were \$7.1 billion. This amount includes \$5.3 billion of capital assets, net of accumulated depreciation, which include roads, bridges, parks, utilities (water, sewer and storm water) infrastructure, land, other long-lived assets, and capital improvement projects in the construction in progress phase. Under the "tenancy in common" with the School Board, the City has included \$284.3 million of net book value of School Board property equal to the total outstanding principal balance of the "on behalf" debt at June 30, 2025.

The largest component of the City's net position (\$3.8 billion or 81.0 percent) is the investment in capital assets (e.g., land, buildings, machinery, and equipment), net of any outstanding related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Net investment in capital assets for business-type activities represents, for the most part, the capital assets of the water, sewer, and storm water utilities.

At June 30, 2025, the City reported \$524.7 million in the unrestricted category of its net position. This is \$186.1 million less than last year's unrestricted net position of \$710.8 million due to increases in net investment capital assets. The unrestricted category includes fund balances of the general fund, capital projects, and special revenue funds that have been committed or assigned at the fund level.

Table 1
Statement of Net Position
(in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 1,195.4	\$ 1,314.0	\$ 574.1	\$ 555.3	\$ 1,769.5	\$ 1,869.3
Capital Assets	3,702.6	3,605.5	1,611.0	1,491.4	5,313.6	5,096.9
Total Assets	<u>4,898.0</u>	<u>4,919.5</u>	<u>2,185.1</u>	<u>2,046.7</u>	<u>7,083.1</u>	<u>6,966.2</u>
Deferred Outflows of Resources	186.0	173.2	15.3	14.4	201.3	187.6
Long-Term Debt Outstanding	1,735.2	1,832.9	565.7	514.2	2,300.9	2,347.1
Other Liabilities	107.2	136.2	41.2	41.1	148.4	177.3
Total Liabilities	<u>1,842.4</u>	<u>1,969.1</u>	<u>606.9</u>	<u>555.3</u>	<u>2,449.3</u>	<u>2,524.4</u>
Deferred Inflows of Resources	109.0	101.7	33.9	34.6	142.9	136.3
Net Position						
Net Investment in Capital Assets	2,649.3	2,510.2	1,153.5	1,014.4	3,802.8	3,524.6
Restricted	174.7	78.0	189.9	179.9	364.6	257.9
Unrestricted	308.6	433.8	216.1	277.0	524.7	710.8
Total Net Position	<u>\$ 3,132.6</u>	<u>\$ 3,021.9</u>	<u>\$ 1,559.6</u>	<u>\$ 1,471.3</u>	<u>\$ 4,692.2</u>	<u>\$ 4,493.2</u>

Changes in Net Position (Statement of Activities)

The following table shows the revenues and expenses of the governmental and business-type activities.

Table 2
Changes in Net Position
(in Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	\$ 99.6	\$ 148.9	\$ 247.5	\$ 231.9	\$ 347.1	\$ 380.8
Operating Grants & Contributions	321.6	269.4	0.4	0.1	322.0	269.5
Capital Grants & Contributions	23.4	7.7	18.3	37.2	41.7	44.9
General Revenues:						
Property Taxes	936.9	896.5	-	-	936.9	896.5
Other Taxes	395.9	385.3	-	-	395.9	385.3
Other	107.8	96.1	17.1	20.0	124.9	116.1
Total Revenues	<u>1,885.1</u>	<u>1,803.9</u>	<u>283.3</u>	<u>289.2</u>	<u>2,168.4</u>	<u>2,093.1</u>
Expenses:						
Legislative	1.6	1.5	-	-	1.6	1.5
Executive	9.4	5.6	-	-	9.4	5.6
Law	6.3	5.9	-	-	6.3	5.9
Finance	29.0	24.9	-	-	29.0	24.9
Human Resources	9.3	7.4	-	-	9.3	7.4
Judicial	91.3	88.1	-	-	91.3	88.1
Health	4.4	4.2	-	-	4.4	4.2
Police	137.9	129.7	-	-	137.9	129.7
Human Services	152.1	144.2	-	-	152.1	144.2
Public Works	199.1	194.1	-	-	199.1	194.1
Parks & Recreation	68.3	64.1	-	-	68.3	64.1
Library	22.2	21.1	-	-	22.2	21.1
Planning	3.7	0.5	-	-	3.7	0.5
Agriculture	6.1	3.8	-	-	6.1	3.8
Economic Development	15.3	17.2	-	-	15.3	17.2
Convention & Visitor Bureau	43.9	47.6	-	-	43.9	47.6
Cultural Affairs	1.9	2.1	-	-	1.9	2.1
Information Technology	53.2	53.9	-	-	53.2	53.9
Emergency Communication & Citizen Services	13.1	11.7	-	-	13.1	11.7
Fire	94.7	85.0	-	-	94.7	85.0
Budget and Management Services	1.6	1.3	-	-	1.6	1.3
Education	465.3	472.0	-	-	465.3	472.0
Housing & Neighborhood Preservation	48.6	43.4	-	-	48.6	43.4
Museums	15.0	14.3	-	-	15.0	14.3
Emergency Medical Services	28.4	24.3	-	-	28.4	24.3
General Government	175.2	182.5	-	-	175.2	182.5
Water & Sewer	-	-	145.3	147.8	145.3	147.8
Storm Water	-	-	34.4	37.6	34.4	37.6
Development Authority	-	-	24.4	23.2	24.4	23.2
Waste Management	-	-	46.5	44.0	46.5	44.0
Parking	-	-	5.5	6.6	5.5	6.6
Interest on Long-Term Debt	16.7	11.1	-	-	16.7	11.1
Total Expenses	<u>1,713.2</u>	<u>1,661.3</u>	<u>256.2</u>	<u>259.2</u>	<u>1,969.4</u>	<u>1,920.5</u>
Excess Before Transfers	171.9	142.6	27.1	30.0	199.0	172.6
Transfers	(61.2)	(11.3)	61.2	11.3	-	-
Change in Net Position	110.7	131.3	88.3	41.3	199.0	172.6
Net Position – Beginning	3,021.9	2,890.6	1,471.3	1,430.0	4,493.2	4,320.6
Net Position – Ending	<u>\$ 3,132.6</u>	<u>\$ 3,021.9</u>	<u>\$ 1,559.6</u>	<u>\$ 1,471.3</u>	<u>\$ 4,692.2</u>	<u>\$ 4,493.2</u>

Revenues

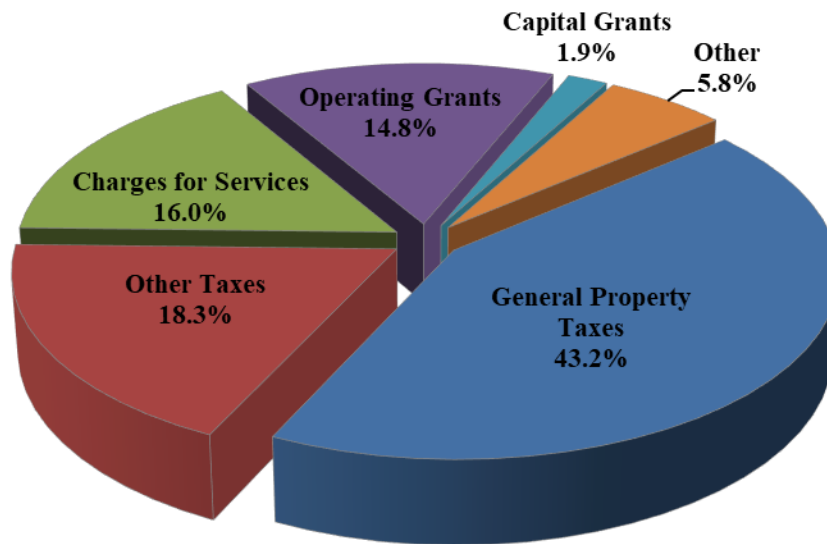
The City's total revenues were \$2.2 billion, an increase of \$75.3 million over the revenues from prior year primarily due to increases in property tax and other taxes. These revenues consist of program and general revenues. Program revenues are derived from the program itself and reduce the reliance on the City's general revenues; these include charges for services, operating and capital grants and contributions. General revenues are all other revenues and include property and other taxes, and interest earnings.

For *Governmental Activities*, program revenues totaled \$444.6 million, compared to \$426.0 million from the prior year. There was an increase in revenues for Public Works (\$17.7 million), General Government (\$11.2 million), and Housing and Neighborhood Preservation (\$7.7 million).

General revenues totaled \$1.4 billion. This represents an increase of \$62.9 million over the prior year with \$33.1 million representing an increase in real estate property tax revenue. Personal property tax revenue increased \$9.2 million, revenue from business licenses increased \$6.1 million, meal tax revenue increased \$4.9 million and earnings on investments increased \$11.7 million.

Business-type Activities generated program and general revenues of \$283.3 million, primarily from charges for services which were \$247.5 million and capital grants and contributions which were \$18.3 million. Operating grants and contributions totaled \$0.4 million and general revenues totaled \$17.1 million.

Figure 1: Revenues by Source - Primary Government as of June 30, 2025



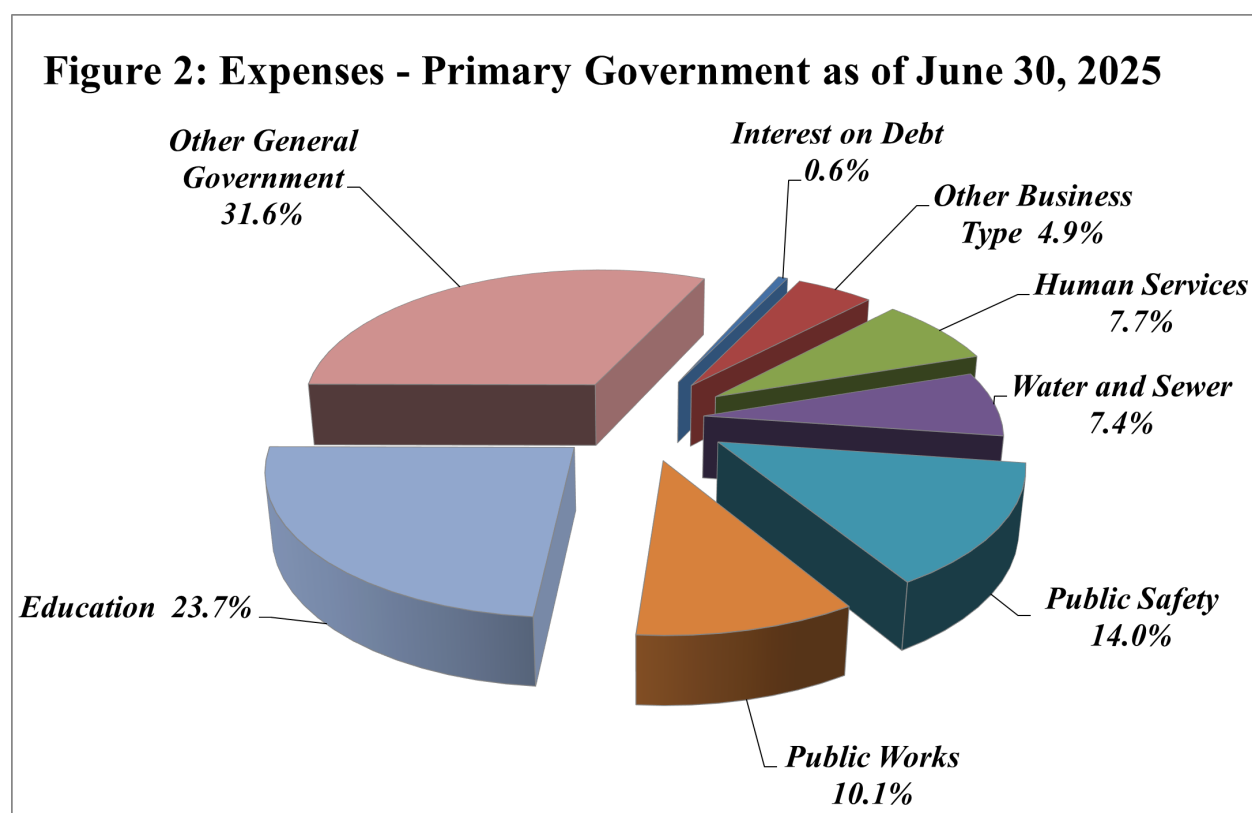
Expenses

The City's total cost of all programs and services was \$2.0 billion, a \$48.9 million increase over expenses from the prior year. Figure 2 shows the breakdown of major expenses by function.

Expenses (before transfers) for *Governmental Activities* totaled \$1.7 billion, an increase of \$51.9 million over the prior year. The increase in current year expenses are due mainly to public safety and economic development expenditures in the General Fund.

Education continues to be one of the City's highest priorities and commitments. The City's funding for education totaled \$465.3 million (net of the adjustment to account for the tenancy-in-common legislation). This amount represents a decrease of \$6.7 million from prior year due to no new debt issued in fiscal year 2025.

Expenses for the *Business-type Activities* include those related to water, sewer, storm water, and waste management utility services as well as parking operations and certain economic development functions (blended component unit). For the current fiscal year these totaled \$256.2 million, a \$3.0 million decrease from prior year.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the total fund balance for the City's governmental funds was \$918.3 million, compared to \$1,003.0 million in the prior fiscal year, a decrease of \$84.7 million. The decrease is primarily due to a decreases in net transfers of \$43.0 million and in the issuance of capitalized leases of \$6.2 million.

At the end of the fiscal year, the classification of total governmental fund balances was as follows:

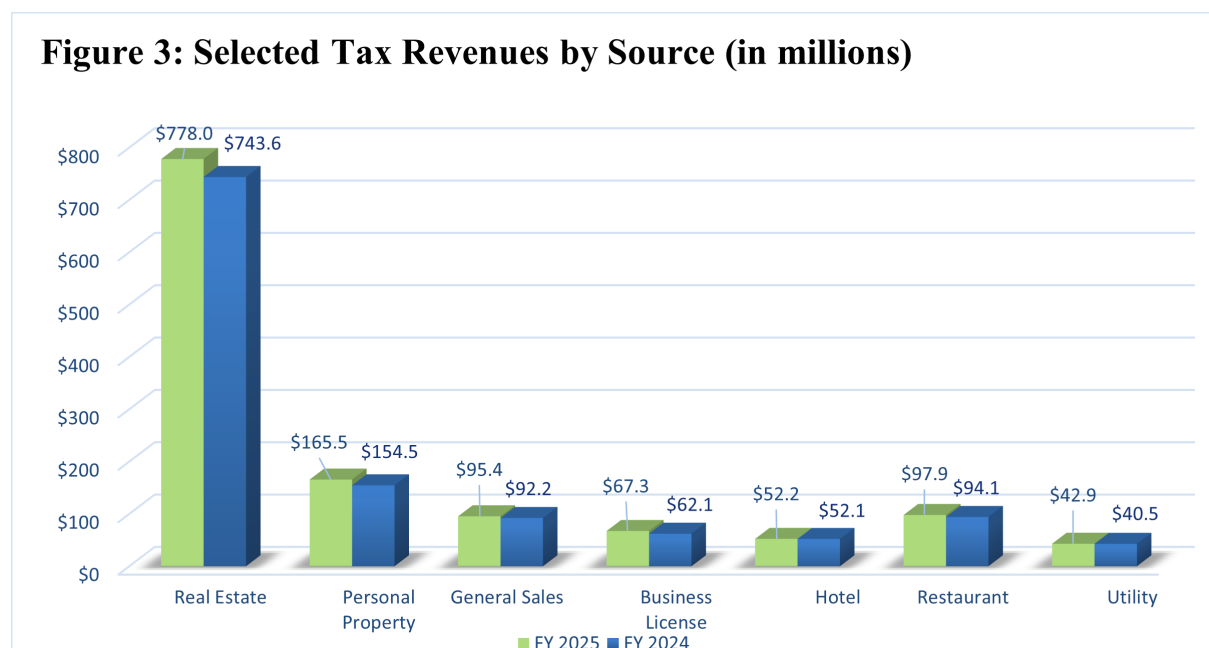
- \$16.8 million is nonspendable which consists of loans and inventories in the General Fund.
- \$157.3 million is restricted, which can be spent only for the specific purposes stipulated by external providers, such as grantors or restricted through legislation. In the General Fund, this amount is for community services programs and totals \$8.7 million. Non-major governmental funds consisted mainly of debt service costs of \$29.6 million and other federal and state grants funds \$41.5 million.
- \$292.5 million is committed, which can only be used for the specific purposes imposed by the formal action of City Council. In the General Fund committed balance of \$24.4 million is for education. The non-major governmental funds committed fund balance for various activities is \$2.0 million. Included in the committed fund balance is \$269.2 million for the capital improvement programs consisting of Engineering and Highways (\$37.3 million), Buildings (\$27.1 million), Parks & Recreation (\$18.7 million), Flood Protection (\$80.0 million), Communications and Technology (\$13.9 million), Coastal (\$14.6 million) and Economic and Tourism (\$74.3 million).
- \$278.0 million is assigned, which applies to amounts that are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. For example, this amount includes \$36.5 million for fiscal year 2026's capital program and \$45.6 million for education, which includes unspent funding by the Schools reverted to the City.
- \$173.6 million is unassigned, which is the residual classification for the General Fund and special revenue funds includes all spendable amounts not contained in the other classifications. The unassigned balance for the General Fund is \$178.4 million and is 11.5 percent of fiscal year 2026 budgeted revenues which is within the City's fund balance policy of 8 percent to 12 percent of the next fiscal year's budgeted revenues.

Items to be noted include:

- Real estate taxes of \$778.0 million increased by \$34.4 million from prior year. This is mainly due to an increase of 7.37 percent in real estate assessed values. Real estate revenues are the City's single largest revenue source and comprised 41.2 percent of total revenues received for the year. The real estate tax rate decreased to \$.97 for fiscal year 2025.
- Revenues recorded for personal property taxes of \$165.5 million were higher than prior year by \$11.0 million. There was an increase of 9.2 percent in personal property tax collections due to a 2.9 percent rise in the net tax levy and a higher collection percentage. The City continues to receive PPTRA (personal property tax relief program) reimbursements from the State of \$53.4 million, which are reported as state revenues.

- Other Taxes revenue category, which includes taxes on general sales, utility purchases, cigarettes, hotel rooms, restaurant meal, amusement, business licenses, deeds, wills, and automobile licenses totaled \$395.9 million. This represents a \$14.0 million increase over the previous year. Noted increases were in general sales (\$3.2 million), meal taxes (\$3.8 million) and business licenses (\$5.2 million).
- Revenues from federal and state funding of \$396.4 million were higher than prior year by \$36.4 million. This is primarily due to increases in funding for capital projects for roadways (\$17.3 million), increased federal funds from the American Rescue Plan (\$15.0 million), and additional federal funding from the Department of Emergency Management (\$2.4 million) for Public Assistance Disaster grants .
- Revenues received in the capital projects fund from the federal and state governments were \$21.4 million and \$6.7 million, respectively, which were mostly in support of transportation projects. The capital projects fund received cash funding in the form of transfers totaling \$96.8 million from the General Fund and other special revenue funds.

Figure 3: Selected Tax Revenues by Source (in millions)



Proprietary funds

The City's proprietary fund statements offer short and long-term financial information about the activities that the government operates as a business, such as the water and sewer system, storm water, waste management, parking, and development authority funds. These statements provide the same type of information found in the government-wide financial statements, but in more detail. The ending net position for the proprietary funds totals \$1.6 billion.

Notable items are as follows:

- The Water and Sewer fund's net position increased by \$19.6 million continues to reflect strong financial management and the continuing acquisition and construction of capital assets to help address continued compliance with federal consent order on sanitary sewer overflows. Water and Sewer service charges were \$146.1 million, an increase of \$8.6 million due to an increase in fees from \$5.74 to \$6.23 per thousand gallons.
- The net position for the Storm Water fund increased by \$56.9 million, which provides funding to continue addressing backlogs in the areas of flood control and water quality over the next several years. Total operating revenues of \$46.8 million were comparable to the prior year. Total operating expenses were \$30.5 million, a

decrease of \$3.7 million from the prior year primarily due to decreases in capital project expenditures of \$3.1 million. The equivalent residential unit fee of .493 cents per day remains in effect.

- The net position for the Waste Management fund increased by \$0.4 million due to increased charges for services of \$4.7 million. The Waste Management fund accounts for the annual operating expenses of waste management functions, including recycling activities, waste collection, and disposal at the landfill. Fiscal year 2025 included a \$3.05 fee increase to support the increased cost of recycling.
- The net position for the Development Authority, which is the City's blended component unit, increased by \$10.8 million due to increases in capital contributions.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended budget appropriations, which include expenditures and transfers out, were more than the original budget amounts by \$123.6 million, or 8.2 percent. This increase is primarily due to the carryover of prior-year commitments, one-time funding for capital projects, and increased expenditures in public safety and community services. The final amended budgeted revenues and transfers were more than the original budget by \$10.9 million or 0.7 percent, primarily due to increased funding from the Commonwealth for human services, public assistance grants, and maintenance of roads.

Actual revenues were \$40.4 million, or 2.7 percent, more than the final budget amounts and actual expenditures were \$148.1 million, or 9.1 percent, less than the final budget amounts. Highlights of the comparison of final budget to actual figures for the fiscal year ended June 30, 2025, include the following:

- Tax revenues exceeded budgeted amounts by \$15.8 million. The increase is a combination of increases in Personal Property Taxes (\$12.2 million), Sales Tax (\$2.1 million), Business Licenses Taxes (\$4.7 million) and other Taxes and decreases in Real Estate Taxes (\$2.5 million), and Cigarette Taxes (\$1.3 million).
- Revenues from interest on bank deposits exceeded budget by \$19.9 million.
- Intergovernmental revenue was \$5.9 million more than budgeted amounts primarily because of increases in different kinds of federal aid and subsidies.
- Public safety expenditures were \$5.2 million, or 2.0 percent, less than budgeted amounts because of managing position vacancies and encumbrances carried forward to the next fiscal year.
- Health and welfare expenditures were \$15.0 million, or 9.0 percent, less than budgeted amounts due to managing position vacancies, lower than anticipated costs in mental health and child and development service programs, and encumbrances carried forward to the next fiscal year.
- Debt service expenditures were \$10.5 million, or 14.0 percent, less than budgeted amounts due to savings associated with lower than anticipated bond interest expenses.
- Nondepartmental and general government expenditures were \$41.0 million, or 43.6 percent, less than budgeted amounts due to not requiring the use of contingencies and encumbrances carried forward to the next fiscal year.
- Transfers to Schools were \$38.1 million, or 7.6 percent, less than budgeted amounts due to savings from position vacancies.

For detailed information on the budgetary changes from the original to final budget and actual amounts to final budget see Exhibits 12 and 13.

CAPITAL ASSETS

The City's investment in capital assets for governmental and business-type activities as of June 30, 2025, totaled \$5.3 billion (net of accumulated depreciation). This investment in capital assets includes land, buildings, roads, bridges, park facilities, water and sewer lines and drainage systems. The total increase in the City's investment in capital assets for fiscal year 2025 was \$216.8 million, or 4.3 percent.

Table 3
Capital Assets
(In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Non-Depreciable Assets:						
Land	\$ 1,063.1	\$ 1,058.5	\$ 202.3	\$ 201.4	\$ 1,265.4	\$ 1,259.9
Agriculture Reserve Program	47.3	45.1	-	-	47.3	45.1
Construction in Progress	347.5	363.7	135.7	198.5	483.2	562.2
Other Capital Assets:						
Land - Leases	0.3	0.3	3.0	3.0	3.4	3.3
Infrastructure	2,568.6	2,501.6	-	-	2,568.6	2,501.6
Buildings	1,408.7	1,388.6	261.4	163.1	1,670.1	1,551.7
Buildings - Leases	57.0	61.4	1.1	3.2	58.1	64.6
Machinery and Equipment	463.1	400.7	93.6	89.2	556.7	489.9
Subscription - Asset	26.4	7.3	6.3	0.8	32.7	8.1
Utility System	-	-	1,837.7	1,720.5	1,837.7	1,720.5
Site Improvements	463.9	383.0	1.2	1.2	465.1	384.2
Less: Accumulated Depreciation	(2,743.3)	(2,604.7)	(931.3)	(889.5)	(3,674.6)	(3,494.2)
Totals	<u>\$ 3,702.6</u>	<u>\$ 3,605.5</u>	<u>\$ 1,611.0</u>	<u>\$ 1,491.4</u>	<u>\$ 5,313.7</u>	<u>\$ 5,096.9</u>

Major capital asset events during fiscal year 2025 included the following:

- Roadway Projects - a total of \$65.3 million spent on various roadways projects that included: Elbow Road Extended B & C (\$17.3 million), Laskin Road and Laskin Road Bridge Replacement (\$14.3 million), Sandbridge Road (\$4.3 million), and Shore Drive Corridor (\$4.4 million).
- Building Projects - a total of \$78.8 million on various building construction and acquisition projects that included: Operation Facilities Renovations (\$17.8 million) and the acquisition of a new voter registrar facility (\$14.5 million).
- Flood Protection Program Projects - a total of \$36.1 million on various flood protection projects that included: Windsor Woods Pump Stations (\$4.0 million), Bow Creek Stormwater Parks (\$11.3 million), and London Bridge Pump Station (\$8.7 million).
- Economic and Tourism Projects - a total of \$76.2 million on various economic and tourism related projects that included: Atlantic Park Entertainment Venue (\$26.8 million), Atlantic Avenue Street Improvements (\$4.1 million), Innovation Park Infrastructure Improvements (\$6.2 million), Atlantic Park Infrastructure (\$9.4 million) and Sports Tourism Facilities and Infrastructure (\$9.6 million).
- Water and Sewer Projects - a total of \$65.1 million on various water and sewer projects that included: Great Neck Water Tank Replacement (\$5.4 million), Pembroke Meadows Neighborhood Water Rehabilitation (\$4.6 million), Green Garden Water System Improvements (\$5.2 million), Royal Palm Arch Water and Sewer System Rehabilitation (\$9.6 million), and Sanitary Sewer Rehabilitation and Revitalization (\$14.0 million).
- Storm Water Projects - a total of \$53.0 million on various storm water related projects that included: Windsor Woods Drainage and Tide Gate (\$10.3 million), Storm Water Infrastructure Improvements (\$4.5 million) and Enhanced Neighborhood Dredging (\$12.0 million).

For detailed information on the City's capital asset activity, refer to Note 5 to the financial statements - Capital Assets and Land Held for Resale.

LONG TERM LIABILITIES

At the end of fiscal year 2025, the City had \$1.4 billion in bonds and notes outstanding and \$867.9 million in other liabilities for a total of \$2.3 billion (Table 4).

The state constitution limits the amount of general obligation debt a governmental entity may issue to 10 percent of the total assessed value of real property. At the end of the fiscal year, the City's assessed value of real property was \$83.6 billion, which makes the City's debt less than the current debt limitation of \$8.4 billion.

- During the fiscal year, the City issued \$77.4 million of new money in Storm Water Utility Revenue Bonds.

For the fifteenth consecutive year, three major rating agencies, S&P Global Ratings, Moody's Investors Service and Fitch Ratings, affirmed the City's Triple-A ratings on its General Obligation bonds. Ratings for outstanding Public Facility Revenue Bonds (appropriation supported) are generally one notch below the General Obligation rating; the ratings were affirmed in 2024 with stable outlooks at Aa+ by Fitch Ratings and S&P Global Ratings and Aa1 and Aa2 by Moody's Investors Service.

Water and Sewer System Revenue Bonds existing AAA ratings were affirmed in September/October 2020 by Fitch Ratings and S&P Global Ratings. In 2025, the City's has \$163.0 million in outstanding bonds. Storm Water Utility Revenue Bonds existing AAA rating was affirmed by Fitch Ratings and Aa1 by Moody's Investors Service in 2025 on the City's \$198.2 million in outstanding bonds.

Estimated claims and judgments reflect estimated unpaid losses and ALAE (allocated loss adjustment expenses) as of the end of the year. The projected liability by line of business consists of 76.3 percent for workers' compensation, 11.8 percent for general liability, and 11.9 percent for automobile liability. Landfill closure and post-closure care liability of \$22.1 decreased \$(0.5) million during the current fiscal year.

Table 4
Long Term Liabilities
(in Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
General Obligation Bond	\$ 642.8	\$ 708.3	\$ -	\$ -	\$ 642.8	\$ 708.3
Public Facility Revenue Bonds	254.3	282.5	118.8	129.3	373.1	411.8
Revenue Bonds	-	-	361.2	301.4	361.2	301.4
Agriculture Reserve Program	47.3	45.1	-	-	47.3	45.1
Sub-total	944.4	1,035.9	480.0	430.7	1,424.4	1,466.6
Other Long-Term Liabilities:						
Landfill Closure & Post-closure Care	22.1	21.6	-	-	22.1	21.6
Premium/Discount on Bonds Sold	104.9	115.7	31.2	33.4	136.1	149.1
Net Pension Liability	402.0	400.6	35.7	35.7	437.7	436.3
Net OPEB Liability	70.0	74.6	3.2	4.0	73.2	78.6
Accrued Compensated Leave	81.2	82.8	6.7	6.6	87.9	89.4
Lease Liability	44.5	49.6	3.6	3.4	48.1	53.0
Estimated Claims & Judgments	44.2	43.6	-	-	44.2	43.6
Subscription Liability	13.2	0.1	5.4	0.3	18.6	0.4
	782.0	788.6	85.8	83.4	867.9	872.0
Totals	\$ 1,726.4	\$ 1,824.5	\$ 565.8	\$ 514.1	\$ 2,292.3	\$ 2,338.6

For detailed information the City's long-term debt activity, refer to Note 6 to the financial statements - Long-term Debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's strong financial management and conservative budgeting practices allow the City to continue its commitment to the citizens of Virginia Beach. The Virginia Beach economy continues to improve as real estate assessments continue to increase, and consumer-driven revenues such as general sales, hotel tax, meals tax and amusement tax continue to perform well.

The adopted budget seeks to implement City Council priorities while also remaining flexible and conservative as the City continues to navigate inflation, global supply chain issues, global unrest and other uncertainties.

The above indicators were taken into account when adopting the budget for fiscal year 2026. The adopted budget includes the following highlights:

- Real estate tax rate of \$0.97 per \$100 valuation will remain the same in fiscal year 2025-2026 intended to ease the burden of increasing home values in the City. The real estate tax remains the single largest revenue source for the City, generating 30 percent of the City's total revenue and 53 percent of the General Fund revenue. Assessments have steadily been increasing over the past ten years.
- Personal property tax rate of \$4.00 per \$100 of assessed value will remain the same in fiscal year 2025-2026.
- The restaurant meal tax increased from a 5.5 percent to 6.0 percent tax on all prepared meals and drinks sold ready for consumption either on or off the seller's premises, to support the newly established Major Projects Fund.
- Water commodity rate was increased by \$0.49 per 1,000 gallons of water used. This is the third of a five-year programmed rate increase.
- The sanitary sewer charge increased by \$0.81 per month. This is the third and final of a three-year programmed rate increase.
- The adopted Capital Improvement Program (CIP) for fiscal years 2025 through 2030 established six-year programmed funding of \$5.6 billion. For year one, the amount appropriated was \$446.9 million. The six-year program provides scheduled funding for the construction of projects for roadways \$991.8 million, storm water \$510.0 million, utilities \$575.8 million, schools \$855.4 million, flood protection \$773.7 million, economic and tourism development \$532.5 million, buildings \$581.5 million, coastal development \$184.1 million, information technology \$262.1 million, and parks and recreation \$360.1 million.

REQUEST FOR INFORMATION

This report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department, City of Virginia Beach, Municipal Center, Virginia Beach, Virginia 23456, telephone 757-385-4681, or visit the City's web site at www.virginiabeach.gov.



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BASIC FINANCIAL STATEMENTS

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Other
<u>ASSETS</u>					
Cash and Investments	\$ 915,201,921	\$ 184,709,911	\$ 1,099,911,832	\$ 345,773,873	\$ 1,437,315
Restricted Cash & Cash Equivalents	142,972,632	176,543,927	319,516,559	-	11,677,829
Receivables (net)	159,841,633	56,694,846	216,536,479	1,712,560	5,808,029
Due from Other Governments	90,432,125	99,764	90,531,889	29,237,051	575,408
Internal Balances	(125,021,243)	125,021,243	-	-	-
Inventories	10,333,656	4,594,349	14,928,005	659,483	-
Other Assets	940,066	-	940,066	1,368,082	37,747
Net OPEB Asset	628,471	-	628,471	324,924	-
Land Held for Resale	-	26,391,857	26,391,857	-	1,345,670
Capital assets (net of accumulated depreciation):					
Land and Improvements	1,110,566,228	205,148,052	1,315,714,280	38,951,043	9,689,092
Buildings and Improvements	961,923,516	183,502,203	1,145,425,719	523,660,273	13,202,992
Improvements other than Buildings	298,832,456	769,909	299,602,365	27,179,114	-
Machinery and Equipment	133,825,112	20,863,047	154,688,159	61,546,214	891,357
Infrastructure	849,925,563	1,065,045,043	1,914,970,606	-	-
Construction in Progress	347,545,442	135,715,833	483,261,275	14,831,573	101,159
Total Capital Assets	3,702,618,317	1,611,044,087	5,313,662,404	666,168,217	23,884,600
Total Assets	4,897,947,578	2,185,099,984	7,083,047,562	1,045,244,190	44,766,598
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred Outflows from Pensions	160,601,694	14,269,487	174,871,181	184,301,045	-
Deferred Outflows From OPEB	24,902,272	1,009,996	25,912,268	39,267,236	-
Deferred Outflows from Debt Refunding	543,354	17,037	560,391	-	-
Total Deferred Outflows of Resources	186,047,320	15,296,520	201,343,840	223,568,281	-
<u>LIABILITIES</u>					
Accounts Payable	46,965,884	25,972,028	72,937,912	17,569,469	571,215
Accrued Liabilities	59,533,407	15,212,243	74,745,650	119,909,461	2,051,089
Due to Other Governments	687,683	-	687,683	101,707	99,357
Long-term Liabilities:					
Due Within One Year	138,520,746	34,433,019	172,953,765	44,719,789	657,544
Due in More Than One Year:					
Compensated Absences	62,455,091	4,810,512	67,265,603	93,833,888	-
Lease Liability	39,707,147	3,348,559	43,055,706	1,472,351	-
Subscription Liability	11,236,811	4,218,887	15,455,698	169,168	-
Claims and Contingencies	35,079,900	-	35,079,900	4,418,234	-
Bonds and Notes Payable	954,100,511	480,055,540	1,434,156,051	-	86,741,551
Landfill	22,106,466	-	22,106,466	-	-
Net Pension Liability	401,958,434	35,714,076	437,672,510	462,420,828	-
Net OPEB Liability	70,011,007	3,198,105	73,209,112	144,267,445	-
Total Liabilities	1,842,363,087	606,962,969	2,449,326,056	888,882,340	90,120,756
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Inflows from Pensions	62,815,229	5,581,412	68,396,641	98,040,444	-
Deferred Inflows from OPEB	32,993,036	1,308,564	34,301,600	24,805,711	-
Deferred Inflows from Debt Refunding	8,165,112	1,433,847	9,598,959	-	-
Deferred Inflows from Leases	5,000,431	25,538,206	30,538,637	938,719	-
Total Deferred Inflows of Resources	108,973,808	33,862,029	142,835,837	123,784,874	-
<u>NET POSITION</u>					
Net Investment in Capital Assets	2,649,345,787	1,153,543,710	3,802,889,497	658,207,863	5,957,300
Restricted for:					
Nonspendable	16,781,027	-	16,781,027	-	11,677,829
Capital Projects	83,140,947	35,790,005	118,930,952	-	-
Debt Service	29,552,259	35,872,374	65,424,633	-	-
OPEB Asset	628,471	-	628,471	324,924	-
Other Purposes	44,620,874	118,261,051	162,881,925	34,553,569	-
Unrestricted (Deficit)	308,588,638	216,104,366	524,693,004	(436,941,099)	(62,989,287)
Total Net Position (Deficit)	\$ 3,132,658,003	\$ 1,559,571,506	\$ 4,692,229,509	\$ 256,145,257	\$ (45,354,158)

The accompanying notes are an integral part of the financial statements.

**CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	School Board	Other
Primary Government:									
Governmental Activities:									
Legislative	\$ 1,563,990	\$ -	\$ -	\$ -	\$ (1,563,990)	\$ -	\$ (1,563,990)	\$ -	\$ -
Executive	9,352,785	-	801,536	-	(8,551,249)	-	(8,551,249)	-	-
Law	6,266,460	3,129	-	-	(6,263,331)	-	(6,263,331)	-	-
Finance	29,031,880	3,662,301	2,045,718	-	(23,323,861)	-	(23,323,861)	-	-
Human Resources	9,311,354	51,300	-	-	(9,260,054)	-	(9,260,054)	-	-
Judicial	91,306,100	4,185,728	32,333,291	-	(54,787,081)	-	(54,787,081)	-	-
Health	4,364,768	611,011	112,135	-	(3,641,622)	-	(3,641,622)	-	-
Police	137,898,276	1,337,119	6,879,179	79,181	(129,602,797)	-	(129,602,797)	-	-
Human Services	152,125,008	24,909,868	88,348,604	-	(38,866,536)	-	(38,866,536)	-	-
Public Works	199,149,108	7,376,212	64,243,236	22,089,728	(105,439,932)	-	(105,439,932)	-	-
Parks & Recreation	68,298,849	18,886,145	7,615,983	879,511	(40,917,210)	-	(40,917,210)	-	-
Library	22,170,934	347,226	366,005	-	(21,457,703)	-	(21,457,703)	-	-
Planning	3,736,983	6,856,260	32,668	-	3,151,945	-	3,151,945	-	-
Agriculture	6,148,767	2,540,432	27,462	-	(3,580,873)	-	(3,580,873)	-	-
Economic Development	15,273,810	603,610	463,405	131,652	(14,075,143)	-	(14,075,143)	-	-
Convention & Visitor Development	43,931,408	3,390,565	419,019	-	(40,121,824)	-	(40,121,824)	-	-
Cultural Affairs	1,867,395	45,877	104,500	-	(1,717,018)	-	(1,717,018)	-	-
Information Technology	53,154,700	164	23,985	-	(53,130,551)	-	(53,130,551)	-	-
Emergency Communications and Citizen Services	13,090,103	141,396	396,032	-	(12,552,675)	-	(12,552,675)	-	-
Fire	94,665,983	532,475	9,590,005	-	(84,543,503)	-	(84,543,503)	-	-
Budget and Management Services	1,588,453	-	-	-	(1,588,453)	-	(1,588,453)	-	-
Education	465,301,341	-	-	-	(465,301,341)	-	(465,301,341)	-	-
Housing & Neighborhood Preservation	48,616,821	2,134,559	39,201,621	-	(7,280,641)	-	(7,280,641)	-	-
Museums	14,996,483	14,062,842	-	-	(933,641)	-	(933,641)	-	-
Emergency Medical Services	28,404,853	5,350	773,000	-	(27,626,503)	-	(27,626,503)	-	-
General Government	175,073,354	7,877,511	67,841,266	244,107	(99,110,470)	-	(99,110,470)	-	-
Interest	16,655,698	-	-	-	(16,655,698)	-	(16,655,698)	-	-
Total Governmental Activities	1,713,345,664	99,561,080	321,618,650	23,424,179	(1,268,741,755)	-	(1,268,741,755)	-	-
Business-type Activities:									
Water and Sewer	145,340,888	146,110,395	16,655	3,894,535	-	4,680,697	4,680,697	-	-
Storm Water	34,414,120	46,777,235	257,350	2,336,062	-	14,956,527	14,956,527	-	-
Waste Management	46,534,297	46,168,486	83,681	-	-	(282,130)	(282,130)	-	-
Development Authority	24,432,645	3,003,553	-	12,067,163	-	(9,361,929)	(9,361,929)	-	-
Parking	5,457,672	5,431,503	-	-	-	(26,169)	(26,169)	-	-
Total Business-type Activities	256,179,622	247,491,172	357,686	18,297,760	-	9,966,996	9,966,996	-	-
Total Primary Government	1,969,525,286	347,052,252	321,976,336	41,721,939	(1,268,741,755)	9,966,996	(1,258,774,759)	-	-
Component Units:									
Virginia Beach School Board	1,057,532,955	14,240,821	266,190,416	-				(777,101,718)	-
Other	21,193,781	5,366,521	2,432,526	-				-	(13,394,734)
Total Component Units	\$ 1,078,726,736	\$ 19,607,342	\$ 268,622,942	\$ -				\$ (777,101,718)	\$ (13,394,734)

General Revenues:

Taxes:					
Real Estate Property Taxes	\$ 776,095,590	\$ -	\$ 776,095,590	\$ -	\$ -
Personal Property Taxes	160,830,315	-	160,830,315	-	-
Sales	95,287,238	-	95,287,238	-	-
Utility	43,394,890	-	43,394,890	-	-
Business Licenses	67,346,186	-	67,346,186	-	-
Meal	98,516,633	-	98,516,633	-	-
City Tax on Deeds and Wills	8,268,280	-	8,268,280	-	-
Cigarette	6,227,791	-	6,227,791	-	-
Automobile Licenses	10,404,290	-	10,404,290	-	-
Amusement	9,721,124	-	9,721,124	-	-
Lodging	52,182,677	-	52,182,677	-	-
Bank Stock	4,530,666	-	4,530,666	-	-
Total City Taxes	1,332,805,680	-	1,332,805,680	-	-
Grants and contributions not restricted to specific programs	53,412,868	-	53,412,868	337,690,625	-
Investment earnings	40,156,153	15,567,952	55,724,105	3,717,772	893,105
Miscellaneous	14,237,511	1,573,431	15,810,942	14,775,979	692,339
Transfers	(61,154,195)	61,154,195	-	466,036,878	-
Total General Revenues and Transfers	1,379,458,017	78,295,578	1,457,753,595	822,221,254	1,585,444
Change in Net Position	110,716,262	88,262,574	198,978,836	45,119,536	(11,809,290)
Net Position - Beginning - As Previously Reported	3,021,941,741	1,471,308,932	4,493,250,673	283,498,724	(33,544,868)
Restatement - Change in Accounting Principle	-	-	-	(72,473,003)	-
Net Position - Beginning - As Restated (see Note 1)	3,021,941,741	1,471,308,932	4,493,250,673	211,025,721	(33,544,868)
Net Position - Ending	\$ 3,132,658,003	\$ 1,559,571,506	\$ 4,692,229,509	\$ 256,145,257	\$ (45,354,158)

The accompanying notes are an integral part of the financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 395,847,896	\$ 305,771,326	\$ 145,304,629	\$ 846,923,851
Cash and Investments - Restricted	-	83,140,947	59,831,685	142,972,632
Cash Advances	109,066	-	-	109,066
Receivables (net of allowance for collectibles, where applicable):				
Property Tax	81,592,813	-	-	81,592,813
Accounts	38,793,973	-	237,034	39,031,007
Leases	3,973,815	-	979,261	4,953,076
Loans	4,763,313	-	5,195,260	9,958,573
Due from:				
Due from Other Funds	6,947,391	-	72,357	7,019,748
Due from Commonwealth	65,525,287	2,924,171	1,704,283	70,153,741
Due from Federal Government	2,935,574	8,619,543	8,723,267	20,278,384
Inventories	5,983,998	-	838,456	6,822,454
Total Assets	606,473,126	400,455,987	222,886,232	1,229,815,345
LIABILITIES				
Vouchers and Accounts Payable	39,757,661	13,102,183	6,525,428	59,385,272
Deposits Payable	8,600,076	-	10,000	8,610,076
Due to Other Funds	844	118,113,154	7,178,478	125,292,476
Due to Other Governments	116,543	-	1,199	117,742
Intergovernmental Payables	289,688	69,745	210,508	569,941
Unearned Revenues	19,719,105	-	976,447	20,695,552
Total Liabilities	68,483,917	131,285,082	14,902,060	214,671,059
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows from Leases	3,821,809	-	1,178,622	5,000,431
Deferred Inflows from Opioid Settlements	7,475,074	-	-	7,475,074
Deferred Inflows from APCDA	17,700,000	-	-	17,700,000
Unavailable Revenue - Property Taxes	66,711,064	-	-	66,711,064
Total Deferred Inflows of Resources	95,707,947	-	1,178,622	96,886,569
FUND BALANCES				
Nonspendable:				
Inventories	5,983,998	-	838,456	6,822,454
Loans Receivable	4,763,313	-	5,195,260	9,958,573
Restricted for:				
Debt Service	-	-	29,552,259	29,552,259
Capital Projects	-	83,140,947	-	83,140,947
Community Services Board	8,721,767	-	-	8,721,767
General Government	-	-	12,432,864	12,432,864
Housing and Community Development	-	-	9,171,603	9,171,603
Judicial	-	-	316,412	316,412
Public Safety	-	-	3,098,564	3,098,564
Special Service District	-	-	10,879,664	10,879,664
Committed to:				
Agriculture	-	-	176,000	176,000
Convention and Visitor Development	-	-	533,579	533,579
Education	24,414,171	-	49,517	24,463,688
Judicial	-	-	169,520	169,520
Capital Improvement Program:				
Engineering and Highways	-	37,297,190	-	37,297,190
Buildings	-	27,067,337	-	27,067,337
Flood Protection	80,038,835	-	-	80,038,835
Communications and Information Technology	-	13,947,597	-	13,947,597
Parks and Recreation	-	18,745,953	-	18,745,953
Public Safety	-	-	94,395	94,395
Coastal	-	14,627,458	-	14,627,458
Economic and Tourism	-	74,344,423	-	74,344,423
Tax Increment Financing	-	-	1,000,000	1,000,000
Assigned to:				
Agriculture	-	-	26,398,765	26,398,765
Education	45,559,193	-	-	45,559,193
Convention and Visitor Development	-	-	69,363,288	69,363,288
Parks and Recreation	-	-	23,696,917	23,696,917
Tax Increment Financing	-	-	18,638,693	18,638,693
General Government	57,830,075	-	-	57,830,075
Capital Improvement Program - General	36,528,651	-	-	36,528,651
Unassigned	178,441,259	-	(4,800,206)	173,641,053
Total Fund Balances	442,281,262	269,170,905	206,805,550	918,257,717
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 606,473,126	\$ 400,455,987	\$ 222,886,232	\$ 1,229,815,345

The accompanying notes are an integral part of the financial statements.

**CITY OF VIRGINIA BEACH, VIRGINIA
RECONCILIATION OF BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Total Fund Balances - Governmental funds (Exhibit 3)	\$ 918,257,717
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds (net of ISF).	3,687,037,344
Other long-term assets are not available to pay for current period expenditures and, therefore, are offset by unearned revenue in the governmental funds.	102,184,396
Deferred Inflows and Outflows of Resources used to reflect deferred gains and losses on debt refunding bonds are not reported in the governmental funds.	(7,621,758)
Deferred Inflows and Outflows of Resources used to reflect differences between expected and actual earnings on pension plan investments and other postemployment benefits are not reported in the governmental funds (net of ISF).	87,367,175
Internal Service Funds (ISF) are used by management to charge the costs of risk management, information technology, and city garage to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. (Exhibit 1)	18,486,710
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
General Obligation Bonds	(642,835,000)
Net Pension Liability (net of ISF)	(392,067,035)
Other Postemployment Benefits Asset (net of ISF)	628,471
Other Postemployment Benefits Liability (net of ISF)	(69,178,443)
Subscription Liability (net of ISF)	(4,861,223)
Lease Liability	(44,475,328)
Accrued Interest on Bonds Sold	(7,863,560)
Agriculture Reserve Strips	(47,339,200)
Public Facility Revenue Bonds	(254,302,820)
Other Direct Borrowings	(3,804,117)
Premium on Bonds Sold	(104,897,880)
Compensated Absences (annual and sick leave) (net of ISF)	(79,950,980)
Landfill Closure and Post-Closure Care	(22,106,466)
	(1,673,053,581)
Total Net Position - Governmental Activities (Exhibit 1)	\$ 3,132,658,003

The accompanying notes are an integral part of the financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
General Property Taxes:				
Real Estate property taxes	\$ 730,030,924	\$ -	\$ 47,989,056	\$ 778,019,980
Personal property taxes	165,520,091	-	-	165,520,091
Other Local Taxes	310,504,543	-	85,390,025	395,894,568
Fines and Forfeitures	1,757,797	-	-	1,757,797
Permits, Privilege Fees, and Regulatory Licenses	9,622,379	-	182,722	9,805,101
From Use of Money and Property	35,701,881	6,488,684	10,229,285	52,419,850
Charges for Services	62,666,380	-	15,143,300	77,809,680
Miscellaneous	9,987,692	969,616	502,574	11,459,882
From Commonwealth	199,286,951	6,681,313	33,836,084	239,804,348
From Federal Government	31,042,751	21,408,574	104,131,070	156,582,395
Total Revenues	<u>1,556,121,389</u>	<u>35,548,187</u>	<u>297,404,116</u>	<u>1,889,073,692</u>
EXPENDITURES				
Current Operating:				
Legislative	1,572,755	-	-	1,572,755
Executive	9,275,984	-	261,015	9,536,999
Law	6,345,988	-	1,514	6,347,502
Finance	27,924,385	-	45,408	27,969,793
Human Resources	9,293,755	-	-	9,293,755
Judicial	23,216,452	-	69,705,080	92,921,532
Health	4,365,681	-	-	4,365,681
Police	132,475,684	-	1,049,509	133,525,193
Human Services	139,099,848	-	11,701,552	150,801,400
Public Works	100,745,512	-	9,524,903	110,270,415
Parks and Recreation	38,751,085	-	24,536,790	63,287,875
Library	22,205,988	-	237,147	22,443,135
Planning	15,820,535	-	115,857	15,936,392
Agriculture	1,048,016	-	205,497	1,253,513
Economic Development	4,254,376	-	3,371,164	7,625,540
Convention and Visitor Development	10,880,806	-	28,249,298	39,130,104
Cultural Affairs	6,120,701	-	620,500	6,741,201
Information Technology	27,540,597	-	-	27,540,597
Emergency Communications and Citizen Services	12,298,586	-	5,000	12,303,586
Fire	86,364,037	-	8,495,316	94,859,353
Budget and Management Services	1,638,199	-	-	1,638,199
Education	465,301,341	-	-	465,301,341
Housing and Neighborhood Preservation	8,285,126	-	40,214,717	48,499,843
Aquariums	15,023,526	-	-	15,023,526
General Registrar	4,415,592	-	459,650	4,875,242
General Government	47,252,919	-	5,740,870	52,993,789
Emergency Medical Services	27,679,841	-	2,248,569	29,928,410
Capital Outlay	-	329,860,516	-	329,860,516
Lease Payments	6,348,514	-	-	6,348,514
Subscription Payments	540,838	1,153,100	93,932	1,787,870
Debt Service:				
Principal Retirement	45,740,103	-	51,341,189	97,081,292
Interest and Fiscal Charges	18,776,927	-	19,991,015	38,767,942
Total Expenditures	<u>1,320,603,697</u>	<u>331,013,616</u>	<u>278,215,492</u>	<u>1,929,832,805</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>235,517,692</u>	<u>(295,465,429)</u>	<u>19,188,624</u>	<u>(40,759,113)</u>
OTHER FINANCING SOURCES (USES)				
Revenue/(Payment) under Support Agreement	(927,264)	7,010,342	(13,451,494)	(7,368,416)
Transfers In	587,701	96,827,070	90,157,319	187,572,090
Transfers Out	(163,024,297)	-	(67,290,265)	(230,314,562)
Issuance of Capitalized Leases	686,277	-	-	686,277
Issuance of Capitalized Subscriptions	1,338,056	4,130,510	-	5,468,566
Total Other Financing Sources (Uses)	<u>(161,339,527)</u>	<u>107,967,922</u>	<u>9,415,560</u>	<u>(43,956,045)</u>
Net Change in Fund Balance	74,178,165	(187,497,507)	28,604,184	(84,715,158)
Fund Balance - Beginning	368,103,097	456,668,412	178,201,366	1,002,972,875
Fund Balance - Ending	<u>\$ 442,281,262</u>	<u>\$ 269,170,905</u>	<u>\$ 206,805,550</u>	<u>\$ 918,257,717</u>

The accompanying notes are an integral part of the financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net Change in fund balance - total governmental funds (Exhibit 4)	\$	(84,715,158)
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Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:

Capital Project Expenses	325,424,180	
Capital Outlay	10,982,411	
Value of School Assets	(32,211,658)	
Right-to-use amortization	(8,820,105)	
Annual CIP Expensed Projects	(83,994,037)	
Depreciation and Amortization	(134,887,973)	76,492,818

In the Statement of Activities, only the gain on the sale of surplus assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in funds balances by the net book value of the surplus assets sold.		(1,445,781)
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Donations of capital assets increase revenues in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources.		(2,069,710)
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Payments	94,638,433	
Accrued Interest	(6,172,300)	
Amortization of Premium	11,420,757	99,886,890

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(6,176,252)
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Lease/SBITA proceeds provide current financial resources to governmental funds, but issuing leases/SBITAs increase long-term liabilities in the Statement of Net Position. Repayment of leases/SBITA principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		7,727,445
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Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes (exclusive of internal service fund changes) of the following balances:

Landfill	(475,872)	
Pension Expense	1,745,898	
OPEB	6,049,185	
Compensated Absences	1,575,013	8,894,224

Internal service funds are used by management to charge the costs of insurance, vehicles and communications and capital projects management to individual funds. The net revenue of the internal service fund is reported with governmental activities.		12,121,786
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Change in net position of governmental activities.	\$	110,716,262
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The accompanying notes are an integral part of the financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-Type Activities - Enterprise Funds	
	Water and Sewer	Storm Water
<u>ASSETS</u>		
Current Assets:		
Cash and Investments	\$ 133,615,614	\$ 29,069,600
Accounts Receivable - Net	18,330,339	5,796,391
Due From Other Funds	-	-
Lease Receivable	-	-
Intergovernmental Receivables	99,764	-
Inventory	4,442,389	151,960
Total Current Assets	156,488,106	35,017,951
Noncurrent Assets:		
Cash and Investments - Restricted	43,151,251	123,882,447
Lease Receivable - Non-current	-	-
Due From Other Funds - Non-current	-	-
Land Held for Resale	-	-
Capital Assets:		
Land	14,618,544	134,087,267
Site Improvements	-	-
Buildings	18,940,552	664,899
Utility System	1,308,292,041	529,373,701
Construction in Progress	73,599,335	59,772,283
Machinery and Equipment	44,792,037	23,757,185
Less: Accumulated Depreciation	(709,058,284)	(136,311,874)
Total Capital Assets	751,184,225	611,343,461
Total Noncurrent Assets	794,335,476	735,225,908
Total Assets	950,823,582	770,243,859
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Debt Refundings Resulting in Loss Transactions	-	-
Deferred Outflows for Pensions	9,338,120	2,150,915
Deferred Outflows for OPEB	619,770	146,074
Total Deferred Outflows of Resources	9,957,890	2,296,989
<u>LIABILITIES</u>		
Current Liabilities:		
Vouchers and Accounts Payable	5,004,167	822,412
Deposits Payable	235,726	-
Accrued Interest Payable	1,492,703	970,188
Construction Contracts Payable	4,004,070	3,524,652
Due to Other Funds	-	-
Unearned Revenues	1,091,312	-
Current Portion of Long-term Liabilities	17,489,836	7,802,275
Total Current Liabilities	29,317,814	13,119,527
Long-term Liabilities:		
Compensated Absences	2,877,831	682,617
Claims and Contingencies	-	-
Bonds and Notes Payable	163,342,539	204,330,790
Subscriptions Payable	4,218,887	-
Leases Payable	-	-
Net Pension Liability	23,371,711	5,383,372
Net OPEB Liability	1,962,474	462,536
Total Long-term Liabilities	195,773,442	210,859,315
Total Liabilities	225,091,256	223,978,842
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Debt Refundings Resulting in Gain Transactions	104,488	352,750
Deferred Inflows for Pensions	3,652,541	841,316
Deferred Inflows for Leases	-	-
Deferred Inflows for OPEB	802,983	189,255
Total Deferred Inflows of Resources	4,560,012	1,383,321
<u>NET POSITION</u>		
Net Investment in Capital Assets	584,571,801	445,849,898
Restricted for:		
Capital Projects	-	35,790,005
Debt Service	21,425,886	14,446,488
Other Purposes	-	-
Unrestricted	125,132,517	51,092,294
Total Net Position	\$ 731,130,204	\$ 547,178,685

Reconciling Items:

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Total Net Position of Business-type activities (Exhibit 1)

The accompanying notes are an integral part of the financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

Business-Type Activities - Enterprise Funds				Governmental Activities
Waste Management	Development Authority	Nonmajor Parking	Totals	Internal Service Funds
\$ 10,993,571	\$ 5,795,702	\$ 5,235,424	\$ 184,709,911	\$ 68,169,004
5,230,337	803,595	-	30,160,662	-
-	11,739,371	-	11,739,371	-
-	802,032	-	802,032	-
-	-	-	99,764	-
-	-	-	4,594,349	3,367,880
16,223,908	19,140,700	5,235,424	232,106,089	71,536,884
-	9,510,229	-	176,543,927	-
-	25,732,152	-	25,732,152	-
-	107,448,814	-	107,448,814	-
-	26,391,857	-	26,391,857	-
-	53,639,356	3,019,092	205,364,259	-
410,325	-	779,517	1,189,842	265,782
8,730	241,771,804	1,104,658	262,490,643	-
-	-	-	1,837,665,742	-
-	2,344,215	-	135,715,833	-
29,728,408	1,567,655	72,269	99,917,554	28,705,201
(23,587,763)	(61,298,869)	(1,042,996)	(931,299,786)	(13,390,010)
6,559,700	238,024,161	3,932,540	1,611,044,087	15,580,973
6,559,700	407,107,213	3,932,540	1,947,160,837	15,580,973
22,783,608	426,247,913	9,167,964	2,179,266,926	87,117,857
-	17,037	-	17,037	-
2,588,094	-	192,358	14,269,487	3,952,088
233,719	-	10,433	1,009,996	262,929
2,821,813	17,037	202,791	15,296,520	4,215,017
2,162,774	15,735,404	425,288	24,150,045	1,442,548
75	-	-	235,801	-
-	5,706,626	8,874	8,178,391	159,504
-	-	-	7,528,722	-
-	149,270	-	149,270	-
-	-	-	1,091,312	-
424,695	8,405,740	310,473	34,433,019	14,521,757
2,587,544	29,997,040	744,635	75,766,560	16,123,809
1,246,653	-	3,411	4,810,512	858,703
-	-	-	-	35,079,900
-	112,382,211	-	480,055,540	-
-	-	-	4,218,887	8,173,298
-	-	3,348,559	3,348,559	-
6,477,553	-	481,440	35,714,076	9,891,399
740,057	-	33,038	3,198,105	832,564
8,464,263	112,382,211	3,866,448	531,345,679	54,835,864
11,051,807	142,379,251	4,611,083	607,112,239	70,959,673
-	976,609	-	1,433,847	-
1,012,315	-	75,240	5,581,412	1,545,832
-	25,538,206	-	25,538,206	-
302,808	-	13,518	1,308,564	340,659
1,315,123	26,514,815	88,758	33,862,029	1,886,491
6,559,700	116,276,638	285,673	1,153,543,710	2,414,953
-	-	-	35,790,005	-
-	-	-	35,872,374	-
-	118,261,051	-	118,261,051	-
6,678,791	22,833,195	4,385,241	210,122,038	16,071,757
\$ 13,238,491	\$ 257,370,884	\$ 4,670,914	1,553,589,178	\$ 18,486,710
			5,982,328	
			\$ 1,559,571,506	

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds	
	Water and Sewer	Storm Water
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 146,110,395	\$ 46,777,235
Insurance Recovery	-	-
Miscellaneous	6,590	654
Total Operating Revenues	<u>146,116,985</u>	<u>46,777,889</u>
<u>OPERATING EXPENSES</u>		
Cost of Goods Sold	37,135,530	-
Personal Services	36,036,435	8,829,959
Contractual Services	12,760,133	1,627,253
Internal Services	5,526,194	2,049,153
Other Charges	21,282,576	6,554,731
Leases and Rentals	489,290	-
Depreciation/Amortization	27,613,082	11,408,009
Total Operating Expenses	<u>140,843,240</u>	<u>30,469,105</u>
<u>OPERATING INCOME (LOSS)</u>	<u>5,273,745</u>	<u>16,308,784</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
From Commonwealth	16,655	257,350
Interest Income	10,989,995	3,045,794
Gain (Loss) From Sale of Assets	118,538	16,114
Payment Under Support Agreement	-	-
Interest and Fiscal Agent Fees	(4,862,401)	(4,080,268)
Total Nonoperating Revenues (Expenses)	<u>6,262,787</u>	<u>(761,010)</u>
<u>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</u>	<u>11,536,532</u>	<u>15,547,774</u>
Capital Contributions	3,894,535	321,287
Capital Contributions - Federal Government	-	2,014,775
Capital Contributions - Transfers In	4,200,000	38,970,472
Transfers In	-	-
Transfers Out	-	-
<u>CHANGE IN NET POSITION</u>	<u>19,631,067</u>	<u>56,854,308</u>
Net Position - Beginning	711,499,137	490,324,377
Net Position - Ending	<u>\$ 731,130,204</u>	<u>\$ 547,178,685</u>

Reconciling Items:

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.
Change in Net Position of Business-type activities (Exhibit 2)

The accompanying notes are an integral part of the financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Business-Type Activities - Enterprise Funds				Governmental Activities
Waste Management	Development Authority	Nonmajor Parking	Totals	Internal Service Funds
\$ 45,937,561	\$ 7,092,338	\$ 5,431,503	\$ 251,349,032	\$ 77,417,052
-	-	-	-	76,023
887,176	748,494	-	1,642,914	-
46,824,737	7,840,832	5,431,503	252,991,946	77,493,075
408,448	-	-	37,543,978	8,257,483
12,723,860	-	688,289	58,278,543	15,169,324
19,930,403	6,725,666	3,407,712	44,451,167	20,753,014
7,552,697	-	56,240	15,184,284	1,621,989
3,091,480	-	620,450	31,549,237	21,549,444
-	-	49,192	538,482	-
3,325,920	3,999,367	318,016	46,664,394	5,560,220
47,032,808	10,725,033	5,139,899	234,210,085	72,911,474
(208,071)	(2,884,201)	291,604	18,781,861	4,581,601
83,681	-	-	357,686	-
511,613	698,243	323,389	15,569,034	4,340,659
27,105	(211,238)	-	(49,481)	125,114
-	14,663,081	-	14,663,081	-
-	(13,496,374)	(663,025)	(23,102,068)	(195,219)
622,399	1,653,712	(339,636)	7,438,252	4,270,554
414,328	(1,230,489)	(48,032)	26,220,113	8,852,155
-	12,067,163	-	16,282,985	-
-	-	-	2,014,775	-
-	-	-	43,170,472	-
-	-	72,000	72,000	-
-	-	(500,000)	(500,000)	-
414,328	10,836,674	(476,032)	87,260,345	8,852,155
12,824,163	246,534,210	5,146,946		9,634,555
\$ 13,238,491	\$ 257,370,884	\$ 4,670,914		\$ 18,486,710
			1,002,229	
			\$ 88,262,574	

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds	
	Water and Sewer	Storm Water
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Receipts from Customers and Users	\$ 141,089,035	\$ 46,386,508
Receipts from (Payments for) Interfund Services Provided	2,417,685	-
Other Operating Cash Receipts	6,590	-
Cash Payments to Suppliers of Goods and Services	(80,479,847)	(10,220,895)
Cash Payments to Employees for Services	(36,480,580)	(9,055,560)
Net Cash Provided By (Used in) Operating Activities	26,552,883	27,110,053
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>		
Intergovernmental Receipts	16,655	257,350
Receipts from Other Funds	-	-
Payments Under Support Agreement	-	-
Payments to Other Funds	-	-
Net Cash Provided By (Used in) Noncapital Financing Activities	16,655	257,350
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Capital Contributions	3,578,005	41,306,534
Interest on Long-term Debt	(6,742,494)	(5,046,482)
Acquisition and Construction of Capital Assets	(60,910,298)	(49,127,322)
Subscription Principal Payments	(1,254,296)	-
Lease Principal Payments	(168,380)	-
Proceeds from Sale of Bonds	-	80,000,000
Proceeds from Sale of Salvage	118,538	16,113
Principal Paid on Capital Debt	(12,720,000)	(4,955,000)
Net Cash Provided By (Used in) Capital and Related Financing Activities	(78,098,925)	62,193,843
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest and Dividends Received	10,989,995	3,045,794
Net Cash Provided By Investing Activities	10,989,995	3,045,794
Net Increase (Decrease) in Cash and Investments	(40,539,392)	92,607,040
Cash and Investments, July 1	217,306,257	60,345,007
Cash and Investments, June 30	\$ 176,766,865	\$ 152,952,047
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 5,273,745	\$ 16,308,784
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used in) Operating Activities:		
Depreciation and Amortization Expense	27,613,082	11,408,009
Changes in assets and liabilities:		
Accounts Receivable	(2,655,726)	(391,381)
Intergovernmental Receivables	52,051	-
Lease Receivable	-	-
Inventory	(652,252)	(151,960)
Deferred Outflow of Resources	(738,873)	(131,878)
Vouchers and Accounts Payable	454,480	162,856
Deposits Payable	(24,365)	(654)
Unearned Revenue	(3,063,987)	-
Deferred Inflow of Resources	401,601	78,458
Estimated Claims and Judgments	-	-
Accrued Compensated Leave	42,327	(33,230)
Net Pension Liability	332,329	(27,392)
Net OPEB Liability	(481,529)	(111,559)
Net Cash Provided By (Used in) Operating Activities	26,552,883	27,110,053
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>		
Capital Contributions of Capital Assets	\$ 316,530	\$ -
Amortization of Bond Premiums	1,726,134	1,336,864
Right-to-use Assets Acquired through Subscription and Lease Contracts	6,380,299	-
Subscription and Lease Liabilities Incurred from Acquiring Right-to-use Assets	(6,380,299)	-
Economic Development Investment Program Appropriations	-	-
Principal Repayment on Long-term Debt	-	-
Interest Paid on Long-term Debt	-	-
Loss on Retirement of Capital Asset	-	-
Non-Operating Revenues from the City	-	-

The accompanying notes are an integral part of the financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Business-Type Activities - Enterprise Funds				Governmental Activities	
Waste Management	Development Authority	Nonmajor Parking	Totals	Internal Service Funds	
\$ 45,421,265	\$ 19,399,492	\$ 5,431,503	\$ 257,727,803	\$ 77,493,075	
-	(19,833,891)	-	(17,416,206)	-	
887,176	-	-	893,766	-	
(30,374,491)	-	(4,366,035)	(125,441,268)	(51,099,620)	
(13,167,061)	-	(714,877)	(59,418,078)	(14,856,428)	
<u>2,766,889</u>	<u>(434,399)</u>	<u>350,591</u>	<u>56,346,017</u>	<u>11,537,027</u>	
83,681	-	-	357,686	-	
-	-	72,000	72,000	-	
-	-	(652,071)	(652,071)	-	
-	-	(500,000)	(500,000)	-	
<u>83,681</u>	<u>-</u>	<u>(1,080,071)</u>	<u>(722,385)</u>	<u>-</u>	
-	908,371	-	45,792,910	-	
-	-	(6,207)	(11,795,183)	(36,775)	
(4,591,824)	(31,592,274)	-	(146,221,718)	(1,188,504)	
-	-	-	(1,254,296)	(5,192,985)	
-	-	(263,545)	(431,925)	-	
-	-	-	80,000,000	-	
27,105	-	-	161,756	125,114	
-	-	-	(17,675,000)	-	
<u>(4,564,719)</u>	<u>(30,683,903)</u>	<u>(269,752)</u>	<u>(51,423,456)</u>	<u>(6,293,150)</u>	
511,613	583,553	323,389	15,454,344	4,340,659	
<u>511,613</u>	<u>583,553</u>	<u>323,389</u>	<u>15,454,344</u>	<u>4,340,659</u>	
(1,202,536)	(30,534,749)	(675,843)	19,654,520	9,584,536	
12,196,107	45,840,680	5,911,267	341,599,318	58,584,468	
<u>\$ 10,993,571</u>	<u>\$ 15,305,931</u>	<u>\$ 5,235,424</u>	<u>\$ 361,253,838</u>	<u>\$ 68,169,004</u>	
\$ (208,071)	\$ (2,884,201)	\$ 291,604	\$ 18,781,861	\$ 4,581,601	
3,325,920	3,999,367	318,016	46,664,394	5,560,220	
(516,296)	1,030,953	-	(2,532,450)	-	
-	-	-	52,051	-	
-	(809,130)	-	(809,130)	-	
-	-	-	(804,212)	14,303	
(5,248)	-	(45,846)	(921,845)	(561,999)	
608,537	(660,427)	(232,441)	333,005	532,317	
-	-	-	(25,019)	-	
-	(50,693)	-	(3,114,680)	-	
19,784	(1,060,268)	19,938	(540,487)	276,375	
-	-	-	-	535,690	
141,666	-	(81,436)	69,327	(25,625)	
(416,808)	-	88,724	(23,147)	771,642	
(182,595)	-	(7,968)	(783,651)	(147,497)	
<u>2,766,889</u>	<u>(434,399)</u>	<u>350,591</u>	<u>56,346,017</u>	<u>11,537,027</u>	
\$ -	\$ 10,506,590	\$ -	\$ 10,823,120	\$ -	
-	(4,256,489)	-	(1,193,491)	-	
-	-	628,860	7,009,159	18,744,359	
-	-	(628,860)	(7,009,159)	(18,216,803)	
-	860,989	-	860,989	-	
-	(38,615,000)	-	(38,615,000)	-	
-	(14,981,238)	-	(14,981,238)	-	
-	(206,862)	-	(206,862)	-	
-	14,615,439	-	14,615,439	-	

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

	<u>Trust Funds</u>	<u>Custodial Funds</u>
<u>ASSETS</u>		
Cash and Investments	\$ -	\$ 445,545
Fixed Income	13,720,544	-
Stocks	33,615,335	-
Real Estate	10,290,408	-
Alternative Investments	10,976,435	-
Total Assets	<u>68,602,722</u>	<u>445,545</u>
<u>LIABILITIES</u>		
Due to Commonwealth	<u>-</u>	<u>7,300</u>
<u>NET POSITION</u>		
Restricted for OPEB	68,602,722	-
Restricted for Individuals, Organizations & Others	<u>\$ -</u>	<u>\$ 438,245</u>

The accompanying notes are an integral part of the financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Trust Funds	Custodial Funds
<u>ADDITIONS</u>		
Contributions From Primary Government	\$ 7,440,503	\$ -
Custodial Fund Additions	-	2,105,381
Investment Income (Loss):		
Increase (Decrease) in the Fair Value of Investments	5,575,133	-
Total Investment Income (Loss)	5,575,133	-
Total Additions	13,015,636	2,105,381
<u>DEDUCTIONS</u>		
Benefits	7,440,503	-
Administrative Expenses	38,862	-
Custodial Fund Deductions	-	2,073,039
Total Deductions	7,479,365	2,073,039
Net Increase (Decrease) in Net Position	5,536,271	32,342
<u>RESTRICTED NET POSITION:</u>		
Net Position - Beginning	63,066,451	405,903
Net Position - Ending	\$ 68,602,722	\$ 438,245

The accompanying notes are an integral part of the financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Virginia Beach, Virginia (the City), was formed on January 1, 1963, by the merger of Princess Anne County and the then former smaller City of Virginia Beach. This merger created what has become one of the largest cities in the Commonwealth of Virginia with an area of 310 square miles and an estimated population of 452,965.

The City operates under the Council-Manager form of government. The elected eleven-member City Council, vested with the legislative powers, appoints the City Manager who is the executive and administrative head of the City government.

The City's financial statements are prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America. All applicable GASB statements have been implemented. The following is a summary of the significant accounting policies of the City of Virginia Beach:

A. The Financial Reporting Entity

The financial reporting entity consists of the Primary Government (City), as well as its component units that are legally separate organizations for which the City Council is financially accountable. The accompanying financial statements present the financial data of the City and its component units. The financial data of the component units are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

Blended Component Unit

The Virginia Beach Development Authority (VBDA) - The VBDA, although legally separate in substance, is presented as a blended component unit and part of the City's reporting entity. The City has responsibility through support agreements for debt payments on outstanding Public Facility Revenue Bonds which are recorded on the VBDA's financial records. Therefore, the VBDA's outstanding bonds are expected to be repaid entirely from resources (support agreements) from the City. The support agreements are for a majority of the outstanding debt of the VBDA which necessitates this treatment as a blended component unit.

The VBDA was established for the specific purpose of attracting new industries and the expansion of existing industries. The VBDA's Commissioners are appointed by the City Council. The VBDA is authorized to issue industrial development bonds after approval by the City Council and to purchase land to improve and sell for development. In addition, the VBDA facilitates economic development projects as needed by City Council. Complete financial statements of the VBDA may be obtained by writing to the Virginia Beach Development Authority, 4525 Main Street, Suite 700, Virginia Beach, VA 23462.

Discretely Presented Component Units

Discretely presented component units are entities that are legally separate from the City, but for which the City is financially accountable. These component units are reported in separate columns to emphasize that they are legally separate from the City. All of the component units have a fiscal year end of June 30.

City of Virginia Beach School Board (Schools) - The Schools is a legally separate entity that is responsible for elementary and secondary education within the City. The members of the School Board are elected by the voters; however, the School Board is fiscally dependent upon the City

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

because the City Council annually approves its budget, levies the necessary taxes to finance operations and approves the borrowing of money and issuance of bonds. In addition, a financial burden relationship exists between the City and Schools because the City maintains a legal liability for the bonds issued for Schools' capital assets. Separate financial statements including statistical information of the School Board may be obtained by writing to the Virginia Beach School Board, 2512 George Mason Drive, Virginia Beach, VA 23456.

Virginia Beach Community Development Corporation (CDC) - The CDC was organized in September 1985 for the purpose of expanding and improving opportunities for low and moderate income households in Virginia Beach, Virginia. The Board of Directors for the CDC is appointed by City Council. Funding received by the CDC from the City is in the form of grants. Complete financial statements of the CDC may be obtained by writing to Virginia Beach Community Development Corporation, 2700 International Parkway, Suite 300, Virginia Beach, VA 23452.

Atlantic Park Community Development Authority (CDA) - The CDA was established pursuant to the Virginia Water and Waste Authorities Act, Chapter 51, Title 15.2 of the Code of Virginia, 1950, as amended, and Chapter 59.2 of Title 15.2 of the Code of Virginia. The CDA was created by an ordinance adopted by the City Council on September 7, 2021, as amended by an ordinance adopted on April 5, 2022 to leverage the combined public and private investments and facilitate development and financing. The members of the CDA board are members of the City Council. The City has pledged certain additional real property taxes within the district along with meals, admissions, and sales taxes collected within the district as a revenue source for retiring debt issued by the CDA. If the revenues do not perform sufficient to meet debt service, there is a special assessment imposed upon the real property within the district. The City's obligations are subject to appropriation and limited to the amount of tax revenues collected within the district as well as any special assessments collected on the CDA's behalf. Complete financial statements of the CDA may be obtained by writing to MuniCap, Inc., at 8965 Guilford Road, Suite 210, Columbia, Maryland 21046.

Joint Venture

Southeastern Public Service Authority (SPSA) - SPSA is a joint venture of the cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach and the counties of Isle of Wight and Southampton, created for the purpose of providing, operating and maintaining a regional system for the collection, transfer, processing and disposal of solid waste refuse. SPSA is a primary government, with no component units, that is a public body politic and corporate created pursuant to the Virginia Water and Sewer Authorities Act. It is governed by a sixteen (16) member Board of Directors consisting of eight (8) members appointed by the Governor and eight members appointed by each of the member cities or counties. Budgeting and financing of SPSA is subject to the approval of the Board of Directors with each representative having a single vote. SPSA is responsible for its own financial matters, maintains its own books of accounts and is audited annually by independent accountants that it engages. The participating governments do not have an equity interest in SPSA, and accordingly, no equity interest has been reflected in the City's financial statements as of June 30, 2025. Complete financial statements of the SPSA can be obtained from SPSA, 730 Woodland Drive, Chesapeake, VA 23320.

Jointly Governed Organizations

Hampton Roads Planning District Commission (HRPDC) - A regional planning agency authorized by the Virginia Area Development Act of 1968, it was created by the merger of the Southeastern Virginia Planning District Commission and the Peninsula Planning District Commission on July 1, 1990. HRPDC performs various planning services for the cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Portsmouth, Poquoson, Suffolk, Williamsburg and Virginia

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Beach, plus the counties of Gloucester, Isle of Wight, James City, Southampton, and York. Revenue of the HRPDC is received primarily from local governmental (member) contributions and various state and federal grant programs. The participating governments do not have an equity interest in the HRPDC and accordingly no equity interest has been reflected in the City's financial statements as of June 30, 2025. Completed financial statements of the HRPDC can be obtained from the HRPDC, 730 Woodlake Drive, Chesapeake, VA 23320.

Transportation District Commission (TDC) - The TDC was formed on June 29, 1999 to effect the merger of the Peninsula Transportation District Commission and the Tidewater Transportation District Commission effective October 1, 1999. The TDC was established in accordance with the Chapter 45 of Title 15.2 of the Code of Virginia. The TDC provides public transportation facilities and services within the cities of Chesapeake, Hampton, Norfolk, Portsmouth, Newport News and Virginia Beach. Oversight responsibility is exercised by all of the participating localities through their designated representatives. Responsibility for the day-to-day operations of the TDC rests with professional management. The TDC is the governing body of Hampton Roads Transit (HRT). The participating governments do not have an equity interest in the TDC and accordingly no equity interest has been reflected in the City's financial statements as of June 30, 2025. Completed financial statements of the TDC can be obtained from the TDC at HRT 509 E 18th Street, Norfolk, VA 23510.

Hampton Roads Transportation Alliance Committee (HRTAC) - The HRTAC was formed on July 1, 2014 to manage Hampton Roads Transportation Fund revenues and determine how new regional money, of approximately \$200 million annually will be invested in transportation projects. The twenty-three (23) member commission consists of mayors from local governments, state legislators and Commonwealth Transportation Board members from the fourteen (14) cities and counties embraced by the Commission including Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, Williamsburg and the Counties of Isle of Wight, James City Southampton and York. Separate financial statements are available from the HRTAC, 700 Woodlake Drive, Chesapeake, VA 23320.

Hampton Roads Economic Development Alliance (HREDA) - The HREDA is a non-profit, initiatives and activities are designed to promote the jurisdictions of Chesapeake, Franklin, Hampton, Isle of Wight, Newport News, Norfolk, Poquoson, Portsmouth, Southampton County, Suffolk and Virginia Beach, Virginia. The business affairs are managed by a Board of not less than fifty (50) or more than three hundred (300) Directors. The participating governments do not have an equity interest in HREDA and accordingly no equity interest has been reflected in the City's financial statements as of June 30, 2025. Separate financial statements are available from the HREDA, 500 Main Street, Suite 1300, Norfolk, VA 23510.

B. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based upon the City as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either Governmental or Business-type. In the government-wide Statement of Net Position, both the Governmental and Business-type Activities columns are presented on a consolidated basis by column and are reflected on a full accrual and economic resources basis, which incorporate long-term assets and receivables as well as long-term debt and obligations. The City generally uses restricted assets first for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

The program revenues must be directly associated with the function (police, public works, etc.) or a Business-type activity (water & sewer, waste management, etc.). Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Fund financial statements are provided for Governmental Funds, Proprietary Funds, and Fiduciary Funds. By definition, the assets of the Fiduciary Funds are being held for the benefit of a third-party and cannot be used to address activities or obligations of the government; therefore, these funds are excluded from the government-wide statements. Major individual Governmental Funds and major Enterprise Funds are reported as separate columns in the fund financial statements.

The City reports the following major Governmental Funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal programs, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenues is used to finance the operations of the City of Virginia Beach School Board. The General Fund also includes the Flood Protection Referendum subfund which is used to account for collections and disbursements of the dedicated tax revenues.

The **Capital Projects Fund** is used to account for the financial resources for the acquisition or construction of major capital facilities within the City.

The City reports the following major Proprietary Funds:

The **Water and Sewer Fund** provides water service and sanitary sewer waste collection and transmission services to Virginia Beach citizens and accounts for operations that are financed in a manner similar to private business enterprises.

The **Storm Water Fund** accounts for the activities of the Storm Water Utility which charges a fee for operational and capital needs for Storm Water management in the City.

The **Waste Management Fund** provides service to our residents for collection, management and disposal of solid waste, recyclable materials and other refuse. In addition, the fund is responsible for the operation of the City's landfill.

The **Development Authority Fund** was established for the purpose of attracting new industries and the expansion of existing industries. These services are financed through fees for Industrial Revenue Bonds and other sources.

Additionally, the City reports the following fund types:

Internal Service Funds account for the financing of goods and services provided to other departments and agencies of the City or to other governmental units on a cost reimbursement basis. The City utilizes Internal Service Funds for its City Garage, Risk Management, School Site Landscaping, Telecommunications, and Subscriptions.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Special Revenue Funds account for revenue derived from specific sources that are restricted by legal and regulatory provisions to finance specific activities. The City has the following Special Revenue Funds, which are described in detail in the Non-major Special Revenue Fund section: Agriculture Reserve Program, Central Business District South Tax Increment Financing, Combined Area Dredging Projects, Emergency FEMA, Federal Section Eight Program, Forfeited Assets, Grants Consolidated, Housing and Neighborhood Preservation, Law Library, Open Space, Parks and Recreation, Sandbridge Special Service District, Sheriff's Department, Tourism Advertising Program, Tourism Investment Program, Town Center Special Service District, and Wetlands Board Mitigation.

Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Parking Enterprise Fund accounts for revenues derived from the operations of the Parking Systems Management Office, which manages the operation of parking lots at numerous locations. The primary revenue streams collected by the Parking Fund are residential parking permit fees, parking ticket fees, and charges for service at the City's garages or parking meters.

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or for individuals, private organizations and other governmental units. The City's Fiduciary Funds are divided into two separate fund types:

Other Postemployment Benefits (OPEB) Trust Fund accounts for assets held in trust by the City for the employees and beneficiaries of its OPEB plan.

Custodial Funds (Special Welfare, Sheriff's Inmate Fund and Escheat Property Funds) accounts for the assets held by the City as an agent for welfare recipients, individuals, the Commonwealth of Virginia, and other governmental units. The Custodial Funds are used to report fiduciary activities that are not required to be reported as another fiduciary fund type.

C. Basis of Accounting

The government-wide financial statements, Proprietary Fund and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by provider have been met.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The term available is limited to collection within forty-five days of the fiscal year end. Levies made prior to the fiscal year end but which are not available are recorded as deferred inflows. Expenditures are recorded when the related fund liability is incurred, if measurable (except for unmatured interest on general long-term debt which is recognized when due and paid). Interest on general long-term debt is recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in Governmental Funds. Proceeds of general long-term debt and acquisitions under leases and subscriptions are reported as other financing sources.

The following is a list of the major revenue sources that meet the "susceptible to accrual" criteria:

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

General Property Taxes
General Sales Taxes
Utility Taxes
Hotel Taxes
Restaurant Taxes

Interest on Deposits
Revenue from Commonwealth
Revenue from Federal Government
Amusement Taxes

Other postemployment benefits plan financial statements are prepared using the accrual basis of accounting. City and School Board retiree's contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and both the City and School Board have made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Unearned revenues also arise when resources are received by the government before it has a legal claim to them. In subsequent periods, when both revenue recognition criterias are met, or when the government has a legal claim to the resources, the liability for unearned revenue is removed from the Balance Sheet, or Statement of Net Position, and revenue is recognized.

Unbilled Water and Sewer and Storm Water Enterprise Funds accounts receivable for services provided through June 30 are included in the financial statements.

As a general rule, the effects of interfund activity have been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the City's Water and Sewer Function, Storm Water Function, Waste Management Function, Parking Function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions. Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds and the City's Internal Service Funds are charges to customers for sales and service. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of sales and services, personnel, contractual services, land structures and improvements, other charges, internal service charges and depreciation. All other revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Capital Assets

Capital assets, which include land, buildings, improvements, right-to-use leased assets and subscriptions, equipment, and infrastructure assets (e.g. roads, bridges, curbs and gutters, sidewalks, drainage systems) are reported in the applicable Governmental or Business-type Activities columns in the government-wide financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

The City defines capital assets as assets with an initial, individual cost of more than \$5,000. They are recorded as expenditures in the Governmental Funds and as assets in the government-wide financial statements. Depreciation is recorded on capital assets on a government-wide basis using the straight-line method and the following estimated useful lives:

Building and Improvements	40	years
Site Improvements	40	years
Equipment	5-10	years
Roadway Network	40	years
Bridge Network	50	years
Hurricane Protection Network	50	years
Right-to-use Lease Asset*	1-40	years
Right-to-use Subscription Asset**	1-10	years
Landfill Network	Percentage of Completion	

*Based on the underlying agreement of lease term

**Based on the underlying agreement of subscription term

Depreciation of exhaustible capital assets used by City Proprietary Funds and the blended VBDA are recorded as an expense against their operations and accumulated depreciation is reported on the Proprietary Funds' Statement of New Position. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

The utility system in the Water and Sewer Enterprise Fund has been recorded at cost since July 1, 1976 and contributed capital asset additions have been recorded at their estimated fair market value in the year contributed as determined by the City's utility engineers. Prior to that date, the utility system was recorded at "estimated historical cost depreciated" as determined by independent professional engineers.

Depreciation on the utility system, based on costs described above, and other capital assets of the City Proprietary Funds have been charged to operations and was computed as follows:

Utility System Water and Sewer	20-100	years
Utility System Storm Water	5-50	years
Buildings and Improvements	40	years
Site Improvements	40	years
Machinery and Equipment	5-10	years

Interest incurred during the construction phase of capital assets of Business-type Activities is included as part of the capitalized value of the assets constructed through FY 2018.

All capital assets are reported at cost or estimated historical cost, if actual cost is not available. The value of historical buildings is included in assets. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

E. Operating Budget Process

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager is required by the City Charter to present a proposed operating budget at least 90 days before the beginning of each fiscal year which begins July 1. The proposed operating budget must be balanced with projected expenditures equal to estimated revenues and/or the required financing from the proper unassigned fund balances. The necessary budget ordinances are also submitted at this time.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

2. The City Council is required by the City Charter to hold a public hearing on the budget at which time all interested persons are given an opportunity to comment. The notice of the time and place must be published twice, between twenty-eight and seven days prior to the hearing. In addition, City Council holds budget workshops with the City Manager that are open to the media and public.
3. The City Manager or the Director of Budget and Management Services is authorized to approve transfers of appropriations in an amount up to \$100,000 between any Appropriation Units included in the budget ordinance. The City Manager shall make a monthly report to the City Council of all transfers between \$25,000 and \$250,000. In addition, the City Manager may transfer, in amounts necessary, appropriations from all Reserves for Contingencies except Reserve for Contingencies - Regular, within the intent of the Reserve as approved by City Council. Additional appropriations require one reading of the ordinance for approval and must be offset by additional estimated revenues and/or a transfer from the proper unassigned fund balances. Additional appropriations that exceed 1% of the total estimated expenditures shown in the adopted budget require a public hearing and one reading of the ordinance for approval by City Council.
4. Annual budgets are adopted for the General Fund, Enterprise Funds and all Special Revenue Funds except for Wetlands Board Mitigation, Development Authority and the Emergency FEMA Fund. The City's Capital Project Fund, Grants Consolidated, and Housing and Neighborhood Preservation Fund's budgets are adopted on a project basis. The budgets for these funds are adopted in conformity with the GAAP.
5. The accounting system is employed as a budgetary management control device to monitor the individual departments or bureaus/divisions within departments. The legal level of budgetary control is at the organizational unit level as noted in the separately issued budget report. Additional controls are exercised administratively on some cost centers/programs, personnel positions and capital outlay items and the appropriations related thereto. A cost center is an activity (e.g. Street Maintenance) of an organizational unit (e.g. Public Works Department). Department Directors are authorized to make spending adjustments within non-controlled accounts (operating support accounts including contractual services, internal service charges, other charges and supplies) that do not exceed the scope or intent of the department's approved budget. The non-controlled accounts for the appropriation unit must balance in total, but do not have to balance individually. The City Manager or the Director of Budget and Management Services is authorized to transfer appropriations up to a maximum of \$100,000 through the accrual period.
6. The City Manager or the Director of Budget and Management Services is authorized to change the Estimated Revenues included in the annual Budget Ordinance to reflect expected collections. If the Estimated Revenue in support of an Operating Appropriation Unit declines, the City Manager or the Director of Budget and Management Services is authorized to reduce, subject to any other provision of law, those appropriations to equal the decline in Estimated Revenue. The City Manager shall give prior notice to the City Council of any reduction to total appropriations exceeding \$250,000. The notice to City Council shall identify the basis and amount of the appropriation reduction and the Appropriation Units affected.
7. Unexpended appropriations lapse (except for the City Capital Projects and Grants Funds) and are closed to the proper fund balances at the end of each fiscal year (June 30). However, appropriations for the subsequent fiscal year are increased in the amount necessary to satisfy the outstanding encumbrances at June 30. The current operating budget ordinance approved by City Council stipulated that the city shall maintain an unassigned General Fund Balance of 8% to 12% of the following years' budgeted revenues for contingency and emergency situations. These shall not to be used to support appropriations already approved, except upon subsequent authorization by City Council.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

8. Capital Projects for the City are budgeted separately from the Operating Budget. Since the City has over three hundred (300) projects in its Capital Improvements Program and an annual limitation (without a referendum) on the amount of bonds that may be issued, allocations for capital projects represent funding by phases of a number of projects based upon their anticipated execution of contractual obligations. The appropriations for the City's Capital Improvement Program require a public hearing and one reading of the ordinance for approval. The accounting, encumbering, and controlling of the funds are based upon the project length of each individual project which may be over several years. Therefore, budgetary comparisons are not presented for Capital Projects in this report. Appropriations reallocated to new or existing capital projects require one reading of the ordinance by City Council for approval.
9. Many of the Federal and state grants in the Grants Consolidated Fund are budgeted separately from the Operating Budget and do not parallel the City's fiscal year. Expenditures are restricted by the grantor agency and are subject to financial and compliance audits. Annual revenues and expenditures are reported within the applicable Special Revenue Funds.
10. All expenditures were within existing appropriations for the governmental major funds.

F. Inventories

All inventories, except in the Water and Sewer Enterprise Fund, the General Fund's Virginia Aquarium and Marine Science Center and the City Garage Internal Service Fund, are reported at cost using the first-in, first-out inventory method.

Reported inventories are accounted for under the consumption method (i.e., recorded as expenditures when used) in the remaining Governmental Funds, except for General Fund Public Works inventory. This inventory utilizes the Purchase Method (i.e., recorded as expenditures when purchased).

The Water and Sewer Enterprise Fund and the General Fund's Virginia Aquarium and Marine Science Center, the City Garage Internal Service Fund and the Sheriff's Special Revenue Fund inventories are reported at cost using the moving weighted average cost inventory method.

G. Land and Building Inventory Held For Resale

Land and building inventory for Development Authority is stated at the lower of net realizable value or original purchase price plus capitalized interest, if applicable, and development cost.

H. Accrued Compensated Leave

In accordance with GAAP, an accrual has been made in the financial statements for accrued compensated leave. Annual leave, according to a graduated scale based on years of employment, is credited to each employee as it accrues. A permanent City employee, not participating in the VRS Hybrid Plan, may carry-forward a maximum of fifty (50) days. All full-time employees hired on or after January 1, 2014, except hazardous duty employees, and those hired before this date, who made the irrevocable decision to participate in the Hybrid Plan shall accrue and use Paid Time Off. Those participating in the Hybrid Plan may carry-forward a maximum of twenty-four (24) days.

City employees not participating in the Hybrid Plan are granted one sick leave day per month and may accumulate an unlimited number of sick leave days; however, no payment is made by the City on the unused portion upon employment termination (except on the condition of retirement).

Compensated leave for the City (current and non-current) is recorded in the government-wide financial statements. For Proprietary Funds, the current and long-term accrued compensated leave liabilities are

CITY OF VIRGINIA BEACH, VIRGINIA
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recorded in the appropriate fund. The current portion of compensated leave is based upon the estimated leave usage in the subsequent year increased by cost of living salary increases.

The City established guidelines, following IRS regulations, for the administration of the Leave Donation Program which allows eligible employees to obtain approval to receive sick leave donations. The City also established the following plans:

Hybrid Retirement Plan - A Virginia Retirement System (VRS) program provided to eligible employees that specifies retirement payout and provides short-term and long-term disability income replacement under the Virginia Local Disability Plan (VLDP).

VRS Plan 1 and Plan 2 Retirement Plan - A VRS retirement program provided to eligible employees that specifies retirement payout with no provisions for short-term and long-term disability income replacement.

I. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council, the City Manager or by a City official delegated that authority by appropriate action.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classification. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

CITY OF VIRGINIA BEACH, VIRGINIA
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The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

J. Use of Estimates

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

K. Fund Balance Policy

It is the City Council's policy that there shall be retained in the General Fund an unassigned fund balance of 8% to 12% of the following year's budgeted revenues. This level equates to approximately one month of operating expenses.

L. Miscellaneous

1. Cash and Investments

Cash invested at June 30 is included in the various cash accounts reflected in the financial statements. Investments are stated at amortized cost or at their fair value (Note 9). Interest earnings on investments are allocated to the appropriate funds based upon the average monthly cash balance of each fund. Qualified investments in State Treasurer's Local Government Investment Pool (LGIP), Certificates of deposits, Virginia Investment Pool (VIP), and Non-Arbitrage Program (SNAP) are reported at amortized cost. All others are reported at fair value (Note 9).

Other OPEB investments are reported at fair value, which for the City and School Board is determined by the most recent bid and asking prices as obtained from markets of such investments. Securities for which market quotations are not readily available are valued at their fair value as determined in good faith by the custodian under the direction of the Board of Trustees of the Virginia Pooled OPEB Trust Fund. A valuation service may be engaged to assist in the determination of fair value.

2. Proprietary Funds' Other Charges

This category mainly consists of General Fund charges (e.g., data processing, buildings and grounds maintenance, indirect costs) to the Water and Sewer, Storm Water, Waste Management and Parking Enterprise Funds, Internal Service Funds except Risk Management, and the VBDA, or Risk Management it represents premiums and claims payments (including current estimated claims and judgments). The VBDA other charges consist of selling, lease and leasehold improvements, professional services, and other general expenses.

3. Statement of Cash Flows

For purposes of the statements of cash flows, all highly liquid debt instruments and certificates of deposit, with a maturity of three months or less at the time of acquisition, are grouped into cash and temporary investments. Proprietary Funds participate in a centralized cash and investment pool and therefore, separate information on cash equivalents (i.e., investments with maturities of three months or less upon acquisition) for the funds is not applicable.

CITY OF VIRGINIA BEACH, VIRGINIA
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4. Bond Premiums and Discounts

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds are reported net of the applicable bond premium or discount.

5. Internal Balances

The amount reported in the Statement of Net Position for internal balances represents support payments to the blended component unit, the VBDA, during the fiscal year just ended and the amounts charged back to the business-type activities.

M. Net Position

The difference between assets plus deferred outflows of resources less liabilities less deferred inflows of resources in the government-wide statement of net position must be labeled as *net position*. GAAP further requires that net position be subdivided into three categories: net investment in capital assets, restricted net position; and unrestricted net position.

N. Long-Term Obligations

In the Government-wide and Proprietary Fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Governmental or Business-type Statement of Activities, or the Proprietary Fund type Statement of Net Position. Bond premiums and deferred loss on refunding bonds are deferred over the life of the bonds using a straight-line method. Issuance costs are reported as debt service expenditures in the year incurred.

In the fund financial statements, Governmental Fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

O. Restricted Assets - Cash and Investments

Certain proceeds of the Primary Government's revenue bond issuance have been set aside in separate bank accounts as a reserve for future debt service payments. In addition, inclusive in this category are option deposits, funds held for capital projects and improvements and grant awards.

P. Unrestricted Net Position - Governmental Activities

Inclusive in Governmental Activities unrestricted net position are ending committed fund balances of certain Special Revenue Funds, which have been earmarked for specific purposes by City Council. These funds include, but are not limited to, Agriculture Reserve Fund, Tax Increment Financing Funds, Open Space Fund, Parks and Recreation Fund, Tourism Investment Program Fund, Tourism Advertising Program Fund and the Capital Projects Fund.

Q. Restricted Net Position

Some Primary Government and component unit net position amounts are subject to various restrictions. Bond resolutions restrict the net position of the Water and Sewer, Storm Water and Debt Service Funds for

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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operations. The Master Water and Sewer Resolution restricts net position of the Water and Sewer Enterprise Fund for the cost of operation, maintenance and debt service costs. The Agreement of Trust, dated January 1, 2000, restricts the net position of the Storm Water Enterprise Fund in a similar manner. The ending fund balance of the Debt Service Fund is restricted for future debt costs. The Waste Management Enterprise Fund ending net position is restricted for fund operations.

Certain amounts in the General Fund, Special Revenue Funds, and component units are restricted through other enabling legislation.

R. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period and as such will not be recognized as an expense or expenditure until then. The City's deferred outflows of resources consist of the amount by which the principal and premium of a refunding bond exceed the net carrying amount of the refunded debt, Pension and OPEB activities and contributions made subsequent to the measurement date. The deferred outflow related to debt is being amortized over the remaining life of the refunded debt or the life of the new debt, whichever is shorter.

Deferred inflows of resources represents an acquisition of net assets that applies to a future period and as such will not be recognized as a revenue until then. The City's deferred inflows of resources consist of the amount by which the net carrying amount of refunded debt exceed the principal and premium of a refunding bond, Pension and OPEB activities that will be recognized as pension expense in future periods, long term receivables associated with leases and subscriptions. The deferred inflow is being amortized over the remaining life of the refunded debt or the life of the new debt, whichever is shorter. Under the modified accrual basis of accounting, the City has revenues which are applicable to a future period, and will not be recognized until the period they become available. These amounts are recorded on the governmental funds balance sheet as a deferred inflow of resources.

S. Pensions

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Political Subdivision's Retirement Plan and the additions to deductions from the Political Subdivision's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the 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.

T. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Political Subdivision's OPEB Plan, and the additions to/deductions from the Political Subdivision's OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by the 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.

U. New Accounting Standards

In Fiscal Year 2025, the School Board adopted a new statement issued by GASB:

- Statement No. 101, *Compensated Absences*

In Fiscal Year 2025, the City and School Board adopted a new statement issued by GASB:

- Statement No. 102, *Certain Risk Disclosures*

CITY OF VIRGINIA BEACH, VIRGINIA
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Statement No. 101, establishes standards of accounting and financial reporting by updating the recognition and measurement guidance for compensated absences. The 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. 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. This statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability. The financial reporting impact from the implementation of Statement No. 101 resulted in a restatement of the Statement of Net Position for fiscal year ended June 30, 2024 which resulted in a reduction to the beginning net position of \$72.5 million.

Statement No. 102, establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints that may limit its ability to acquire resources or control spending. A concentration may be a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation that is imposed by an external party or by formal action of a government's highest level of decision making authority. See Note 16.

V. Pronouncements Issued but not Yet Effective

GASB has issued the following pronouncements prior to June 30, 2025 that may affect future financial position, results of operations, cash flows or financial presentation of the City upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB		EFFECTIVE
STATEMENT NO.	GASB ACCOUNTING STANDARD	FISCAL YEAR
103	<i>Financial Reporting Model Improvements</i>	2026
104	<i>Disclosure of Certain Capital Assets</i>	2026

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

2. FUND BALANCES – GENERAL FUND AND NONMAJOR GOVERNMENTAL FUNDS

General Fund and Nonmajor governmental fund balances are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of these resources. The constraints placed on fund balances for the General Fund and Nonmajor governmental funds are presented below:

GENERAL FUND:

Nonspendable:

Inventories	\$ 5,983,998
Housing and Volunteer Rescue Squad Loans	4,763,313
Total Nonspendable	<u>10,747,311</u>

Restricted:

Community Services Board	8,721,767
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Committed:

Education	24,414,171
Flood Protection	80,038,835
Total Committed	<u>104,453,006</u>

Assigned:

Community Programs	\$ 1,539,493
Judicial	117,694
Library	66,963
Living Shorelines Program	10,722
Maritime Forest Program	43,512
Oyster Heritage Program	135,623
Public Safety	34,785
Other General Programs	113,022
Total Special Programs	<u>2,061,814</u>
General Government	55,768,261
Total General Government	57,830,075
Education	45,559,193
Capital Improvement Program - General	36,528,651
Total Assigned	<u>139,917,919</u>

Unassigned:

General Government	<u>178,441,259</u>
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Total Fund Balance

<u><u>\$ 442,281,262</u></u>

NONMAJOR GOVERNMENTAL FUNDS:

Nonspendable:

Inventories	\$ 838,456
Housing Loans	5,195,260
	<u>6,033,716</u>

Restricted:

General Government	12,432,864
Housing and Community Development	9,171,603
Forfeited Assets - Judicial	316,412
Forfeited Assets - Police	2,348,939
Public Safety	749,625
Special Service Districts	10,879,664
Total Special Revenue Funds	<u>41,932,823</u>
Future Debt Service	29,552,259
Total Restricted	<u>71,485,082</u>

Committed:

Agriculture Program	176,000
Convention and Visitor Development	533,579
Forfeited Assets - Judicial	169,520
Forfeited Assets - Police	94,395
Central Business District TIF Program	1,000,000
Education	49,517
Total Committed	<u>2,023,011</u>

Assigned:

Agriculture Program	26,398,765
Convention and Visitor Development	69,363,288
Parks and Recreation	23,696,917
Central Business District TIF Program	18,638,693
Total Assigned	<u>138,097,663</u>

Unassigned:

General Government	<u>(4,800,206)</u>
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Total Fund Balance

<u><u>\$ 206,805,550</u></u>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

3. RECEIVABLES AND ACCRUED LIABILITIES

A. Receivables

Receivables at June 30, 2025 consist of the following:

Primary Government

	Governmental Activities	Business-type Activities	Total
Real Estate Taxes	\$ 21,433,216	\$ -	\$ 21,433,216
Personal Property Taxes	80,038,685	-	80,038,685
Accounts	73,215,814	33,735,102	106,950,916
Leases	4,953,076	26,534,184	31,487,260
Loans	9,958,573	-	9,958,573
Due from Other Government	90,432,125	99,764	90,531,889
Gross Receivables	280,031,489	60,369,050	340,400,539
Less: Allowance for Uncollectibles	(29,757,731)	(3,574,440)	(33,332,171)
Net Receivables - Entity Wide	<u>\$ 250,273,758</u>	<u>\$ 56,794,610</u>	<u>\$ 307,068,368</u>

Major Funds – Governmental

	General Fund	Capital Projects	Total
Real Estate Taxes	\$ 21,433,216	\$ -	\$ 21,433,216
Personal Property Taxes	80,038,685	-	80,038,685
Accounts	38,793,973	-	38,793,973
Leases	3,973,815	-	3,973,815
Loans	4,763,313	-	4,763,313
Due from Other Funds	6,947,391	-	6,947,391
Intergovernmental Accounts	68,460,861	11,543,714	80,004,575
Gross Receivables	224,411,254	11,543,714	235,954,968
Less: Allowance for Uncollectibles	(19,879,088)	-	(19,879,088)
Net Receivables	<u>\$ 204,532,166</u>	<u>\$ 11,543,714</u>	<u>\$ 216,075,880</u>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Major Funds – Proprietary

	Water and Sewer	Storm Water	Waste Management	Virginia Beach Development Authority	Total
Accounts	\$ 20,834,536	\$ 6,077,741	\$ 6,019,230	\$ 803,595	\$ 33,735,102
Leases	-	-	-	26,534,184	26,534,184
Due from Other Funds	-	-	-	119,188,185	119,188,185
Intergovernmental Receivable	99,764	-	-	-	99,764
Gross Receivables	20,934,300	6,077,741	6,019,230	146,525,964	179,557,235
Less: Allowance for Uncollectibles	(2,504,197)	(281,350)	(788,893)	-	(3,574,440)
Net Receivables	<u>\$ 18,430,103</u>	<u>\$ 5,796,391</u>	<u>\$ 5,230,337</u>	<u>\$ 146,525,964</u>	<u>\$ 175,982,795</u>

Component Units

Receivables at June 30, 2025 consist of the following:

	School Board	Community Development Corporation	Atlantic Park CDA	Total
Intergovernmental Accounts	\$ 29,237,051	\$ 575,408	\$ 116,542	\$ 29,929,001
Accounts Receivables	734,844	1,396,145	-	2,130,989
Lease Receivables	977,716	-	-	977,716
Notes Receivables	-	4,207,984	-	4,207,984
Interest Receivables	-	-	87,358	87,358
Net Receivables	<u>\$ 30,949,611</u>	<u>\$ 6,179,537</u>	<u>\$ 203,900</u>	<u>\$ 37,333,048</u>

B. Property Taxes Receivable

An annual ad valorem tax is levied by the City on the assessed value of real and tangible personal property. These levies are made each year on July 1 and January 1 for real property and tangible personal property, respectively. Taxes levied on these dates become liens on the subject property on the date of levy. Real property taxes are payable in two installments on December 5 and June 5. Personal property taxes are payable on June 5, however, pro-rated bills on automobiles are also payable throughout the year on the portion of the year they are owned if not owned a full year. These taxes are considered delinquent when not paid by the due dates and subject to penalties and interest charges by the City Treasurer. City property tax revenues are recognized when levied and collected.

The City calculates its allowance for uncollectible taxes by using historical collection data. Furthermore, the taxes receivable amount which remains uncollected after the 45 day accrual period is recorded as unearned revenue for the fund financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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Fiscal Year 2025 real property rate was \$.97 per \$100 of assessed valuation, except for public service corporation properties. In addition there are Special Service Districts that were charged an additional rate, these districts and rates are as followed:

Special Service District	Additional Tax Rate
Bayville Creek Special Service District	\$ 0.472
Chesapeake Colony Special Service District	0.291
Gills Cove Special Service District	0.160
Harbour Point Special Service District	0.120
Hurds Cove Special Service District	0.438
Old Donation Special Service District	0.184
Sandbridge Special Service District	0.010
Schilling Point Special Service District	0.580
Shadowlawn Special Service District	0.159
Town Center Special Service District	0.450

Additionally, the real property tax rate on all real estate that has been classified as an energy efficient building, not exempt from taxation, was \$0.82 on each \$100 of assessed valuation thereof. Taxes on buildings that are individually listed on the Virginia Landmarks Register, not including the real estate or land on which the building is located, so long as the building is maintained in a condition such that it retains the characteristics for which it was listed on the Virginia Landmarks Register, were at a rate of \$0.50 on each \$100 of assessed valuation thereof. The personal property rate was \$4.00 per \$100 of assessed valuation (100% of fair market value). Other personal property tax rates exist for qualified equipment. There are no limits currently on the property tax rates which may be established by the City Council. City Council is the only governmental entity that has the local taxing authority.

C. Intergovernmental Receivables - Primary Government and School Board Component Unit – Entity Wide

- The following revenues were due from the Commonwealth of Virginia at June 30, 2025:

Primary Government

	Governmental Activities
Personal Property Tax Relief Act	\$ 53,412,868
Sheriff's Department	1,704,283
Capital Projects	2,924,171
Other Grants, Entitlements and Shared Revenues	3,889,045
Sales Tax	8,145,358
CDA Sales Tax Passthrough	78,016
Total Due from Commonwealth	<u>\$ 70,153,741</u>

CITY OF VIRGINIA BEACH, VIRGINIA
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School Board Component Unit

State Share Sales Tax	\$ 8,092,733
Special Education-Regional Program	2,345,795
Technology Initiative	2,734,762
Juvenile Detention Center	412,768
Other Grants, Entitlements and Shared Revenues	196,822
Total Due from Commonwealth-Governmental Funds	<u>\$ 13,782,880</u>

2. The following revenues were due from various Federal agencies at June 30, 2025:

Primary Government

	Governmental Activities
Federal Section Eight Program	121,229
Grants Consolidated	5,337,562
Housing and Neighborhood Preservation	366,986
Emergency FEMA	2,897,490
Capital Projects	8,619,543
General Fund	2,935,574
Total Due from Federal Government	<u>\$ 20,278,384</u>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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School Board Component Unit

Adult Basic Education	\$ 79,150
Carl Perkins	799,146
CSLFRF	1,810,127
DODEA Spanish Immersion	45,888
DoDEA WLARP	74,627
McKinney Homeless	37,377
NJROTC	108,411
Perkins CTE Secondary Reserve Funds	10,478
Preschool Incentive	87,757
National School Lunch Program	2,937,577
School Breakfast Program	1,200,989
Summer Feeding Program	5,646
Child and Adult Care Program	89,293
Title I	5,701,305
Title II	466,168
Title III	55,843
Title IV	326,479
Title VI-B	1,617,725
Other Grants, Entitlements, and Shared Revenues	185
Total Due from Federal Government	\$ 15,454,171

3. The following revenues were due from Other Governments at June 30, 2025:

Business - Type Activities:

The Water and Sewer fund is due \$99,764 from the City of Chesapeake, Virginia in June operations, maintenance, and capital improvement costs for the Lake Gaston Water Supply Project.

D. Allowances For Uncollectible Accounts Receivable

Allowances for uncollectible accounts receivable are generally established using historical collection data, specific account analysis and subsequent cash receipts. The allowances at June 30, 2025 are as follows:

General Fund	\$ 19,879,088
Water and Sewer Fund	2,504,197
Storm Water Fund	281,350
Waste Management Fund	788,893
Special Revenue Funds	9,878,643
Total	\$ 33,332,171

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

E. Major Components of Accrued Liabilities at June 30, 2025 consist of the following

Primary Government

	Governmental Activities	Business-Type Activities	Total
Accrued Interest Payable	\$ 14,354,868	\$ 8,178,391	\$ 22,533,259
Unearned Revenues	23,481,255	1,091,312	24,572,567
Other Accrued Liabilities	21,697,284	5,942,540	27,639,824
Total Accrued Liabilities	<u>\$ 59,533,407</u>	<u>\$ 15,212,243</u>	<u>\$ 74,745,650</u>

Component Units

	School Board	Community Development Corporation	Atlantic Park CDA	Total
Accrued Interest Payable	\$ 18,105	\$ 139,783	\$ 1,389,714	\$ 1,547,602
Unearned Revenues	26,028,776	115,884	-	26,144,660
Other Accrued Liabilities	93,862,580	-	405,708	94,268,288
Total Accrued Liabilities	<u>\$ 119,909,461</u>	<u>\$ 255,667</u>	<u>\$ 1,795,422</u>	<u>\$ 121,960,550</u>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

4. UNEARNED REVENUES

Unearned revenues represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available.

Unearned revenues consist of the following as of June 30, 2025:

A. General Fund

Unspent ARPA Relief Funds	\$ 18,680,983
Convention Center - Deposits	417,716
Virginia Aquarium	589,036
Other	31,370
Total General Fund	<u>\$ 19,719,105</u>

B. Nonmajor Special Revenue Fund

Parks and Recreation - Advance Customer Receipts	\$ 939,578
Federal Section Eight Program - Unspent Emergency Housing Vouchers	36,869
Total Special Revenue Funds	<u>\$ 976,447</u>

C. Enterprise Funds

Water and Sewer - Customers and Developers - Tap and Meter Fees	<u>\$ 1,091,312</u>
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D. School Board Component Unit

School Operating Fund - Summer School Tuition, Regular School Tuition	\$ 548,682
School Grants Fund - Early Reading Intervention, Algebra Readiness, VA Preschool Initiative and Other Grants	14,722,637
School Cafeterias - Charges for Services	632,865
Total Unearned Revenue - Governmental Funds	<u>15,904,184</u>
 School Health Insurance Internal Service Fund - Prepayment of July Health Insurance Premiums	 10,124,592
Total Unearned Revenues - Governmental Activities	<u>\$ 26,028,776</u>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

5. CAPITAL ASSETS AND LAND HELD FOR RESALE

A. Governmental Activities

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2025:

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025
Capital Assets Not Being Depreciated/Amortized				
Land and Improvements	\$ 1,058,497,820	\$ 5,333,779	\$ 712,500	\$ 1,063,119,099
Agriculture Reserve Program	45,138,160	4,643,899	2,442,859	47,339,200
Construction in Progress	363,707,427	331,013,616	347,175,601	347,545,442
Total Capital Assets Not Being Depreciated	1,467,343,407	340,991,294	350,330,960	1,458,003,741
Capital Assets Being Depreciated/Amortized				
Right-to-use - Land - Leases	251,834	-	-	251,834
Buildings and Improvements	1,004,265,152	53,722,155	975,000	1,057,012,307
School Buildings	384,345,800	-	32,613,095	351,732,705
Right-to-use - Buildings - Leases	61,381,100	686,277	5,096,843	56,970,534
Site Improvements	382,769,801	80,869,010	-	463,638,811
Site Improvements - ISF	265,782	-	-	265,782
Equipment	391,817,010	63,810,275	2,385,096	453,242,189
Right-to-use -Subscription - Assets	7,166,732	5,468,566	5,141,504	7,493,794
Equipment - ISF	8,891,322	1,188,504	269,157	9,810,669
Right-to-use - Subscription - Assets ISF	150,174	18,744,359	-	18,894,533
Infrastructure	2,501,570,095	67,057,027	-	2,568,627,122
Total Other Capital Assets at Historical Cost	4,742,874,802	291,546,173	46,480,695	4,987,940,280
Less Accumulated Depreciation/Amortization				
Right-to-use - Land - Leases	143,905	-	-	143,905
Buildings and Improvements	397,377,018	24,727,562	241,719	421,862,861
School Buildings	67,811,371	-	401,437	67,409,934
Right-to-use - Buildings - Leases Amortization	13,111,470	6,002,364	4,594,599	14,519,235
Site Improvements	155,683,699	9,123,087	-	164,806,786
Site Improvements - ISF	265,116	235	-	265,351
Equipment	303,847,173	38,549,987	2,272,277	340,124,883
Right-to-use - Subscription - Amortization	2,947,538	2,315,496	2,896,504	2,366,530
Equipment - ISF	7,312,640	783,441	269,155	7,826,926
Right-to-use - Subscription - Amortization ISF	29,312	5,268,422	-	5,297,734
Infrastructure	1,656,214,217	62,487,342	-	1,718,701,559
Total Accumulated Depreciation/Amortization	2,604,743,459	149,257,936	10,675,691	2,743,325,704
Total Capital Assets Being Depreciated/Amortized, Net	2,138,131,343	142,288,237	35,805,004	2,244,614,576
Governmental Activities Capital Assets/Amortized, Net	\$ 3,605,474,750	\$ 483,279,531	\$ 386,135,964	\$ 3,702,618,317

Governmental Activities capital assets net of accumulated depreciation/Amortization at June 30, 2025 are comprised of the following:

General Government Capital Assets, Net	\$ 3,687,037,344
Internal Service Fund Capital Assets, Net	15,580,973
Total	\$ 3,702,618,317

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Depreciation was charged to governmental functions as follows:

Finance	\$	327,698
Judicial		643,611
Police		5,230,201
Public Works		95,233,547
Parks and Recreation		4,742,083
Libraries		64,135
Planning		289,217
Convention & Visitors Bureau		191,985
Information Technology		29,628,679
Human Resources		117,031
Fire		507,880
Human Services		2,576,171
Housing & Neighborhood Preservation		147,923
Museums		15,045
General Government		9,260,839
Emergency Medical Services		281,891
Total	\$	<u>149,257,936</u>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

B. Business-Type Activities

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2025:

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025
Capital Assets Not Being Depreciated/Amortized:				
Land	\$ 201,404,251	\$ 940,916	\$ -	\$ 202,345,167
Construction in Progress	198,520,725	156,494,839	219,299,731	135,715,833
Total Capital Assets Not Being Depreciated	<u>399,924,976</u>	<u>157,435,755</u>	<u>219,299,731</u>	<u>338,061,000</u>
Capital Assets Being Depreciated/Amortized				
Right-to-use - Land - Leases	2,965,874	3,019,092	2,965,874	3,019,092
Buildings	163,068,904	98,317,081	-	261,385,985
Right-to-use - Buildings - Leases	3,201,405	-	2,096,747	1,104,658
Improvement Other Than Buildings	1,189,842	-	-	1,189,842
Utility System	1,720,475,482	117,190,260	-	1,837,665,742
Right-to-use - Subscription - Asset	832,023	6,380,299	870,339	6,341,983
Machinery and Equipment	89,199,036	6,331,196	1,954,661	93,575,571
Total Capital Assets Being Depreciated/Amortized	<u>1,980,932,566</u>	<u>231,237,928</u>	<u>7,887,621</u>	<u>2,204,282,873</u>
Less Accumulated Depreciation/Amortization For:				
Right-to-use - Land - Leases Amortization	367,510	216,207	367,510	216,207
Buildings	74,719,519	4,087,961	-	78,807,480
Right-to-use - Buildings - Leases Amortization	2,242,231	82,320	2,143,591	180,960
Improvement Other Than Buildings	378,977	40,956	-	419,933
Utility System	738,759,755	33,860,944	-	772,620,699
Right-to-use - Subscription - Amortization	821,629	1,274,972	743,852	1,352,749
Machinery and Equipment	72,209,303	7,101,034	1,608,579	77,701,758
Total Accumulated Depreciation/Amortization	<u>889,498,924</u>	<u>46,664,394</u>	<u>4,863,532</u>	<u>931,299,786</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>1,091,433,641</u>	<u>184,573,534</u>	<u>3,024,090</u>	<u>1,272,983,087</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,491,358,618</u>	<u>\$ 342,009,289</u>	<u>\$ 222,323,821</u>	<u>\$ 1,611,044,087</u>

Depreciation expense was charged to Business-Type Activities as follows:

Water and Sewer	\$ 27,613,082
Storm Water	11,408,009
Waste Management	3,325,920
Development Authority	3,999,367
Parking	318,016
Total	<u>\$ 46,664,394</u>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

C. Major Fund - Water and Sewer Enterprise Fund

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025
Capital Assets Not Being Depreciated/Amortized				
Land and Improvements	\$ 14,618,544	\$ -	\$ -	\$ 14,618,544
Construction in Progress	61,193,202	65,084,224	52,678,091	73,599,335
Total Capital Assets Not Being Depreciated	<u>75,811,746</u>	<u>65,084,224</u>	<u>52,678,091</u>	<u>88,217,879</u>
Other Capital Assets:				
Buildings and Improvements	18,940,552	-	-	18,940,552
Right-to-use - Buildings - Leases	2,096,747	-	2,096,747	-
Utility System	1,256,625,431	51,666,610	-	1,308,292,041
Right-to-use - Subscription Assets	858,326	6,380,299	870,339	6,368,286
Machinery and Equipment	37,510,380	1,488,079	574,707	38,423,752
Total Other Capital Assets at Historical Cost	<u>1,316,031,436</u>	<u>59,534,988</u>	<u>3,541,793</u>	<u>1,372,024,631</u>
Less Accumulated Depreciation/Amortization For:				
Buildings and Improvements	17,736,011	87,729	-	17,823,740
Right-to-use - Buildings - Leases Amortization	1,935,459	-	1,935,459	-
Utility System	632,248,061	24,209,685	-	656,457,746
Right-to-use - Subscription - Amortization	520,251	1,274,972	743,852	1,051,371
Machinery and Equipment	32,259,438	2,040,696	574,707	33,725,427
Total Accumulated Depreciation/Amortization	<u>684,699,220</u>	<u>27,613,082</u>	<u>3,254,018</u>	<u>709,058,284</u>
Total Capital Assets Being Depreciated/Amortized, Net	631,332,216	31,921,906	287,775	662,966,347
Water and Sewer Capital Assets, Net	<u>\$ 707,143,962</u>	<u>\$ 97,006,130</u>	<u>\$ 52,965,866</u>	<u>\$ 751,184,226</u>

D. Major Fund – Storm Water Enterprise Fund

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 134,087,267	\$ -	\$ -	\$ 134,087,267
Construction in Progress	76,172,365	52,973,619	69,373,701	59,772,283
Total Capital Assets Not Being Depreciated	<u>210,259,632</u>	<u>52,973,619</u>	<u>69,373,701</u>	<u>193,859,550</u>
Other Capital Assets:				
Buildings and Improvements	664,899	-	-	664,899
Utility System	463,850,051	65,523,650	-	529,373,701
Machinery and Equipment	24,128,912	251,294	623,021	23,757,185
Total Other Capital Assets at Historical Cost	<u>488,643,862</u>	<u>65,774,944</u>	<u>623,021</u>	<u>553,795,785</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	249,337	41,556	-	290,893
Utility System	106,141,423	9,651,259	-	115,792,682
Machinery and Equipment	19,136,126	1,715,194	623,021	20,228,299
Total Accumulated Depreciation	<u>125,526,886</u>	<u>11,408,009</u>	<u>623,021</u>	<u>136,311,874</u>
Total Capital Assets Being Depreciated, Net	363,116,976	54,366,935	-	417,483,911
Storm Water Capital Assets, Net	<u>\$ 573,376,608</u>	<u>\$ 107,340,554</u>	<u>\$ 69,373,701</u>	<u>\$ 611,343,461</u>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

E. Major Fund – Waste Management

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025
Other Capital Assets:				
Buildings	\$ 8,730	\$ -	\$ -	\$ 8,730
Site Improvements	410,325	-	-	410,325
Machinery and Equipment	25,515,611	4,591,824	379,027	29,728,408
Total Other Capital Assets at Historical Cost	25,934,666	4,591,824	379,027	30,147,463
Less Accumulated Depreciation/Amortization For:				
Buildings	1,928	437	-	2,365
Site Improvements	301,024	21,468	-	322,492
Machinery and Equipment	20,337,918	3,304,015	379,027	23,262,906
Total Accumulated Depreciation/Amortization	20,640,870	3,325,920	379,027	23,587,763
Total Capital Assets Being Depreciated/Amortized, Net	5,293,796	1,265,904	-	6,559,700
Waste Management Capital Assets, Net	\$ 5,293,796	\$ 1,265,904	\$ -	\$ 6,559,700

F. Major Fund - Virginia Beach Development Authority

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 52,698,440	\$ 940,916	\$ -	\$ 53,639,356
Construction in Progress	61,155,158	38,436,996	97,247,939	2,344,215
Total Capital Assets Not Being Depreciated	113,853,598	39,377,912	97,247,939	55,983,571
Other Capital Assets:				
Buildings and Improvements	143,454,723	98,317,081	-	241,771,804
Machinery and Equipment	1,945,561	-	377,906	1,567,655
Total Other Capital Assets at Historical Cost	145,400,284	98,317,081	377,906	243,339,459
Less Accumulated Depreciation For:				
Buildings and Improvements	56,607,807	3,958,239	-	60,566,046
Machinery and Equipment	723,519	41,128	31,824	732,823
Total Accumulated Depreciation	57,331,326	3,999,367	31,824	61,298,869
Total Capital Assets Being Depreciated, Net	88,068,958	94,317,714	346,082	182,040,590
Development Authority Capital Assets, Net	\$ 201,922,556	\$ 133,695,626	\$ 97,594,021	\$ 238,024,161

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

G. Component Unit - School Board

Capital Assets activity for the year ended June 30, 2025 was as follows:

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025
Capital Assets Not Being Depreciated:				
Land	\$ 38,967,870	\$ -	\$ 16,827	\$ 38,951,043
Construction in Progress	14,768,654	2,538,063	2,475,144	14,831,573
Total Capital Assets Not Being Depreciated	<u>53,736,524</u>	<u>2,538,063</u>	<u>2,491,971</u>	<u>53,782,616</u>
Capital Assets Being Depreciated				
Buildings	923,692,230	55,744,242	1,479,473	977,956,999
Improvement Other Than Buildings	86,677,054	2,263,487	-	88,940,541
Right-to-use - Subscription Lease	1,678,562	-	855,872	822,690
Right-to-use - Equipment Lease	-	1,971,342	-	1,971,342
Machinery and Equipment	159,414,248	7,752,408	8,297,011	158,869,645
Total Capital Assets Being Depreciated	<u>1,171,462,094</u>	<u>67,731,479</u>	<u>10,632,356</u>	<u>1,228,561,217</u>
Less Accumulated Depreciation For:				
Buildings	428,261,741	27,514,458	1,479,473	454,296,726
Improvement Other Than Buildings	59,011,254	2,750,173	-	61,761,427
Right-to-use - Subscription Amortization	885,946	449,829	855,872	479,903
Right-to-use - Lease Amortization	-	236,241	-	236,241
Machinery and Equipment	98,145,796	9,481,406	8,225,883	99,401,319
Total Accumulated Depreciation	<u>586,304,737</u>	<u>40,432,107</u>	<u>10,561,228</u>	<u>616,175,616</u>
Total Capital Assets Being Depreciated, Net	585,157,357	27,299,372	71,128	612,385,601
Component Unit School Board, Capital Assets, Net	<u>\$ 638,893,881</u>	<u>\$ 29,837,435</u>	<u>\$ 2,563,099</u>	<u>\$ 666,168,217</u>

H. Component Unit - Virginia Beach Community Development Corporation

	Balance 7/1/2024	Increases	Decreases	Balance 6/30/2025
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 9,689,092	\$ -	\$ -	\$ 9,689,092
Construction in Progress	143,294	-	42,135	101,159
Total Capital Assets Not Being Depreciated	<u>9,832,386</u>	<u>-</u>	<u>42,135</u>	<u>9,790,251</u>
Other Capital Assets:				
Buildings and Improvements	36,195,245	41,828	-	36,237,073
Machinery and Equipment	840,558	50,799	-	891,357
Total Other Capital Assets at Historical Cost	<u>37,035,803</u>	<u>92,627</u>	<u>-</u>	<u>37,128,430</u>
Less Accumulated Depreciation For:	21,916,992	1,117,089	-	23,034,081
Component Unit-VA Beach Community Dev.	<u>\$ 24,951,197</u>	<u>\$ (1,024,462)</u>	<u>\$ 42,135</u>	<u>\$ 23,884,600</u>

I. Land and Building Inventory Held for Resale – Development Authority

Oceana West Corporate Park	\$ 1,555,548
Corporate Landing Office Park	8,489,205
Town Center Beacon Building	3,402,900
Hunt Club 2	200,305
Historic Kempsville	543,000
Progress Lane	308,200
Bio-Med Park	11,892,699
Total Land Held for Resale	<u>\$ 26,391,857</u>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

J. Construction in Progress

1. Governmental Activities and School Board Component Unit

In accordance with the City's accounting policies, these projects will not be transferred from Construction in Progress into the various capital asset accounts until substantially completed. Construction in progress is for Governmental Activities is comprised of the following at June 30, 2025:

	Expended through 6/30/2025	Outstanding Commitments	Unobligated Balance
<u>Government Activities</u>			
Engineering and Highways	\$ 142,023,849	\$ 164,839,667	\$ 342,380,541
Buildings	51,258,604	27,067,337	58,888,257
Flood Protection Program	68,438,374	42,356,487	497,320,030
Communications and Information Technology	7,415,903	13,947,597	45,511,535
Parks and Recreation	19,444,288	18,745,953	87,455,579
Coastal	8,032,069	14,627,458	121,362,945
Economic and Tourism	50,932,355	74,344,423	172,697,582
Total Other Capital Assets at Historical Cost	<u>\$ 347,545,442</u>	<u>\$ 355,928,922</u>	<u>\$ 1,325,616,469</u>
<u>School Board Component Unit</u>			
Buildings and Improvements Other than Buildings	<u>\$ 14,831,573</u>	<u>\$ 36,049,486</u>	<u>\$ -</u>

2. Business-Type Activities

In accordance with the City's accounting policies, these projects will not be transferred from Construction in Progress into the various capital asset accounts until substantially completed. Construction in Progress for Business-Type Activities is comprised of the following at June 30, 2025:

	Expended through 6/30/2025	Outstanding Commitments	Unobligated Balance
Water & Sewer Utility Projects	\$ 73,599,335	\$ 69,708,400	\$ 55,170,320
Storm Water Projects	59,772,283	52,965,759	139,089,057
Development Authority	2,344,215	-	-
Total Business-Type Activities	<u>\$ 135,715,833</u>	<u>\$ 122,674,159</u>	<u>\$ 194,259,377</u>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

6. LONG-TERM DEBT

A. Summary of Changes in Long-Term Liabilities

1. Primary Government - Governmental Activities

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
General Obligation Bonds	\$ 708,330,000	\$ -	\$ 65,495,000	\$ 642,835,000	\$ 61,027,981
Public Facility Revenue Bonds	282,471,136	-	28,168,316	254,302,820	23,548,028
Agriculture Reserve Program	45,138,160	4,643,899	2,442,859	47,339,200	2,166,758
Other Direct Borrowings	4,779,234	-	975,117	3,804,117	1,728,122
Total Tax Supported Debt	1,040,718,530	4,643,899	97,081,292	948,281,137	88,470,889
Other Debt:					
Landfill Closure & Post-Closure Care	21,630,594	475,872	-	22,106,466	-
Premiums	115,650,498	-	10,752,618	104,897,880	10,607,617
Net Pension Liability	400,614,724	1,343,710	-	401,958,434	-
Net OPEB Liability	74,647,508	-	4,636,501	70,011,007	-
Accrued Compensation Leave	82,836,408	-	1,600,639	81,235,769	18,780,678
Lease Liability	49,579,887	686,277	5,790,836	44,475,328	4,768,181
Estimated Claims & Judgements	43,639,211	14,382,463	13,846,773	44,174,901	9,095,001
Subscription Liability	3,514,660	5,468,566	4,122,003	4,861,223	1,796,465
Subscription Liability - ISF	114,474	18,216,803	5,157,309	13,173,968	5,001,915
Governmental Activities Long-Term Debt	<u>\$ 1,832,946,494</u>	<u>\$ 45,217,590</u>	<u>\$ 142,987,971</u>	<u>\$ 1,735,176,113</u>	<u>\$ 138,520,746</u>

2. Primary Government - Business-Type Activities

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Revenue Bonds	\$ 301,425,000	\$ 77,415,000	\$ 17,675,000	\$ 361,165,000	\$ 19,630,000
Public Facility Revenue Bonds	129,278,864	-	10,446,684	118,832,180	8,231,972
Total Self/Tax Supported Debt	430,703,864	77,415,000	28,121,684	479,997,180	27,861,972
Less/Add Deferred Amounts:					
For Issuance Premiums	33,412,110	2,585,000	4,840,012	31,157,098	3,236,766
Total Bonds Payable	<u>464,115,974</u>	<u>80,000,000</u>	<u>32,961,696</u>	<u>511,154,278</u>	<u>31,098,738</u>
Net Pension Liability	35,737,223	-	23,147	35,714,076	-
Net OPEB Liability	3,981,756	-	783,651	3,198,105	-
Accrued Compensated Leave	6,579,964	69,327	-	6,649,291	1,838,779
Subscription Liability	290,078	6,380,299	1,254,296	5,416,081	1,197,194
Lease Liability	3,449,932	628,860	431,925	3,646,867	298,308
Business-Type Activities Long-Term Debt	<u>\$ 514,154,927</u>	<u>\$ 87,078,486</u>	<u>\$ 35,454,715</u>	<u>\$ 565,778,698</u>	<u>\$ 34,433,019</u>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

3. Major Fund - Water and Sewer Enterprise Fund (Included in Business-Type Activities)

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Revenue Bonds	\$ 175,680,000	\$ -	\$ 12,720,000	\$ 162,960,000	\$ 13,445,000
Add Deferred Amounts:					
For Issuance Premiums	17,279,807	-	1,726,134	15,553,673	1,726,134
Total Bonds Payable	192,959,807	-	14,446,134	178,513,673	15,171,134
Net Pension Liability	23,039,382	332,329	-	23,371,711	-
Net OPEB Liability	2,444,003	-	481,529	1,962,474	-
Accrued Compensated Leave	3,957,012	42,327	-	3,999,339	1,121,508
Subscription Liability	290,078	6,380,299	1,254,296	5,416,081	1,197,194
Lease Liability	168,380	-	168,380	-	-
Water & Sewer Long-Term Liabilities	\$ 222,858,662	\$ 6,754,955	\$ 16,350,339	\$ 213,263,278	\$ 17,489,836

4. Major Fund – Storm Water Enterprise Fund (Included in Business-Type Activities)

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Revenue Bonds	\$ 125,745,000	\$ 77,415,000	\$ 4,955,000	\$ 198,205,000	\$ 6,185,000
Add Deferred Amounts:					
For Issuance Premiums	12,399,519	2,585,000	1,336,865	13,647,654	1,336,864
Total Bonds Payable	138,144,519	80,000,000	6,291,865	211,852,654	7,521,864
Net Pension Liability	5,410,764	-	27,392	5,383,372	-
Net OPEB Liability	574,095	-	111,559	462,536	-
Accrued Compensated Leave	996,258	-	33,230	963,028	280,411
Storm Water Long-Term Liabilities	\$ 145,125,636	\$ 80,000,000	\$ 6,464,046	\$ 218,661,590	\$ 7,802,275

5. Major Fund – Waste Management Enterprise Fund (Included in Business-Type Activities)

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Net Pension Liability	\$ 6,894,361	\$ -	\$ 416,808	\$ 6,477,553	\$ -
Net OPEB Liability	922,652	-	182,595	740,057	-
Accrued Compensated Leave	1,529,682	141,666	-	1,671,348	424,695
Waste Management Long-Term Liabilities	\$ 9,346,695	\$ 141,666	\$ 599,403	\$ 8,888,958	\$ 424,695

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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6. Major Fund - Development Authority Enterprise Fund (Included in Business-Type Activities)

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Public Facility Revenue Bonds	\$ 129,278,864	\$ -	\$ 10,446,684	\$ 118,832,180	\$ 8,231,972
For Issuance Premiums	3,732,784	-	1,777,013	1,955,771	173,768
Virginia Beach Development Authority					
Long-Term Debt	\$ 133,011,648	\$ -	\$ 12,223,697	\$ 120,787,951	\$ 8,405,740

7. Component Unit - School Board

School-related long term debt is shown in table 6.A.1 for Primary Government - Governmental Activities as it is considered and reported as the City's long term debt. The City Council is the only elected local governing body authorized by the City Charter (sections 6.01 & 6.06) and Constitution of Virginia (article VII, section 10) to incur debt in the name of the City.

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Net Pension Liability	\$ 484,716,006	\$ 238,150,132	\$ 260,445,310	\$ 462,420,828	\$ -
Net OPEB Liability	152,262,481	61,471,716	69,466,752	144,267,445	-
Accrued Compensated Leave*	121,538,487	3,305,511	-	124,843,998	31,010,110
Estimated Claims and Judgements	16,791,979	195,209,898	194,328,942	17,672,935	13,254,701
Lease Liability	-	1,938,563	175,638	1,762,925	290,574
Subscription Liability	778,559	-	444,987	333,572	164,404
School Board Long-Term Liabilities	\$ 776,087,512	\$ 500,075,820	\$ 524,861,629	\$ 751,301,703	\$ 44,719,789

* July 1, 2024 balance has been restated to reflect the implementation of GASB 101, Compensated Absences.

8. Component Unit - Virginia Beach Community Development Corporation

Various mortgage loan agreements and notes payable with interest at 2.5% to 7.1%, collateralized by real property.

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Lines of Credit	\$ 547,908	\$ 612,135	\$ -	\$ 1,160,043	\$ -
Notes Payable	18,545,582	-	618,282	17,927,300	657,544
VBCDC Long Term Liabilities	\$ 19,093,490	\$ 612,135	\$ 618,282	\$ 19,087,343	\$ 657,544

9. Component Unit - Atlantic Park Community Development Authority

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Public Facility Revenue Bonds	\$ 53,365,000	\$ -	\$ -	\$ 53,365,000	\$ -
For Issuance Discount	(2,890,339)	-	137,091	(2,753,248)	-
	50,474,661	-	137,091	50,611,752	-
Promissory Note Payable	17,700,000	-	-	17,700,000	-
Atlantic Park CDA Long-Term Debt	\$ 68,174,661	\$ -	\$ 137,091	\$ 68,311,752	\$ -

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

B. Bonds, Notes and Loans Payable

1. Governmental Activities

The City of Virginia Beach issues general obligation bonds to provide funds for the acquisition, construction and development of major capital assets. General obligation bonds have been issued for governmental activities and are direct obligations which pledge the full faith and credit of the City. Details of long-term indebtedness are shown below with outstanding balance as of June 30, 2025:

Bond Issue/Purpose	Issue Amount	True Interest (%)	Final Maturity	Outstanding Balance
Governmental Activities				
General Obligation Bonds				
2024A Public Improvement	\$ 143,260,000	3.402659	2/1/2044	\$ 136,105,000
2024B PI (Flood Mitigation)	118,000,000	3.411656	2/1/2044	112,100,000
2024C PI Refunding	39,130,000	2.804559	2/1/2034	34,655,000
2021A Public Improvement	94,915,000	1.442517	9/1/2041	80,665,000
2019A Public Improvement	101,210,000	2.260682	7/15/2039	73,785,000
2019B PI Refunding	54,915,000	1.376528	7/15/2029	12,910,000
2018A Public Improvement	67,595,000	2.885678	3/1/2038	41,375,000
2017A PI Refunding	71,530,000	2.253621	4/1/2032	46,370,000
2016A Public Improvement	61,255,000	2.437448	2/1/2036	33,715,000
2016B PI Refunding	50,430,000	1.771418	2/1/2029	13,320,000
2015A Public Improvement	51,295,000	2.617345	3/1/2035	25,650,000
2015B PI Refunding	56,530,000	1.989322	9/15/2027	18,115,000
2013A Public Improvement	22,885,000	2.587348	8/1/2033	10,305,000
2013B PI Refunding	33,795,000	2.143873	1/15/2026	3,765,000
Total General Obligation Bonds				642,835,000
Public Facility Revenue Bonds:				
2024A Public Facility Revenue	33,435,000	3.5480760	2/1/2044	31,770,000
2024B Public Facility Refunding	18,465,356	2.9459610	2/1/2034	16,288,174
2024C Public Facility Revenue (Federally Taxable)	18,628,971	5.0409160	2/1/2044	17,698,759
2020A Public Facility Revenue	158,960,000	1.7175703	4/15/2040	123,390,000
2018A Public Facility Revenue	30,440,000	3.0289500	4/1/2038	14,980,000
2016A Public Facility Revenue	21,225,000	2.4588020	11/1/2036	11,115,000
2015A Public Facility Revenue	48,245,000	3.0509530	3/1/2035	19,340,000
2015B Public Facility Refunding	25,448,608	2.6779800	7/15/2027	12,200,887
2013A Public Facility Revenue	20,960,000	2.5996020	6/1/2033	7,520,000
Total Public Facility Revenue Bonds				254,302,820
Direct Borrowings				
2020 Recovery Zone Refunding	3,445,000	1.280000	2/15/2030	1,783,360
2010 Qualified School Construction (VPSA)	4,875,000	5.310000	6/1/2027	580,000
2008 Virginia Public School Authority	6,350,705	4.790170	7/15/2028	1,440,757
Agricultural Reserve Program	47,339,200	Various	6/4/2050	47,339,200
Total Direct Borrowings				51,143,317
Total Governmental Activities Bonds				\$ 948,281,137

City Council through the Capital Improvement Program has previously authorized the financing of various public facilities with the utilization of Public Facility Revenue Bonds (PFRB) issued through the Virginia Beach Development Authority (VBDA), a blended component unit of the City. PFRB debt is subject to annual appropriation, and therefore, does not constitute a general obligation debt or a pledge of the full faith and credit of the City. The bonds are limited obligations of VBDA, payable solely from payments made by the City pursuant to a Support Agreement dated September 1, 2023, as supplemented and amended.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

2. Business-Type Activities

The City of Virginia Beach issues revenue bonds to provide funds for the acquisition, construction and development of major capital assets for the Water & Sewer and Storm Water utility enterprise funds. The revenue bonds are payable only from revenues derived from the respective utility funds. Additionally, the Virginia Beach Development Authority (blended component unit) issues public facility revenue bonds (PFRBs) to provide funds for the acquisition and construction of governmental capital improvements in the City. The PFRBs are limited obligations of the VBDA, payable solely from a pledged revenue derived from a Support Agreement with the City.

Bond Issue/Purpose	Issue Amount	True Interest (%)	Final Maturity	Outstanding Balance
Business-Type Activities:				
Revenue Bonds				
2025 Storm Water Revenue	\$ 77,415,000	4.028985	11/15/2049	\$ 77,415,000
2020A W&S Revenue	45,600,000	1.183325	10/1/2045	40,930,000
2020B W&S Refunding	51,110,000	1.268969	10/1/2035	34,285,000
2020A Storm Water Revenue	77,365,000	2.013284	11/15/2045	69,725,000
2020B Storm Water Refunding	14,150,000	1.246522	11/15/2035	9,745,000
2019 Storm Water Revenue	29,525,000	3.139267	11/15/2043	24,960,000
2016A W&S Revenue	46,560,000	2.711344	10/1/2041	36,435,000
2016B W&S Refunding	42,865,000	1.813975	10/1/2030	20,470,000
2015A Storm Water Revenue	23,500,000	2.829639	11/15/2039	16,360,000
2013 W&S Revenue	44,845,000	3.641572	10/1/2038	30,840,000
Total Revenue Bonds				361,165,000
Public Facility Revenue Bonds:				
2024B Public Facility Refunding	8,759,644	2.9459610	2/1/2034	7,726,826
2024C Public Facility Revenue (Federally Taxable)	109,441,029	5.0409160	2/1/2044	103,976,241
2018A Public Facility Revenue	2,955,000	3.0289500	4/1/2038	1,905,000
2016B Public Facility Refunding	7,880,000	2.1224430	5/1/2028	700,000
2015B Public Facility Refunding	9,436,393	2.6779800	7/15/2027	4,524,113
Total Public Facility Revenue Bonds				118,832,180
Total Business-type Activities Bonds				\$ 479,997,180

C. Summary of Annual Requirements to Amortize All Bonds and Notes Payable

1. Governmental Activities

Annual Debt Service requirements to maturity for General Obligation Bonds including loans supported by the City's General Obligation Bond authority (e.g., Virginia Public School Authority and Virginia Resources Authority) are as follows:

Year Ending June 30	General Obligation		Public Facility Revenue		Direct Borrowing		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2026	\$ 61,770,000	\$ 27,446,987	\$ 23,548,028	\$ 10,267,814	\$ 3,152,861	\$ 2,369,608	\$ 128,555,298
2027	57,440,000	24,483,462	22,480,659	9,155,565	4,645,055	2,171,247	120,375,988
2028	53,680,000	21,792,038	22,226,675	8,126,931	2,733,654	1,731,250	110,290,548
2029	49,550,000	19,322,500	17,429,505	7,177,747	1,813,180	1,616,900	96,909,832
2030	46,300,000	16,963,600	17,351,507	6,366,717	1,163,452	1,572,849	89,718,125
2031-2035	186,960,000	57,040,369	82,569,354	20,685,426	9,751,345	6,785,945	363,792,439
2036-2040	125,410,000	25,205,294	58,313,334	7,269,852	9,715,499	3,821,562	229,735,541
2041-2045	61,725,000	5,472,650	10,383,758	1,146,613	6,937,342	2,749,732	88,415,095
2046-2050	-	-	-	-	11,230,929	1,678,214	12,909,143
Totals	<u>\$ 642,835,000</u>	<u>\$ 197,726,900</u>	<u>\$ 254,302,820</u>	<u>\$ 70,196,665</u>	<u>\$ 51,143,317</u>	<u>\$ 24,497,307</u>	<u>\$ 1,240,702,009</u>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

2. Business-Type Activities

Annual debt service requirements to maturity for business-type activities including Storm Water Utility, Water and Sewer System and Virginia Beach Development Authority Revenue bonds are as follows:

Year Ending June 30	Water & Sewer		Storm Water		Development Authority		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2026	\$ 13,445,000	\$ 5,597,900	\$ 6,185,000	\$ 7,611,206	\$ 8,231,972	\$ 6,228,565	\$ 47,299,643
2027	11,470,000	4,992,675	6,515,000	7,302,531	8,304,341	5,772,839	44,357,386
2028	11,960,000	4,464,787	6,840,000	6,982,457	8,228,325	5,325,261	43,800,830
2029	10,075,000	3,984,075	7,185,000	6,650,731	6,535,495	4,907,832	39,338,133
2030	10,555,000	3,529,375	7,545,000	6,307,456	6,493,493	4,527,824	38,958,148
2031-2035	49,285,000	11,655,731	43,215,000	26,262,156	31,360,646	16,997,874	178,776,407
2036-2040	36,830,000	4,626,332	47,205,000	17,856,522	27,801,666	9,362,053	143,681,573
2041-2045	16,890,000	1,031,869	46,010,000	9,289,975	21,876,242	2,725,679	97,823,765
2046-2050	2,450,000	26,031	27,505,000	2,442,875	-	-	32,423,906
Totals	<u>\$ 162,960,000</u>	<u>\$ 39,908,775</u>	<u>\$ 198,205,000</u>	<u>\$ 90,705,909</u>	<u>\$ 118,832,180</u>	<u>\$ 55,847,927</u>	<u>\$ 666,459,791</u>

Debt service requirements for general obligation bonds are principally met by the General Fund. The Governmental Activities, Landfill Closure and Post-Closure Care, Federal Arbitrage Rebate (there are no set maturity dates for these liabilities) will also be liquidated by the General Fund. Internal Service Funds predominately serve the Governmental Funds. Accordingly, long-term liabilities for them are included as part of the above totals for Governmental Activities in Note 6A1. The net pension liability and net OPEB liability are liquidated by the correlating funds with respect to the departmental costs and are reflected, based on allocation, on Internal Services Fund, Enterprise Fund and Entity-Wide Fund statements. Claims and Judgments are liquidated by the Risk Management Fund. Interest expense incurred on the various types of debt shown in Note 6C for the year ended June 30, 2025, was \$53,704,099.

D. Legal Debt Limit

The Constitution of Virginia (article VII, section 10) and the City Charter (section 6.05:1) impose a legal limit on the amount of general obligation debt that the City may issue without referendum; this legal limit is 10% of the total assessed value of taxable real property. At June 30, 2025, the City's debt limit was \$8.4 billion of which \$7.7 billion was available for the issuance of additional debt (which is known as the legal debt margin).

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CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

E. Authorized But Unissued Bonds

A summary of debt authorized by City Council, as of June 30, 2025, but not yet issued is listed below.

Charter Based Debt:

General Obligation Debt:

2020 Charter Bonds	\$ 22,944,090
2021 Charter Bonds ¹	61,678,775
2021 Charter Bonds (Flood Protection Program Referendum) ¹	449,500,000
2022 Charter Bonds	69,107,404
2023 Charter Bonds	62,460,057
2024 Charter Bonds	71,116,108
2025 Charter Bonds ²	72,827,365
2025 Charter Bonds (Flood Protection) ²	11,800,000
Total General Obligation Debt	<u>821,433,799</u>

Revenue Bond Debt:

Water and Sewer (W&S) Debt:

2015 W&S Revenue Bonds	7,082,666
2019 W&S Revenue Bonds	14,373,971
2020 W&S Revenue Bonds	1,318,515
2021 W&S Revenue Bonds	9,993,368
2022 W&S Revenue Bonds	22,597,430
2023 W&S Revenue Bonds	26,030,000
2024 W&S Revenue Bonds	28,746,000
2025 W&S Revenue Bonds	26,819,000
Total Water and Sewer Debt	<u>136,960,950</u>

Storm Water Utility Debt:

2021 Storm Water Utility Revenue Bonds	39,489,527
2022 Storm Water Utility Revenue Bonds	2,177,367
2023 Storm Water Utility Revenue Bonds	6,399,140
2024 Storm Water Utility Revenue Bonds	6,982,612
2025 Storm Water Utility Revenue Bonds	12,369,281
Total Storm Water Utility Debt	<u>67,417,927</u>

Total Authorized and Unissued Charter & Revenue Bond Debt - June 30, 2025	<u><u>1,025,812,676</u></u>
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Appropriation-Supported Debt:

Public Facility Revenue Bonds	<u>540,430,083</u>
Total Authorized and Unissued Debt - June 30, 2025	<u><u>\$ 1,566,242,759</u></u>

¹ The authorized but unissued 2021 Charter Bonds include: \$61,678,775 authorized by City Council May 11, 2021 and the remaining balance of the \$567,500,000 authorized by City Council on November 16, 2021 for twenty-one flood protection projects in the Flood Protection Program approved in a General Election Referendum by voters, with more than 72% voting in the affirmative on November 2, 2021.

² The authorized but unissued 2025 Charter Bonds include \$72,827,365 for various public improvement projects and \$11,800,000 for Flood Protection projects authorized by City Council May 13, 2025. Following the passage of the November 2021 Bond Referendum for Flood Protection, City Council established a lockbox to restrict future charter bond capacity from the retirement of Flood Protection Program Referendum Bonds for future flood protection projects.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

F. Direct Placement and Direct Borrowing Disclosures

The bonds directly placed with the Virginia Public School Authority (VPSA) are subject to additional finance-related consequences. In the event of default, the Commonwealth of Virginia may withhold state aid from the locality until such times that the event of the default is cured in accordance with Section 15.2-2659 of the Code of Virginia, 1950 as amended.

On October 30, 2020, the City executed a Bond Purchase and Loan Agreement with Truist Bank to refund the remaining portion of the Series 2010A General Obligation Bonds (Recovery Zone Economic Development Bonds). If an event of default were to occur, the interest rate on the remaining balance of \$1,783,359 would accelerate from 1.28% to 9.00%.

G. Debt Supported by Pledged Revenues

The City has pledged the net revenues derived from the City's water and sewer system to pay the debt service on the Water and Sewer System, 2020 Series A & B Revenue and Refunding Bonds, 2016 Series A & B Revenue and Refunding Bonds and 2013 Revenue Bonds. In the current fiscal year, \$146,110,395 in revenues were collected to pay debt service of \$18,972,025. As of June 30, 2025, an additional \$202,868,775 in debt service was outstanding through October 1, 2045.

The City has pledged the net revenues derived from the City's storm water system to pay the debt service on the Storm Water Utility System, 2025 Revenue Bonds, 2020 Series A & B Revenue and Refunding Bonds, 2019 and 2015 Series A Revenue Bonds. In the current fiscal year, \$46,777,235 in revenues were collected to pay debt service of \$9,349,381. As of June 30, 2025, an additional \$288,910,909 in debt service was outstanding through November 15, 2049.

On May 9, 1995, City Council adopted an ordinance establishing the Agricultural Reserve Program (ARP). The primary purpose of the ordinance is to promote and encourage the preservation of farmland in the rural southern portion of the City. Through ARP, the City acquires development rights in designated areas within the southern portion of the City through the purchase of agricultural land preservation easements. Landowners who meet certain eligibility criteria may sell an easement to the City while holding free simple title to the land and continuing to farm. The City executes installment purchase agreements which provide for the payment of the principal balance of the agreement in a single installment due approximately twenty-five years after execution of the agreement. Interest on the unpaid principal balance is payable semi-annually. These obligations constitute indebtedness within the meaning of Article VII, Section 10 of the Virginia Constitution and will be general obligations of the City, pledging the full faith and credit and unlimited taxing power of the City. By policy, interest payments will be paid from a dedicated portion of real estate taxes and principal payments will be made from maturing zero coupon Treasury securities purchased using funds provided by the dedicated portion of real estate taxes. As of June 30, 2025, an additional \$23,761,312 of interest was outstanding through June 4, 2050.

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CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

H. Accrued Compensated Leave

The accrued compensated leave is as follows at June 30, 2025.

	Primary Government		School Board	
	Governmental	Business-Type	School Board	
	Activities	Activities	Component Unit	Total
City - Annual	\$ 41,206,513	\$ 3,585,875	\$ -	\$ 44,792,388
City - Compensatory	9,421,989	744,535	-	10,166,524
City - Sick	30,607,267	2,318,881	-	32,926,148
School - Annual	-	-	16,757,380	16,757,380
School - Sick	-	-	100,354,229	100,354,229
School - Personal	-	-	7,732,389	7,732,389
Total	<u>\$ 81,235,769</u>	<u>\$ 6,649,291</u>	<u>\$ 124,843,998</u>	<u>\$ 212,729,058</u>

I. Public Facility Revenue Bonds and Associated Virginia Beach Development Authority Support Agreements

City Council through the Capital Improvement Program has previously authorized the financing of various public facilities with the utilization of Public Facility Revenue Bonds (PFRB) issued through the Virginia Beach Development Authority (Authority), a blended component unit of the City.

The Authority issued PFRBs, Series 2005B, 2007A and 2007B, to finance the acquisition of three public parking garages and appurtenant structures for the Town Center Project - Phase II and III. The Authority issued 2014A PFRBs and paid \$20.5 million (includes premium) to purchase the Block 11 garage in Town Center Phase V during FY 2014. These bonds are limited obligations of the Authority, payable from certain payments to be made by the City pursuant to a Support Agreement dated June 1, 2002, as amended.

The Authority issued PFRBs, Series 2010B, Series 2010C, 2012B, 2014B, 2015B, and 2016B to advance refund certain maturities of the previously issued PFRBs Series 2002A, 2003A, 2005A, 2007A, 2005B, 2007B and its 1998 Lease Revenue Bonds. During FY 2018, the Authority issued PFRB, Series 2018A, of which \$3.1 million (including premiums) paid for a public plaza and public infrastructure to elevate Zeiders American Dream Theater in Town Center Phase VI. During FY 2020, the Authority issued PFRB, Series 2020A, of which \$68.6 million (including premiums) paid for the Virginia Beach Sports Center and related parking located on 19th Street across from the Virginia Beach Convention Center. In addition, it issued PFRB, Series 2020B to refund certain maturities of the previously issued Series 2010B and 2010C bonds. During FY 2024, the Authority issued PFRB, Series 2024A and 2024C (federally taxable) totaling \$166.0 million (including premiums), of which \$133.7 million paid for public infrastructure related to the Atlantic Park development including an entertainment venue, streetscapes, offsite infrastructure, and two parking garages. Also, it issued PFRB, Series 2024B to refund the outstanding maturities of the previously issued series 2012A and 2014A bonds.

A portion of the PFRBs, Series 2003, 2005A, 2007A, 2010A, Series 2012A, 2014A, 2018A, 2020A, 2024A, and 2024C was used to finance acquisition and construction of various capital improvements in the City of Virginia Beach.

PFRB debt is subject to annual appropriation by the City Council, and therefore, does not constitute a general obligation debt of the City, or a pledge of the full faith and credit of the City. The bonds are limited obligations of the Authority, payable solely from payments made by the City pursuant to a Support Agreement dated September 1, 2003, as supplemented and amended.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

7. LEASES

A lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. Under GASB statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Lessee

The City leases a significant amount of nonfinancial assets such as land, land improvements, buildings, and equipment. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. As the lessee, a lease liability and the associated lease asset is recognized on the government-wide Statement of Net Position.

Amount of Lease Assets by Major Classes of Underlying Asset as of Fiscal Year-end:

Asset Class	Lease Asset Value	Accumulated Amortization
Governmental Activities:		
Land	\$ 251,834	\$ 143,905
Buildings	56,970,534	14,519,235
Total	57,222,368	14,663,140
Business Type Activities:		
Land	3,019,092	216,207
Buildings	1,104,658	180,960
Total	4,123,750	397,167
Total Leases	\$ 61,346,118	\$ 15,060,307

The City has a variety of variable payment clauses, within its lease arrangements, which include payments dependent on indexes and rates (such as the Consumer Price Index and a market interest rates), including variable payments based on future performance and usage of the underlying asset. Components of variable payments that are fixed in substance, are included in the measurement of the lease liability presented in the table below. The City did not incur expenses related to its leasing activities related to residual value guarantees, lease termination penalties or losses due to impairment. As a lessee, there are currently no agreements that include sale-leaseback and lease-leaseback transactions.

CITY OF VIRGINIA BEACH, VIRGINIA
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As of June 30, 2025, the City (excluding discretely presented component units) had minimum principal and interest payment requirements for its leasing activities with a remaining term in excess of one year, as follows:

Governmental Activities					
Fiscal Year	Liability Beginning Balance	Principal Payments	Interest Payments	Total Payments	Liability Ending Balance
2026	\$ 44,475,328	\$ 4,768,181	\$ 507,887	\$ 5,276,068	\$ 39,707,147
2027	39,707,147	4,766,978	461,368	5,228,346	34,940,169
2028	34,940,169	4,707,800	414,907	5,122,707	30,232,369
2029	30,232,369	4,823,278	366,952	5,190,230	25,409,091
2030	25,409,091	4,233,481	318,855	4,552,336	21,175,610
2031-2035	21,175,610	8,805,036	1,190,396	9,995,432	12,370,574
2036-2040	12,370,574	9,153,272	580,143	9,733,415	3,217,302
2041-2043	3,217,302	3,217,302	55,181	3,272,483	-
Total		<u>\$ 44,475,328</u>	<u>\$ 3,895,689</u>	<u>\$ 48,371,017</u>	

Business - Type Activities					
Fiscal Year	Liability Beginning Balance	Principal Payments	Interest Payments	Total Payments	Liability Ending Balance
2026	\$ 3,646,867	\$ 298,308	\$ 10,551	\$ 308,859	\$ 3,348,559
2027	3,348,559	282,602	9,712	292,314	3,065,957
2028	3,065,957	290,175	8,902	299,077	2,775,782
2029	2,775,782	297,930	8,071	306,001	2,477,852
2030	2,477,852	304,153	7,219	311,372	2,173,699
2031-2035	2,173,699	1,443,848	23,038	1,466,886	729,851
2035-2040	729,851	729,851	4,530	734,381	-
Total		<u>\$ 3,646,867</u>	<u>\$ 72,023</u>	<u>\$ 3,718,890</u>	

Lessor

In addition, as the lessor, the City leases City-owned properties such as buildings and land. The related receivables are presented in the Statement of Net Position for the amounts equal to the present value of lease payments expected to be received during the lease term. The total amount of lease revenue, interest revenue, and other lease-related revenues recognized in the current reporting period from leases is \$4.95 million. Total deferred inflow of resources related to leases are \$5.0 million. The City's variable payments clause within its lease arrangements as the lessor, is similar to the arrangements made as lessee. The City did not incur revenue related to residual value guarantees or lease termination penalties. It also does not currently have agreements that include sale-leaseback and lease-leaseback transactions.

As of June 30, 2025, the City had minimum principal and interest lease receivable payments for its leasing activities, including its subleasing activities, with a remaining term in excess of one year as follows:

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Principal and Interest Expected to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 1,050,542	\$ 64,959	\$ 1,115,501
2027	882,795	53,916	936,711
2028	717,225	45,192	762,417
2029	99,870	39,389	139,259
2030	72,386	38,144	110,530
2031-2035	378,337	169,977	548,314
2036-2040	303,259	140,110	443,369
2041-2045	411,016	108,912	519,928
2046-2050	560,318	67,296	627,614
2051-2054	477,328	14,577	491,905
Total	\$ 4,953,076	\$ 742,472	\$ 5,695,548

For the business-type activities, the total amount of lease revenue, interest revenue, and other lease-related revenues recognized in the current reporting period from leases is \$1.4 million. Total deferred inflow of resources related to leases are \$25.5 million.

As of June 30, 2025, the Virginia Beach Development Authority had minimum principal and interest lease receivable payments for its leasing activities, including its subleasing activities, with a remaining term in excess of one year as follows:

Fiscal Year	Business - Type Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 802,032	\$ 113,826	\$ 915,858
2027	805,528	110,330	915,858
2028	809,039	106,819	915,858
2029	812,566	103,292	915,858
2030	816,107	99,751	915,858
2031-2035	2,982,483	453,363	3,435,846
2036-2040	2,608,174	396,476	3,004,650
2041-2045	2,665,512	339,138	3,004,650
2046-2050	2,724,111	280,539	3,004,650
2051-2055	2,783,999	220,651	3,004,650
2056-2060	2,845,203	159,447	3,004,650
2061-2065	2,907,753	96,897	3,004,650
2066-2070	2,971,677	32,973	3,004,650
Total	\$ 26,534,184	\$ 2,513,502	\$ 29,047,686

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NOTES TO FINANCIAL STATEMENTS
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8. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

A SBITA is defined as contractual agreement that conveys control of the right to use another party's information technology software alone or in combination with tangible capital assets, as specified in the contract for a minimum contractual period of greater than one, year in an exchange or exchange-like transaction.

The City uses various SBITA assets that it contracts through cloud computing arrangements, such as software as a service and platform as a service. The related obligations are presented in the amounts equal to the present value of the subscriptions payments payable during the remaining SBITA term. A SBITA asset is presented as part of Equipment, in the Capital Assets section of the government-wide Statement of Net Position.

The City has a variety of variable payment clauses, within its SBITA arrangements, including variable payments based on future performance and usage of the underlying assets. Components of variable payments that are fixed in substance, are included in the measurement of the SBITA liability presented in the table below. The City did not incur expenses related to its SBITA activities such as termination penalties, not previously included in the measurement of the SBITA liability, or losses due to impairment.

As of June 30, 2025 the City (excluding discretely present component units) had minimum principal and interest payment requirements for its SBITA activities, with a remaining term in excess of one year, as follows:

Governmental Activities					
Fiscal Year	Liability Beginning Balance	Principal Payments	Interest Payments	Total Payments	Liability Ending Balance
2026	\$ 18,035,191	\$ 6,798,380	\$ 267,104	\$ 7,065,484	\$ 11,236,811
2027	11,236,811	6,466,006	159,738	6,625,745	4,770,805
2028	4,770,805	4,289,359	59,483	4,348,842	481,446
2029	481,446	481,446	7,554	489,000	-
Total		\$ 18,035,191	\$ 493,880	\$ 18,529,071	

Business Type Activities					
Fiscal Year	Liability Beginning Balance	Principal Payments	Interest Payments	Total Payments	Liability Ending Balance
2026	\$ 5,416,081	\$ 1,197,194	\$ 99,275	\$ 1,296,469	\$ 4,218,887
2027	4,218,887	1,260,683	74,291	1,334,974	2,958,204
2028	2,958,204	1,326,632	47,991	1,374,623	1,631,572
2029	1,631,572	1,395,127	20,323	1,415,449	236,445
2030	236,445	236,445	602	237,048	-
Total		\$ 5,416,081	\$ 242,482	\$ 5,658,562	

CITY OF VIRGINIA BEACH, VIRGINIA
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9. DEPOSITS AND INVESTMENTS

All cash of the City including the School Board Component Unit (excluding the School Board Activity Funds) is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the Code of Virginia or covered by Federal depository insurance. Funds deposited in accordance to the Virginia Security for Public Deposits Act are considered to be insured, thereby reducing custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The City has compensating balance arrangements with one financial institutions. Bank of America provides services to the City while a \$8.0 million balance is maintained in a non-interest bearing certificate of deposit. A fluctuating checking balance based on monthly investment services is a requirement of Branch Banking & Trust (BB&T).

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs (the City does not value any of its investments using level 3 inputs).

As of June 30, 2025, the City had the following recurring investments. Except for the investments in the SNAP, Virginia Investment Pool (VIP), and LGIP, all investments are in an internally managed investment pool.

		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments at Fair Value:	6/30/2025			
Money Market funds	\$ 11,234,308	\$ -	\$ 11,234,308	\$ -
Negotiable Certificates of Deposits	40,014,875	-	40,014,875	-
Commercial Paper	73,657,149	-	73,657,149	-
U. S. Government Securities	304,987,180	-	304,987,180	-
Treasury Coupon Securities	27,721,049	-	27,721,049	-
Municipal Bonds	5,021,307	-	5,021,307	-
Miscellaneous Coupon Securities	398,669,860	-	398,669,860	-
	<u>861,305,728</u>	<u>\$ -</u>	<u>\$ 861,305,728</u>	<u>\$ -</u>

Investments Measured at amortized Cost:	
Certificates of Deposits	75,000,000
SNAP	121,902,701
LGIP	227,000,000
VIP	11,845,594
VIP - Liquidity Pool	248,152,204
Total Fair Value	<u>683,900,499</u>
Total Investments	
Portfolio Weighted Average Maturity	<u>\$ 1,545,206,227</u>

The City has investments in U.S. Government securities valued at \$305.0 million (Level 2 inputs). These investments are classified in Level 2 of the fair value hierarchy and are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities'

CITY OF VIRGINIA BEACH, VIRGINIA
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relationship to benchmark quoted prices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by our custodian bank.

Investments in Money Market Funds (Level 2 inputs) and Commercial Paper (Level 2 inputs) are classified in Level 2 of the fair value hierarchy and are valued in accordance with pricing sources by our custodian bank.

The remaining investments, measured in accordance with GAAP and at amortized costs, totaled \$683.9 million at June 30, 2025. Investments within the SNAP Investment Pool are held there to meet debt service reserve requirements of the bond covenants and therefore cannot be withdrawn for any other purpose. Investments within the LGIP have no restrictions on withdrawals and can be obtained upon demand. Investments in the VIP fall within two primary funds, 1-3 Year High Quality Bond Fund and Stable NAV Liquidity Pool. The 1-3 High Quality Bond Fund redemptions are available twice a month and participants are required to provide 5 days' notice. Redemptions greater than \$5 million are requested to be submitted 60 days in advance and if the redemption is greater than 10% of the portfolio's net asset value without the 60 days' notice, the redemption can be executed over time. The Stable NAV Liquidity Pool has no restrictions on withdrawals and funds are available the same day.

Reconciliation of total deposits and investments to the government-wide financial statements at June 30, 2025:

	Primary Government	School Board Component Unit	Total
Cash and Investment	\$ 1,099,911,832	\$ 345,773,873	\$ 1,445,685,705
Restricted Cash and Cash Equivalents	319,516,559	-	319,516,559
Fiduciary Funds	69,048,267	50,920,046	119,968,313
Total	<u>\$ 1,488,476,658</u>	<u>\$ 396,693,919</u>	<u>1,885,170,577</u>
Less: Cash on Deposit			(339,964,350)
Total Fair Value of Investment at June 30, 2025			<u>\$ 1,545,206,227</u>

Interest Rate Risk:

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits maximum final stated maturities of investments to five years. In addition, the City will structure the investment portfolio so that securities mature to meet cash requirements and by investing operating funds primarily in shorter-term securities.

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements. Reverse and escrow funds may be invested in securities exceeding five years to maturity if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

The City assumes all investments will be held until maturity or until called at their par value. However, an investment may be sold at an earlier date to meet certain obligations or if the investment's credit quality drops. This makes the City's investments sensitive to market rate fluctuations. To mitigate the impact of market rate fluctuations, the City maintains enough liquidity to meet its short-term needs with a smaller portion invested in long-term government-sponsored organizations and high-quality corporate notes.

Credit Risk:

Credit risk is the risk an investor is subject to as a result of the credit quality of investments in debt securities. Statutes as well as the City's investment policy authorize the City to invest in; obligations of the United States or agencies thereof; the Commonwealth of Virginia or political subdivisions thereof; obligations of the International Bank for Reconstruction and Development (World Bank); the Asian Development Bank; the

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African Development Bank; commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record; bankers' acceptance instruments; repurchase agreements which are collateralized with securities approved for direct investment; State Treasurer's LGIP; corporate notes with at least a rating of Aa by Moody's or AA by Standard and Poor's. Negotiable certificates of deposits, municipal obligations issued by state and local governments, and Virginia investment pool

The LGIP is an externally managed investment pool that is not registered with the Securities Exchange Commission but is managed as a "2a-7 like pool". Pursuant to 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 at their regularly scheduled monthly meetings. The LGIP values portfolio securities by the amortized cost method and on a monthly basis this valuation is compared to current market to monitor any variance. The fair value of the City's position in the pool is the same as the value of the pool shares.

Custodial Credit Risks Investments – For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City requires that all investments be clearly marked as to ownership and to the extent possible, be registered in the name of the City. In addition, the City pre-qualifies the financial institutions, brokers/dealers, intermediaries and advisors with which the City will do business.

The City's rated debt investments as of June 30, 2025 were rated by Standard & Poor's and Moody's and/or an equivalent national rating organization and the ratings are presented below using the respective rating scale from both agencies.

	<u>AAA</u>	<u>A1/P1/F1+</u>
State LGIP	\$ 227,000,000	\$ -
U. S. Government Securities	304,987,180	-
SNAP	121,902,701	-
Commercial Paper	-	73,657,149

Concentration of Credit Risk: Concentration of credit risk represents the risk of investments in any one issue that represents five percent or more of investments. The City's investment policy limits the amount it can invest in commercial paper and bankers' acceptance instruments. By policy, investments in commercial paper are limited to 35% of the total available for investment, and not more than 5% of the total available for investment, or \$15,000,000, whichever is less, can be invested in any one issuing corporation. Bankers' acceptance instruments shall not exceed 50% of the total investment portfolio's book value on the date of acquisition.

All City and School Funds participate in a centralized cash and investment pool. Interest earnings on investments are allocated to the appropriate funds based upon the average monthly cash balance of each fund.

Foreign Currency Risk:

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. At the present time, there are no specific foreign currency guidelines for equities or active fixed income investments because the City and Schools do not hold foreign currency investments.

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NOTES TO FINANCIAL STATEMENTS
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10. COMMITMENTS AND CONTINGENCIES

A. Litigation

The City is a named defendant in litigation filed by parties concerning alleged personal injuries, property damage, and other causes of action. The City is vigorously defending all cases and expects no losses will be incurred which would have a material effect on the City's financial position.

B. Intergovernmental Grants, Entitlements, and Shared Revenues

The City participates in a number of federal and state grants, entitlements, and shared revenues programs. These programs are subject to financial and program compliance audits by the applicable federal or state agency or their representatives.

Furthermore, Federal grant programs in which the City participates have been audited in accordance with the provisions of the Office of Management 2 CFR 200, Uniform Administrative Requirements. The amounts, if any, of expenditures which may be disallowed by these audits cannot be determined at this time although the City expects such amounts, if any, would not have a material adverse effect on the City's financial position.

C. Salaries Payable

The outstanding School's amount represents salaries due (2 months) to school teachers who have opted to be paid over a twelve-month period, and to substitute and supplemental school personnel.

D. Landfill Closure and Environmental Trust Fund Claims

On May 24, 2016, the City entered into a use and support agreement with Southeastern Public Service Authority of Virginia (SPSA). Under this agreement, effective January 1, 2018 which continues until June 2027, the City agreed to use SPSA's solid waste disposal system to dispose of solid waste generated within and collected by the City. For this service, the City agreed to pay tipping fees to SPSA.

The total remaining capacity as of January 1, 2025 of the permitted cells at the City landfill is 1.55 million tons. Total usage to date has been estimated at 3.9 million tons. Estimated remaining life of the landfill, based on current fill rates is 15 years for the existing developed capacity and 65 years for the permitted capacity.

As of January 1, 2025, approximately 71 percent (by tonnage) of the permitted landfill has been used. Based on a May 2025 analysis, the present value of the estimated cost for both closure and post-closure care is \$22,106,466, an amount based on landfill capacity used to date. Until another cell of the landfill is opened, no additional estimated closure and post-closure care costs will be recognized, except for the effects of inflation, changes in landfill conditions, changes in estimates, changes in technology or changes in laws or regulations. This amount is reflected in the government-wide financial statements. The City is required by law to submit a worksheet that demonstrates the ability to fund landfill closure and post-closure care costs.

The Environmental Trust Funds were established through agreements between the City, Suffolk and SPSA which include the Suffolk Environmental Trust fund and the Virginia Beach Environmental Trust Fund. The purpose of these accounts are to provide for all costs relating to legal suits and other similar claim activity relating to environmental pollution that are made against the Regional Landfill and the Virginia Beach Landfill during a thirty (30) year period after cessation of each landfill's operation. The City's proportionate share of the funds, held by SPSA, total \$355,490 as of June 30, 2025.

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E. Encumbrances

Encumbrance accounting, the recording of purchase orders, contracts, and other monetary commitments in order to reserve an applicable portion of an appropriation is used as an extension of formal budgetary control by the City. At June 30, 2025 the City had outstanding encumbrances as follows:

General Fund		
General Government	\$	210,156
Aquarium		500,818
Convention and Visitors Bureau		293,079
Cultural Affairs and Historic Houses		1,536,465
Economic Development		240,341
Emergency Communication and Citizen Services		148,572
Emergency Medical Services		260,181
Finance		851,325
Housing and Neighborhood Preservation		287,191
Human Resources		52,460
Human Services		938,855
Information Technology		463,676
Library		209,015
Parks and Recreation		2,024,759
Planning		1,143,698
Police		2,400,946
Public Works		14,960,276
Vehicle Replacement		2,837,548
Voter Registration and Elections		203,638
Total General Fund		<u>29,562,999</u>
Capital Projects Fund		
Engineering and Highways		164,839,667
Buildings		27,067,337
Flood Protection		42,356,487
Information Technology		13,947,597
Parks and Recreation		18,745,953
Coastal		14,627,458
Economic and Tourism		74,344,423
Total Capital Projects Fund		<u>355,928,922</u>
Nonmajor Special Revenue Funds		<u>6,973,806</u>
Total	\$	<u><u>392,465,727</u></u>

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

11. TAX ABATEMENTS

Virginia Beach Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards	Programs Administered by City of Virginia Beach	
	Tourism Development Financing Program (TDFP) Cavalier	Business License Incentive Program (BPOL)
1) Purpose of Program	Provides incentive payment annually of "but for" project revenues after a project is operational and has paid sales taxes. This annual incentive payment is to assist in closing a financing gap between debt and equity a developer currently has, and the total financing required by a tourism project.	Incentive program providing partial tax exemption for new businesses, and will foster business development and encourage entrepreneurialism.
2) Tax being abated	1% local sales tax	Business License Tax
3) Authority under which abatement agreements are entered into	VA Code 58.1-3851.1 City Code Chapter 35.4	City Code Chapter 18.202-208
4) Criteria to be eligible to receive abatement	Capital investment greater than \$30 million and taxable sales greater than \$1 million annually. Compensates for a shortfall in project funding, not to exceed 30% of a qualified project's total cost.	A qualifying business that locates in the City of Virginia Beach for the first time and anticipates gross receipts greater than \$100K.
5) How recipients' taxes are reduced	Through sales tax dedication based on generated sales.	Pay maximum license fee of \$60 for the first 2 calendar years.
6) How amount of abatement is determined	1) 1% of local sales tax generated on-premise is paid to developer as an incentive payment - total of \$8.17M 2) 1% of state sales tax generated on-premise is paid to developer as an incentive payment - total of \$8.17M 3) 1% developer access fee that is paid to the state is provided to the developer as an incentive payment - total of \$8.17M	Business License Tax reduced to \$50.
7) Provisions for recapturing abated taxes	N/A	N/A
8) Types of commitments made by the City other than to reduce taxes	1) Economic Development Investment Program Grant - \$8.2M (FY 2014) 2) Green Space/Historic Preservation Easement - \$2.37M (FY2014) 3) Cavalier Drive Improvements - \$2.45M (FY2014 and 2017) 4) Annual Grants based on increased Real Estate Tax Revenues - capped at \$5M in total; fully paid as of 6/30/21	Eligible for Economic Development Investment Program Grant: FY2025 - \$360,889 FY2024 - \$113,070
9) Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement	Sales Tax: FY2025 - \$892,161 (City's portion only) FY2024 - \$793,120 (City's portion only)	Business License Tax: FY2025 - \$841,205 FY2024 - \$632,150

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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Virginia Beach Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards	Programs Administered by City of Virginia Beach	
	Yes Oceana APZ-1 Incentives	Cityview II Development Constitution Park
1) Purpose of Program	Developed to meet the requirements of the Base Realignment and Closure (BRAC) Commission to protect our citizens and keep the Navy's East Coast master jet base, Naval Air Station (NAS) Oceana, in Virginia Beach. Consists of zoning ordinances and incentives to foster the conversion of nonconforming businesses in APZ-1 into conforming ones and relocating ones that cannot be converted to another part of Virginia Beach.	New development of a multiphased, mixed-use project that includes office space, apartment units, structured parking, and a limited service hotel.
2) Tax being abated	Real Estate Tax; Business License Tax and Fees	Real Estate Tax
3) Authority under which abatement agreements are entered into	VA Code 58.1-3220.1 and 58.3221 Ord. No. 2786, 9-23-03 Ord. No. 2932, 3-28-06 VB Code 35-72.1, 35.2-11	VB Code Section 9-1 through 9-9. Ord. No. 3402
4) Criteria to be eligible to receive abatement	The assessed value after the rehabilitation, renovation, or replacement of the structure shall be at least 20% greater than the base assessed value; for commercial or industrial use; consistent with the City's Comprehensive Plan and Zoning Ordinances; result in conversion of a nonconforming use to a conforming use.	The abatement is based on an incremental real estate tax over the assessed value of \$2,555,999 (base value).
5) How recipients' taxes are reduced	Credit on tax bill, rebate, and reimbursements of fees. All last 15 years.	Credit on bill for real estate tax.
6) How amount of abatement is determined	The difference between the taxes computed upon the base value and the initial rehabilitated assessed value of the property for each year of the partial exemption from real estate taxes; credit shall not increase. 90% of business license taxes imposed by Chapter 18.	The difference between the taxes computed upon the base value and the increase in assessed value of the property for each year, following the issuance of final certificate of occupancy. Incentive payment to continue for 25 years from date of initial payment or until the total incentive payments equal \$10,200,000 whichever shall occur first.
7) Provisions for recapturing abated taxes	N/A	N/A
8) Types of commitments made by the City other than to reduce taxes	Eligible for Economic Development Investment Program Grant: FY2025 - \$125,000 FY2024 - \$ -	
9) Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement	Business License Tax: FY2025 - \$119,825 FY2024 - \$107,971 No Real Estate Taxes have been credited to date	Real Estate Tax: FY2025 - \$327,000 FY2024 - \$327,248

CITY OF VIRGINIA BEACH, VIRGINIA
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Virginia Beach Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards	Programs Administered by City of Virginia Beach	
	25th Street Parking Garage and iFLY	Atlantic Park Community Development Authority (CDA)
1) Purpose of Program	The City partnered with a private company to develop a unique tourism amenity, and to provide public parking in the resort area. The project includes a public garage, and privately owned entertainment facility and apartments. The project is aligned with Council's Resort Strategic Action Plan (2008) for year-round entertainment, a year-round residential development/presence, and public parking. The Venue opened in 2016 and had private investment of \$21.66 million.	The City partnered with a private company to develop the former Dome site into a mixed-use, high-density development, including space for residences, offices, retail, restaurants, a surf park, an entertainment venue, and parking. The project is aligned with Council's Resort Strategic Action Plan (2030) for the year-round entertainment and residential presence.
2) Tax being abated	Admissions Tax	Sales/Use Tax
3) Authority under which abatement agreements are entered into	Virginia Public-Private Education Facilities and Infrastructure Act of 2002	Sales/Use Tax: VA Code 15.2-5928/5933
4) Criteria to be eligible to receive abatement	The project's comprehensive agreement was approved by City Council February 2013.	The project's comprehensive agreement was approved by City Council September 2021
5) How recipients' taxes are reduced	Company receives a rebate/incentive payment.	Company receives a rebate/incentive payment.
6) How amount of abatement is determined	90% of admission taxes remitted to the City are rebated back as an incentive payment (but for revenues) until a total of \$1.6 million have been returned.	Sale/Use tax is submitted to State by contractor. Under agreement with VA Department of Tax the entitlement tax of 2.025% tax is sent back to the city and along with a local portion of 1.0% from the city is reimbursed to the CDA quarterly.
7) Provisions for recapturing abated taxes	N/A	N/A
8) Types of commitments made by the City other than to reduce taxes	The City sold the 25th Street parking lot to the developer for \$7.65 million. After the developer built 147 apartment units, 2,500 square feet of retail space, "iFLY" entertainment facility, and a 565-space garage, the City purchased the parking garage for \$7.65 million. Also, the City contributed approximately \$250,000 towards landscaping and \$586,000 for streetscape improvements.	The City executed a promissory note with CDA for \$17.7 million, without interest, for off-site public improvements to be paid back by October 18, 2062.
9) Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement	Admission Tax: FY2025 - \$73,486 FY2024 - \$75,961	Sales/Use Tax: FY2025 - \$186,889 (city portion only) FY2024 - \$140,437 (city portion only)

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

12. INTERFUND BALANCES AND TRANSACTIONS, FUND RESULTS AND RECONCILIATIONS

A. Interfund Transfers

Interfund transfers for the year ended June 30, 2025 were made up of the following:

Transfer To:	General Fund	Nonmajor Governmental	Nonmajor Parking Enterprise	Total
General Fund	\$ 16,856	\$ 570,845	\$ -	\$ 587,701
Capital Projects Fund	69,858,078	26,468,992	500,000	96,827,070
Storm Water Fund	3,436,581	35,533,891	-	38,970,472
Water and Sewer Fund	4,200,000	-	-	4,200,000
Nonmajor Governmental	85,512,782	4,644,537	-	90,157,319
Nonmajor Enterprise Funds	-	72,000	-	72,000
Total	<u>\$ 163,024,297</u>	<u>\$ 67,290,265</u>	<u>\$ 500,000</u>	<u>\$ 230,814,562</u>

Transfers From General Fund:

\$ 69,858,078	Capital Projects Fund: Funding for Pay-As-You-Go Capital Projects Fund
3,436,581	Storm Water Projects Fund: Funding for Pay-As-You-Go Storm Water Projects Fund
4,200,000	Water and Sewer Projects Fund: Funding for Pay-As-You-Go Water & Sewer Projects
85,512,782	Nonmajor Governmental Funds: Funding for Special Revenue programs and Debt Fund
16,856	Gift Funds: Gift Funds are included within the General Fund

Transfers From Nonmajor Governmental Funds:

\$ 570,845	General Fund: Special Revenue Funds - Combined Area Dredging Projects
26,468,992	Capital Projects Fund: Funding for Pay-As-You-Go capital projects
35,533,891	Storm Water Fund: Funding for ARPA Projects
4,644,537	Nonmajor Governmental Funds: Funding for support of existing programs
72,000	Nonmajor Enterprise Funds: Funding for Parking support

Transfer From Nonmajor Enterprise Fund:

\$ 500,000	Capital Project Funds: Economic and Tourism
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B. Net Position Deficit

The following fund has a deficit balance in Fund Balance or Net Position at June 30, 2025:

Governmental Funds:

Sheriff's Department Fund	\$ (3,961,750)
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The deficit in the Sheriffs Department Fund is a result of court closures and decreasing inmate population, resulting in a loss of state revenues and the timing of federal reimbursements.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

13. RISK MANAGEMENT

A. Primary Government Self-Insurance Program

The City of Virginia Beach is exposed to a wide range of risks, including tort claims; theft, damage, or destruction of assets; errors and omissions; employee injuries; and natural disasters. To manage these exposures, the City established the Risk Management Internal Service Fund in Fiscal Year 1973 to finance its self-insured liabilities. This fund provides primary coverage—**prior to the activation of excess insurance**—for up to \$2,000,000 for each workers’ compensation claim, \$2,000,000 for each general and auto liability claim, \$250,000 for each fire and property claim (\$100,000 for schools), and \$25,000 for each public officials (errors and omissions) claim.

Insurance coverage levels for all major risk categories remained consistent with the prior fiscal year. There were no reductions in commercial insurance, and settlement amounts over the past three years did not exceed coverage limits. The City maintains \$20,000,000 in excess insurance per occurrence and \$40,000,000 aggregate. Additionally, the City holds various specialized policies, including Marine Operators Hull & P&I, Cyber Liability, Aviation, and Equine coverage. For FY 2024-25, in response to emerging risks, the City proactively secured additional insurance, including Foreign Package Insurance (\$2,000,000 aggregate), Pollution Liability Insurance (\$3,000,000 aggregate), and Remote Worker Insurance (\$1,000,000 aggregate), reflecting its commitment to adapting to evolving liability landscapes.

All funds of the City participate in the program (except for School Board Component Unit funds) and make payments to the Risk Management Fund based on normal underwriting criteria and each department’s loss experience. The City uses an actuary to aid in the determination of self-insurance liabilities.

The claims liability of \$44,174,901 (reflects both discounting for the time value of money at 1% interest and a risk margin to increase the statistical confidence to 75%) is based on the ultimate cost of settling the claims, which includes incremental claim adjustment expenses (i.e., outside legal assistance) and estimated recoveries on unsettled claims as required by GAAP. The City prepares an update of the actuarial liability annually, and believes the estimates contained herein substantially reflect estimated claims and judgments for the period ending June 30, 2025.

Fiscal Year	Beginning Liability	Claims & Changes in Estimates	Claims Payments	Balance at Year-End
2024	\$ 41,986,762	\$ 12,940,839	\$ 11,288,390	\$ 43,639,211
2025	43,639,211	14,382,463	13,846,773	44,174,901

B. School Board Self-Insurance Program

The School Board is self-insured for a portion of its risks. The self-insurance coverage for Fire and Property Insurance is \$100,000 per occurrence (includes unnamed windstorm and earthquake damage) and 1% of the total insured value of the damaged covered property when such loss or damage results from a named windstorm (minimum deductible – \$250,000 per occurrence); Boiler and Machinery Breakdown coverage is \$25,000 per occurrence; School Leaders Liability (including general liability and errors and omissions) coverage is \$350,000 per occurrence; Crime (Employee Dishonesty) coverage is \$250 per occurrence; Environmental Impairment is \$25,000 and Cyber Liability coverage has a \$50,000 self-insured retention. Automobile Liability retention (engine on) is \$400,000 per occurrence; Automobile Physical Damage retention (engine off) is \$100,000 per occurrence; and the Excess Workers’ Compensation self-insured retention is \$750,000 per claim.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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Commercial insurance is purchased to cover the amount in excess of the above self-insured levels for specific losses. When economically feasible, commercial insurance is purchased to cover certain exposures completely. The amount of settlements did not exceed insurance coverage for each of the past three fiscal years and the insurance coverage is substantially the same as in recent prior fiscal years.

Claims processing and payments for all insurance claims are made through commercial carriers and third-party administrators. The School Board uses the information provided by the third-party administrators to aid in the determination of self-insurance liabilities. The computed liability as of June 30, 2025 is \$9,216,935 (undiscounted), as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims & Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2024	\$ 9,099,286	\$ 8,064,104	\$ 8,017,411	\$ 9,145,979
2025	9,145,979	8,481,794	8,410,838	9,216,935

Self-Insured Health Care Benefits Program

Effective January 1, 2000, the School Board established a self-insured health care benefits program for all School Board and City employees. Certain claims expenses paid on behalf of each employee during a single policy year are covered by excess loss insurance with a specific stop-loss limit of \$600,000.

Claims processing and payments for all health care claims are made through third-party administrators. The School Board uses the information provided by the third-party administrators and a health care benefits consultant to aid in the determination of self-insurance liabilities. The computed liability as of June 30, 2025 is \$8,456,000 (undiscounted), as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims & Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2024	\$ 8,991,000	\$ 177,716,809	\$ 179,061,809	\$ 7,646,000
2025	7,646,000	186,728,104	185,918,104	8,456,000

C. Surety Bonds

All City employees—including those serving under elected constitutional officers such as the Commissioner of the Revenue, Treasurer, Commonwealth’s Attorney, Sheriff, and Clerk of the Circuit Court—are bonded in favor of the City in the amount of \$1,000,000. This coverage, provided by Travelers Casualty and Surety Company of America, protects against a range of financial risks including theft, forgery, alteration, counterfeit currency, fraudulent money orders, funds transfer fraud, and social engineering schemes.

The Commonwealth of Virginia has secured a blanket bond for the City Treasurer and Finance Director (\$1,600,000) Commissioner of Revenue (\$3,000) and the Sheriff (\$30,000) which covers the bonds required by law or contract for the position they hold. The bond is written by Travelers Casualty and Surety Company of America.

The Commonwealth of Virginia also provides coverage through the “Faithful Performance of Duty Bond Plan” in the amount of \$500,000 for the constitutional officers. This does take the place of a separate bond required by law or contract.

All School Board employees are covered by a faithful performance bond in the amount of \$100,000 to protect the School Board in the event of fraudulent acts.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

14. RETIREMENT

A. Virginia Retirement System

Plan Description

The City and School Board contribute to the VRS, which provides agent, multiple employer and cost-sharing, multiple-employer defined benefit pension plans administered by the Virginia Retirement System (System). The City employees and School Non Professional employees are covered by the VRS Political Subdivision Retirement Plan, which is the agent, multiple employer defined benefit. All full-time, salaried permanent (professional) employees of Virginia Beach City Public Schools (VBCPS) are covered by the VRS Teacher Retirement Plan, which is the cost-sharing, multiple employer defined benefit plan upon employment.

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 VRS Retirement Plans and the additions to/deductions from the VRS Retirement plans' net fiduciary position have been determined on the same basis as they were reported by 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.

All full-time, salaried permanent employees of the City and School Board are automatically covered by the VRS Retirement Plan upon employment. This plan is administered by the System 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 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 and the eligibility for covered groups within each plan are set out in the table below:

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About 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.</p>	<p>About 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.</p>	<p>About the Hybrid Retirement Plan: The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> • 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.
<p>Eligible Members: Employees are in 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.</p>	<p>Eligible Members: Employees are in 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.</p>	<p>Eligible Members: Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • Political subdivision employees • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Hybrid Opt-In Election: VRS non-hazardous duty covered 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.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>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.</p>	<p>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.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p>*Non-Eligible Members: Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees. <p>Those employees eligible for an optional retirement plan (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.</p>
<p>Retirement Contributions: Employees contribute 5% 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.</p> <p>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 payment.</p>	<p>Retirement Contributions: Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction.</p>	<p>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.</p>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Creditable Service: Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service 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.</p>	<p>Creditable Service: Same as Plan 1.</p>	<p>Creditable Service Defined Benefit Component: Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service 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.</p> <p>Defined Contributions Component: Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>
<p>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 creditable service. 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 their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.</p>	<p>Vesting: Same as Plan 1.</p>	<p>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 creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		<p>Defined Contributions 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.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>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.</p> <ul style="list-style-type: none"> • 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. <p>Distribution is not required by law until age 73.</p>
<p>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. It is one of the benefit payout options available to a member at retirement.</p>	<p>Calculating the Benefit: See definition under Plan 1.</p>	<p>Calculating the Benefit Defined Benefit Component: See definition under Plan 1.</p>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.		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: A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	Average Final Compensation: A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	Average Final Compensation: Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier VRS: 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%.	Service Retirement Multiplier VRS: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.	Service Retirement Multiplier Defined Benefit Component: VRS: 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.
Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.	Sheriffs and regional jail superintendents: Same as Plan 1.	Sheriffs and regional jail superintendents: Not applicable.
Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.	Political subdivision hazardous duty employees: Same as Plan 1.	Political subdivision hazardous duty employees: Not applicable. Defined Contribution Component: Not applicable.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Normal Retirement Age VRS: Age 65.	Normal Retirement Age VRS: Normal Social Security retirement age.	Normal Retirement Age Defined Benefit Component: VRS: Same as Plan 2.
Political subdivisions hazardous duty employees: Age 60.	Political subdivisions hazardous duty employees: Same as Plan 1.	Political subdivisions hazardous duty employees: Not applicable.
		Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.	Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.	Earliest Unreduced Retirement Eligibility Defined Benefit Component: VRS: Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.
Political subdivisions hazardous duty employees: Age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.	Political subdivisions hazardous duty employees: Same as Plan 1.	Political subdivisions hazardous duty employees: Not applicable.
		Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.</p> <p>Political subdivisions hazardous duty employees: Age 50 with at least five years of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of creditable service.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Reduced Retirement Eligibility Defined Benefit Component: VRS: Age 60 with at least five years (60 months) of creditable service.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Cost-of-Living Adjustment (COLA) in Retirement: The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p>Eligibility: For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement: The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p>Eligibility: Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement Defined Benefit Component: Same as Plan 2.</p> <p>Defined Contribution Component: Not applicable.</p> <p>Eligibility: Same as Plan 1 and Plan 2.</p>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>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:</p> <ul style="list-style-type: none"> • 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 under the Virginia Sickness and Disability Program (VSDP). • 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. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 	<p>Exceptions to COLA Effective Dates: Same as Plan 1.</p>	<p>Exceptions to COLA Effective Dates: Same as Plan 1 and Plan 2.</p>
<p>Disability Coverage: Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work- related disability benefits.</p>	<p>Disability Coverage: Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>	<p>Disability Coverage: Employees of political subdivisions (including Plan 1 and Plan2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members.</p> <p>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.</p>

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>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 creditable service in their plan. Prior creditable service counts toward 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.</p>	<p>Purchase of Prior Service: Same as Plan 1.</p>	<p>Purchase of Prior Service Defined Benefit Component:</p> <p>Same as Plan 1, with the following exceptions:</p> <p>- Hybrid Retirement Plan members are ineligible for ported service.</p> <p>Defined Contribution Component:</p> <p>Not applicable.</p>

The System issues a publicly available annual comprehensive financial report that includes financial statements and required supplemental information for VRS. A copy of the most recent report may be obtained from the VRS website at : <https://www.varetire.org/media/shared/pdf/publications/2024-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500 Richmond, VA., 23218-2500.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Employees Covered by Benefit Terms

As of the June 30, 2024 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	City	School Board Non Professional
Inactive Members or Their Beneficiaries Currently Receiving Benefits	5,089	1,908
Inactive Members:		
Vested	1,095	441
Non-Vested	2,011	1,352
Long Term Disability	20	12
Active Elsewhere in VRS	1,028	431
Total Inactive Members	4,154	2,236
Active Members	6,096	1,853
Total	<u>15,339</u>	<u>5,997</u>

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 and School divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5.00% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer was required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The City's contractually required employer contribution rate for the year ended June 30, 2025 was 18.98% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. This rate, when combined with employee contributions, were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The School Board Professional VRS plan's contractually required employer contribution rate for the year ended June 30, 2025 was 14.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined 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. The School Board Non Professional VRS pension plan's contractually required contribution rate for the year ended June 30, 2025 was 8.28% of annual covered payroll. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. This rate, when combined with employee contributions, were expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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Contributions made by the Employer and Employee for the years ended June 30, 2025 and June 30, 2024 are listed in the table below:

Fiscal Year	City		School Board - Professional		School Board - Non-Professional	
	Employer Contributions	Employee Contributions	Employer Contributions	Employee Contributions	Employer Contributions	Employee Contributions
2025	\$ 82,362,777	\$ 20,183,368	\$ 72,263,417	\$ 80,073,655	\$ 5,241,489	\$ 4,494,351
2024	\$ 72,565,286	\$ 18,261,694	\$ 80,073,655	\$ 73,702,797	\$ 4,494,351	\$ 4,109,022

Net Pension Liability

The City's net pension liability measured as of June 30, 2024 totaled \$437,672,510. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

As of June 30, 2025, the School Board Professional Retirement Plan reported a liability of \$447,637,568 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The School Board's proportion of the net pension liability was based on the School Board's actuarially determined employer contributions to the pension plan for the year ended June 30, 2024 relative to the total actuarially determined employer contributions for all participating employers. At June 30, 2024, the School Board's proportion was 4.76873% as compared to 4.66432% at June 30, 2023. For the School Board's Nonprofessional (non-teacher) Retirement Plan, the net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, rolled forward to the measurement date of June 30, 2025. At June 30, 2025, the school division reported a net pension liability of \$14,783,260 for the Nonprofessional (non-teacher) Retirement Plan.

Actuarial Assumptions – City General Employees

The total pension liability for general employees in the City's Retirement Plans was based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation:	2.5 percent
Salary increases, including inflation:	3.5 percent - 5.35 percent
Investment rate of return:	6.75 percent, net of pension plan investment expenses, including inflation

Mortality rates:

Largest 10 - Non-LEOS: 20% of deaths are assumed to be service related.

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

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Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

All Others (Non 10 Largest) – Non-LEOS: 15% of deaths are assumed to be service related.

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors: Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10-Non-LEOS:

- Update mortality rates to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No change to disability rates
- No change to salary scale
- No change to line of duty
- No change to discount rate

All Others (Non 10 Largest) – Non-LEOS:

- Updated mortality rates to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No change to disability rates
- No change to salary scale
- No change to line of duty
- No change to discount rate

Actuarial Assumptions – City Public Safety Employees

The total pension liability for Public Safety employees in the City's Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the

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following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation:	2.5 percent
Salary increases, including inflation:	3.5 percent - 4.75 percent
Investment rate of return:	6.75 percent, net of pension plan investment expenses, including inflation

Mortality rates:

Largest 10 - LEOS: 70% of deaths are assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

All Others (Non 10 Largest) – Non-LEOS: 45% of deaths are assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years.

Mortality Improvement: Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10-LEOS:

- Update mortality rates to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70
- Decrease withdrawal rates
- No change in disability rates
- No change in salary scale

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- No change in line of duty disability
- No change in discount rate

All Others (Non 10 Largest) – LEOS:

- Update mortality rates to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70
- Decrease withdrawal rates and change from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
- No change in disability rates
- No change in salary scale
- No change in line of duty disability
- No change in discount rate

Actuarial Assumptions – School Board

Professional/Teacher Retirement Plan

The total pension liability for the VRS Professional/Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation	2.5 percent
Salary increases, including Inflation	3.5 percent – 5.95percent
Investment rate of return	6.75 Percent, net of pension plan investment expenses, including inflation

Mortality rates:

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement: Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvements:

Rates projected with Modified MP 2020 Improvement Scale that is 75% of the standard rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

- Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with modified Mortality Improvement Scale MP-2020
- Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; change final retirement age from 75 to 80 for all
- Adjusted rates to better fit experience at each year age and service through 9 years of service
- No change to disability rates, salary scale or discount rate

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Non Professional Retirement Plan

The total pension liability for Non Professional (Non Teacher) Retirement Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation	2.5 percent
Salary increases, including inflation	3.5 percent – 5.35
Investment rate of return	6.75 percent, net of pension plan investment expense, including inflation

Mortality rates:

Largest 10 - 20% of deaths are assumed to be service related

All Others (Non 10 Largest) - 15% of deaths are assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males;

105% rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS board action are as follows:

- Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with modified Mortality Improvement Scale MP-2020
- Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
- Adjusted rates to better fit experience at each year age and service through 9 years of service
- No change to disability rates, salary scale or discount rate

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

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allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the table below:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	-3.00%	3.50%	-0.11%
Total	<u>100.00%</u>		<u>7.07%</u>
Expected arithmetic nominal return*			<u>7.07%</u>

* The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumption). 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 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

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. For the year ended June 30, 2024, the employer contribution rate is 100% of the actuarially determined employer contribution rate from the June 30, 2023, actuarial valuations. Through the fiscal year ending June 30, 2024, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 112% of the actuarially determined contribution rate. From July 1, 2024, on participating employers and school divisions 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.

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Changes in Net Pension Liability

City	Increase/(Decrease)		
	Plan Fiduciary		
	Total Pension Liability	Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2023	<u>\$ 2,578,058,988</u>	<u>\$ 2,141,707,041</u>	<u>\$ 436,351,947</u>
Changes for the Year:			
Service Cost	54,275,017	-	54,275,017
Interest	172,726,725	-	172,726,725
Difference between expected and actual experience	70,662,778	-	70,662,778
Contribution - Employer	-	72,468,257	(72,468,257)
Contribution - Employee	-	19,474,208	(19,474,208)
Net Investment Income	-	205,744,890	(205,744,890)
Benefit payments, including refunds of			
Employee Contributions	(146,839,128)	(146,839,128)	-
Administrative Expense	-	(1,382,504)	1,382,504
Other Changes	-	39,106	(39,106)
Net Changes	<u>150,825,392</u>	<u>149,504,829</u>	<u>1,320,563</u>
Balances at June 30, 2024	<u><u>\$ 2,728,884,380</u></u>	<u><u>\$ 2,291,211,870</u></u>	<u><u>\$ 437,672,510</u></u>

School Board Non Professional

	Increase/(Decrease)		
	Plan Fiduciary		
	Total Pension Liability	Net Position	Net Pension Liability / (Asset)
	(a)	(b)	(a) - (b)
Balances at June 30, 2023	<u>\$ 277,358,002</u>	<u>\$ 264,074,370</u>	<u>\$ 13,283,632</u>
Changes for the Year:			
Service Cost	5,109,779	-	5,109,779
Interest	18,488,637	-	18,488,637
Difference between expected and actual experience	10,224,638	-	10,224,638
Contribution - Employer	-	4,443,511	(4,443,511)
Contribution - Employee	-	2,843,835	(2,843,835)
Net Investment Income	-	25,210,417	(25,210,417)
Benefit payments, including refunds of			
Employee Contributions	(16,765,210)	(16,765,210)	-
Refunds of contributions	(358,891)	(358,891)	-
Administrative Expense	-	(174,408)	174,408
Other Changes	-	71	(71)
Net Changes	<u>16,698,953</u>	<u>15,199,325</u>	<u>1,499,628</u>
Balances at June 30, 2024	<u><u>\$ 294,056,955</u></u>	<u><u>\$ 279,273,695</u></u>	<u><u>\$ 14,783,260</u></u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability for the City, School Board Non Professional and School Board's proportional share for the Professional/Teacher Retirement Plans, each using the discount rate of

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6.75%, as well as what the 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% Decrease (5.75)%	Current Discount Rate (6.75%)	1% Increase (7.75)%
City's Net Pension Liability	\$ 768,711,161	\$ 437,672,510	\$ 162,702,757
School Board's Non Professional Net Pension Liability / (Asset)	47,725,932	14,783,260	(12,800,466)
School Board's Proportionate Share of the ProfessionalNet Pension Liability for the VRS Professional/Teacher Retirement Plan	831,622,860	477,637,568	133,165,831

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

For the year ended June 30, 2025, the City recognized pension expense of \$80,836,962. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	City	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 92,260,250	\$ 8,490,800
Changes of assumptions	248,154	-
Net difference between projected and actual earnings on plan investments	-	59,905,841
Employer contributions subsequent to the measurement date	82,362,777	-
Total	<u>\$ 174,871,181</u>	<u>\$ 68,396,641</u>

The \$82,362,777 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as an adjustment of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30:	
2026	\$ (19,791,294)
2027	53,427,453
2028	3,091,159
2029	(12,615,555)
	<u>\$ 24,111,763</u>

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School Board Professional/Teachers Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the School Board recognize pension expense of \$38,104,565 for the Professional/Teacher Retirement Plan. At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	School Board Professional	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 77,658,806	\$ 9,217,169
Change of assumptions	8,125,220	-
Net difference between projected and actual earnings on plan investments	-	61,617,584
Changes in proportion and differences between employer contributions and porportionate share of contributions	8,086,722	12,254,445
Employer contributions subsequent to the Measurement Date	72,263,417	-
Total	<u>\$ 166,134,165</u>	<u>\$ 83,089,198</u>

The \$72,263,417 reported as deferred outflows of resources related to pensions resulting from the contributions by the School Board for the Professional/Teachers plan subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30:	
2026	(31,718,137)
2027	37,025,430
2028	9,636,527
2029	(4,162,270)
	<u>\$ 10,781,550</u>

In addition, for the year ended June 30, 2025, the School Board recognized pension expense was \$5,574,926 for the Non Professional Retirement Plan. At June 30, 2025, the School Board Non Professional Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	School Board Non Professional	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,385,497	\$ -
Net difference between projected and actual earnings on plan investments	-	7,411,352
Employer contributions subsequent to the measurement date	5,241,489	-
Total	<u>\$ 10,626,986</u>	<u>\$ 7,411,352</u>

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The \$5,241,489 reported as deferred outflows of resources related to pensions resulting from the contributions by the School Board Non Professional plan made subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30:		
2026	\$	(1,480,099)
2027		2,405,799
2028		(1,406,900)
2029		(1,544,655)
	\$	<u>(2,025,855)</u>

B. Sheriff's Supplemental Retirement Plan

1. Description of the Plan

The Sheriff's Supplemental Plan is a defined contribution plan that was established by the City Council of Virginia Beach, Virginia ("City Council") in 1995 in accordance with Internal Revenue Code Section 401. The Plan sponsor and participating employer is the City of Virginia Beach Sheriff's Office ("Employer"). The Plan is available to all employees of the City Sheriff's Office, who have completed one year of service, as defined by the Plan.

The City Code of establishes a Deferred Compensation Board ("Board") to supervise, administer and implement the Plan. The Board has full power and authority to adopt rules and regulations for the administration of the Plan. The Board also contracts with providers to manage the investment of plan assets and is responsible for selecting the Plan investment options. Plan provisions and contribution requirements are established and may be amended by the City Council.

The Deferred Compensation Board and the City Council and School Board of the City, the Plan Sponsor, voted to offer its employees the Commonwealth of Virginia Cash Match Plan (COV). In January 2020, Sheriff's existing plan was transferred to COV and continue for the benefit of employees of the City of Virginia Beach.

The Virginia Cash Match Plan provides an opportunity for the City of Virginia Beach to make a discretionary contribution on behalf of employees. The investment options for the plan are organized into three pathways to make it easier for participants to implement investment decisions according to their knowledge of investments and investment style. The *Do-It-For-Me Path* includes the target date portfolios for participants who prefer a pre-mixed portfolio that is already diversified. The *Help-Me-Do-It Path* includes a carefully selected menu of ten funds for participants who prefer to take a more active role in investing and want to construct a portfolio that addresses their individual needs. The *Do-It-Myself Path* includes a self-directed brokerage account (SDBA) for those who believe that are skilled and knowledgeable about investments. Investments for the SDBA include mutual funds, exchange-traded funds (ETFs) and individual securities.

As of June 30, 2025, the composition of participants was as follows:

Active	215
Term Awaiting Payment	82
Term Payment Deferred	5
Term Receiving Install	<u>5</u>
Total	<u>307</u>

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Participants may not contribute to the Plan. The Employer may contribute discretionary amounts to be determined by the City Sheriff's Office annually. The employer did not make any contributions during the plan year end. Employer contributions to the Plan, and any earnings they generate, are vested as follows:

Years of Service	Vested Percentage
0- 5 years	0%
5 years of more	100%

Participants may withdraw from their accounts during a qualifying distribution event. Qualifying distribution events are: retirement, permanent disability, termination from employment, attainment of age 59½, and death. Ordinary income tax will apply to each withdrawal. Withdrawals received prior to age 59½ may also be assessed a 10% early withdrawal federal tax penalty.

Participant Accounts – Each participant's account is credited with an allocation of the City's discretionary contributions as well as Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant compensation, account balances, or specific participant transactions as defined. The benefit to which the participant is entitled is the benefit that can be provided from the participant's vested account.

Payment of Benefits – On termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments not to exceed the lifetime of the payee. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

Investment Options – Participants direct the investment of their accounts into various investment options offered by the Plan. The Plan's investments are stated at fair value (except for fully benefit-responsive investment contracts, which are valued at contract value). Fair value is the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Contract value is the relevant measure for the portion of net assets available for benefits attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan.

2. Summary of Significant Accounting Policies

Basis of Accounting – The Plan's financial statements are prepared in accordance with GAAP using the financial reporting framework established by GAAP.

Use of Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investments Valuation and Income Recognition – Investments are reported at fair value. Plan management determines the Plan's valuation policies utilizing information provided by the custodian.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

CITY OF VIRGINIA BEACH, VIRGINIA
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Contributions – Contributions are recognized in the year due in accordance with the terms of the Plan.

Benefit Payments – Benefit payments are recorded when paid.

Administrative Expenses – Administrative expenses are recorded when incurred. Certain administrative functions are performed by the City and are not reflected in these statements.

3. Investments

The Virginia Retirement System Board of Trustees (VRS Board) has adopted an investment policy to provide guidelines for the investment offerings under an unbundled plan construct. the Virginia Cash Match Plan is one of the plans that uses an unbundled structure approach. The VRS unbundled defined contribution plans seek to provide participants with an array of investment choices across a range of asset classes, risk levels, and investment strategies so they can construct and/or invest in portfolios that address their individual needs, and do so using investment vehicles and structure that provide competitive risk-adjusted returns at a reasonable cost.

The Plan had the following investments as of June 30, 2025:

Mutual funds, at fair value:

Bond Fund	\$ 190,243
Global Real Estate Fund	283
High-Yield Bond Fund	17,031
Inflation Protected Bond Fund	1,058
International Stock Fund	174,424
Money Market Fund	46,846
Retirement Portfolio	177,789
Self-Directed Brokerage Account	35,131
Small/Mid-Cap Stock Fund	347,492
Stable Value Fund	733,251
Stock Fund	1,592,005
Target Date 2030 Portfolio	155,600
Target Date 2035 Portfolio	151,650
Target Date 2040 Portfolio	266,568
Target Date 2045 Portfolio	84,603
Target Date 2050 Portfolio	29,609
Target Date 2055 Portfolio	14
Target Date 2065 Portfolio	741
	<u>\$ 4,004,338</u>

CITY OF VIRGINIA BEACH, VIRGINIA
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15. OTHER POSTEMPLOYMENT BENEFITS

A. Single-Employer, Defined Benefit Plan

Plan Description

The City and School Board OPEB Plans are each a single-employer, defined benefit plan, administered by the City and School Board in accordance with State and City Statutes. Section 15.2-1500 of the *Code of Virginia*, provides that every locality shall provide for the governmental functions of the locality, including employment of the officers and other employees. In connection with this employment, the City has established certain plans to provide OPEB other than pensions as defined in Section 15.2-1545 of the *Code of Virginia* to retirees and their spouses and eligible dependents.

In accordance with Article 8, Chapter 15, Subtitled II of Title 15.2 of the *Code of Virginia*, the City and School Board have elected to establish a trust for the purpose of accumulating and investing assets to fund OPEB. In accordance with the election, the City and School Board have joined the Virginia Pooled OPEB Trust Fund (Trust), which was established by the Virginia Municipal League and the Virginia Association of Counties in 2008 for the purpose of accumulating and investing assets to fund OPEB other than pensions for counties, cities, towns, school divisions and other authorized political subdivisions of the Commonwealth of Virginia. The Pooled OPEB Trust issues a publicly available ACFR that includes financial statements and required supplemental information for the OPEB Trust Fund. A copy of the most recent report may be obtained from the VML VACo website at <https://valocalfinance.org/opeb/>.

The Trust's Board of Trustees has fiduciary responsibility for the investment of monies and administration of the Trust pursuant to the Trust Agreement. The Board of Trustees is composed of nine members. Trustees are members of Local Finance Boards of participating employers and are elected for staggered three-year terms by the participants in the Trust. In accordance with Section 15.2-1547 of the *Code of Virginia*, City Council appointed the City's Deferred Compensation Board Trust as the OPEB's Local Finance Board (Board) to serve as the trustee of the City and School Board with respect to the OPEB trust. The Board includes City employees, an appointee from City Council, a member of the Sheriff's Office, a member of the School Board, and the Schools' Chief Financial Officer. The trust does not administer the retiree health benefits of each participating employer. Deposits to this trust are irrevocable and are held solely for the payment of OPEB benefits for the City and School Board.

Plan Membership

The membership as of January 1, 2024 includes:

	City	School Board
Active Participants	6,194	10,284
Retirees and Surviving Spouses	588	571
Spouses of Current Retirees	77	71
Total	<u>6,859</u>	<u>10,926</u>

Benefits Provided

The City and School Board provide health insurance benefits for their retirees. These benefits are provided through a self-insured program. Employees that retire under VRS guidelines with at least 25 years of service with the City and/or School Board or City employees with 5 years or more of service with a work related disability compensable under the Workers' Compensation Act are eligible to health insurance coverage. This benefit is payable until the retiree becomes eligible for Medicare.

CITY OF VIRGINIA BEACH, VIRGINIA
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Contributions

Contribution requirements of the City, School Board and plan members are established and may be amended by the respective legislative bodies. The required contributions were actuarially determined and are based upon projected pay as you go financing requirements with an additional amount to prefund benefits. For the period ending June 30, 2025, the actuarially determined contribution was set at \$3,452,300 for the City and at \$7,838,400 for the School Board. City retirees contributed \$3,075 and \$1,459 annually for the Point of Service and Consumer Driven Health Plan, respectively for retiree-only coverage until Medicare eligibility and School Board retirees contributed \$1,753 and \$832 for the Point of Service and Consumer Driven Health Plan, respectively for retiree-only coverage until Medicare eligibility. City retirees with coverage for their spouses contributed \$10,284 and \$6,519 annually for the Point of Service and Consumer Driven Health Plan, respectively, and School Board retirees with coverage for their spouses contributed \$5,862 and \$3,716 for the Point of Service and Consumer Driven Health Plans, respectively, until Medicare eligibility. The City and School Board have determined that all current employees and retirees shall contribute to the cost of their health care coverage and no level of benefit shall be provided free of charge. Rates are calculated by an actuary with the City and School Board health care consultant and finalized by the Benefits Executive Committee, comprised of City and School Board executive leadership.

Investments Policy, Target Allocation, and Long-Term Expected Rate of Return

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the Virginia Pooled OPEB Trust Fund Board of Trustees. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions, including inflation, are per Milliman's investment consulting practice as of June 30, 2025.

The following is for the City and School Board:

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return	Expected Geometric Real Rate of Return
US Core Fixed Income	20.00%	2.35%	2.20%
US Large Cap Equity	21.00%	5.39%	3.78%
US Small Cap Equity	10.00%	6.80%	4.22%
Foreign Developed Equity	13.00%	6.61%	4.79%
Emerging Markets Equity	5.00%	8.78%	5.73%
Private Real Estate Property	15.00%	5.99%	4.57%
Private Equity	10.00%	10.43%	6.22%
Hedge FOF Strategic	6.00%	2.49%	1.95%
Assumed Inflation - Mean		2.28%	2.28%
Assumed Inflation - Standard Deviation		1.47%	1.47%
Portfolio Real Mean Return		5.67%	4.74%
Portfolio Nominal Mean Return		7.95%	7.13%
Portfolio Standard Deviation			13.32%
Long-Term Expected Rate of Return			6.50%

CITY OF VIRGINIA BEACH, VIRGINIA
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Net OPEB Liability

The City's Net OPEB Liability was measured as of June 30, 2025 and totaled \$14,954,975. The School Board's Net OPEB Liability was measured as of June 30, 2025 and totaled \$62,849,515. The City and School Board's Total OPEB Liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and projected forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GAAP.

Changes in Net OPEB Liability

	City		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of June 30, 2024	\$ 84,434,815	\$ 63,066,451	\$ 21,368,364
Changes for the year:			
Service Cost	1,232,988	-	1,232,988
Interest on Total OPEB Liability	5,330,397	-	5,330,397
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	-	-	-
Benefit Payments	(7,440,503)	(7,440,503)	-
Employer Contributions	-	7,440,503	(7,440,503)
Net Investment Income	-	5,575,133	(5,575,133)
Administrative Expenses	-	(38,862)	38,862
Balances as of June 30, 2025	<u><u>\$ 83,557,697</u></u>	<u><u>\$ 68,602,722</u></u>	<u><u>\$ 14,954,975</u></u>

	School Board		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of June 30, 2024	\$ 113,392,703	\$ 46,810,838	\$ 66,581,865
Changes for the year:			
Service Cost	1,616,771	-	1,616,771
Interest on Total OPEB Liability	7,205,462	-	7,205,462
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	-	-	-
Benefit Payments	(8,445,375)	(8,445,375)	-
Employer Contributions	-	8,445,375	(8,445,375)
Net Investment Income	-	4,138,117	(4,138,117)
Administrative Expenses	-	(28,909)	28,909
Balances as of June 30, 2025	<u><u>\$ 113,769,561</u></u>	<u><u>\$ 50,920,046</u></u>	<u><u>\$ 62,849,515</u></u>

CITY OF VIRGINIA BEACH, VIRGINIA
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Sensitivity Analysis

The following presents the Net OPEB Liability of the City and the School Board calculated using the discount rate of 6.50%, as well as what the City and School Board'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 rates.

	1% Decrease 5.50%	Discount Rate 6.50%	1% Increase 7.50%
City's Total OPEB Liability	\$ 89,626,214	\$ 83,557,697	\$ 78,022,703
Fiduciary Net Position	(68,602,722)	(68,602,722)	(68,602,722)
City's Net OPEB Liability	<u>\$ 21,023,492</u>	<u>\$ 14,954,975</u>	<u>\$ 9,419,981</u>
 School Board's Net OPEB Liability	 \$ 121,345,957	 \$ 113,769,561	 \$ 106,701,826
Fiduciary Net Position	(50,920,046)	(50,920,046)	(50,920,046)
School Board's Net OPEB Liability	<u>\$ 70,425,911</u>	<u>\$ 62,849,515</u>	<u>\$ 55,781,780</u>

The following presents the Net OPEB Liability of the City and the School Board using the current healthcare cost trend rates, as well as what the City and School Board'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 trend rates.

	1% Decrease	Current Trend Rate	1% Increase
City's Total OPEB Liability	\$ 76,220,744	\$ 83,557,697	\$ 91,888,537
Fiduciary Net Position	(68,602,722)	(68,602,722)	(68,602,722)
City's Net OPEB Liability	<u>\$ 7,618,022</u>	<u>\$ 14,954,975</u>	<u>\$ 23,285,815</u>
 School Board's Total OPEB Liability	 \$ 121,345,957	 \$ 113,769,561	 \$ 106,701,826
Fiduciary Net Position	(50,920,046)	(50,920,046)	(50,920,046)
School Board's Net OPEB Liability	<u>\$ 70,425,911</u>	<u>\$ 62,849,515</u>	<u>\$ 55,781,780</u>

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

For the year ended June 30, 2025 the City's and School Board's recognized OPEB (recovery)/expense were (\$456,365) and \$8,435,282 respectively.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
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At June 30, 2025 the City reported deferred outflows of resources and 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	\$ 3,508,328	\$ 4,569,428
Changes in Assumptions	1,471,078	4,831,286
Net Difference between Projected and Actual Earnings	-	594,781
Total	<u>\$ 4,979,406</u>	<u>\$ 9,995,495</u>

Amounts recognized as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:		
2026	\$	(1,330,864)
2027		(433,787)
2028		(541,875)
2029		(1,566,018)
2030		(1,143,545)
	<u>\$</u>	<u>(5,016,089)</u>

*Note that additional future deferred inflows and outflows of resources may impact these numbers.

At June 30, 2025 the School Board reported deferred outflows of resources and 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	\$ 7,524,138	\$ 8,916,834
Changes in Assumptions	4,502,983	12,347,595
Net Difference between Projected and Actual Earnings	441,464	-
Total	<u>\$ 12,468,585</u>	<u>\$ 21,264,429</u>

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Amounts recognized as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:		
2026	\$	3,145,101
2027		3,414,364
2029		1,628,169
2029		608,210
	\$	<u>8,795,844</u>

*Note that additional future deferred inflows and outflows of resources may impact these numbers.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.5%. The 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 discount rate for calculating the total OPEB liability is equal to the long-term expected rate of return.

Actuarial Assumptions

The demographic assumptions used are predominately consistent with those used in the City's June 30, 2021 VRS valuations. Please see the January 1, 2024 OPEB valuation report for a complete summary of all the underlying assumptions used in the valuation.

Valuation Date	January 1, 2024
Measurement Date:	June 30, 2025
Inflation:	2.50%
Actuarial Cost Method:	Entry Age Normal
Healthcare Cost Trend Rate	Law Officers with 1 to 19 years of service, the increases range from 4.75% to 4.00% and for those with 20 or more years of service the increase is 3.50%.
Mortality Rates	Based on the RP-2014 Employee Mortality Rates for males and females, as appropriate, with adjustment for mortality improvements based on scale BB to 2020.

B. Multiple Employer, Cost Sharing Defined Benefit Plans

In addition, The City and School Board participates in a number OPEB Plans each of which are multiple-employer, cost-sharing plans that are administered by the Virginia Retirement System (VRS). These plans include; Group Life Insurance, Line of Duty Act Program, and Virginia Local Disability Program. Information pertaining to each of this plans is included below.

**CITY OF VIRGINIA BEACH, VIRGINIA
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JUNE 30, 2025**

Plan Descriptions

Group Life Insurance

The Group Life Insurance (GLI) Program was established pursuant to §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. All full-time, salaried permanent employees of the City and School Board are automatically covered by the VRS GLI Program upon employment. This plan is administered by VRS, along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional life insurance coverage, the insurer bills employees directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB. Specific information for the GLI Program, including eligibility, coverage and benefits is set out in the table below.

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
<p>Eligible Employees The Group Life Insurance Program (GLI) was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program. Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated member contributions and accrued interest.</p>
<p>Benefit Amounts The benefits payable under the GLI Program have several components. Natural Death Benefit: The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. Accidental Death Benefit: The accidental death benefit is double the natural death benefit. Other Benefit Provisions: In addition to the basic natural and accidental death benefit, the program provides additional benefits under specific circumstance. These include: Accidental dismemberment benefit Seatbelt benefit Repatriation benefit Felony assault benefit Accelerated death benefit option</p>
<p>Reduction in Benefit Amounts The benefit amounts provided to retired members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.</p>
<p>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA is \$9,532 as of June 30, 2025.</p>

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Line of Duty Act Program

The Line of Duty Act (LODA) Program was established pursuant to §9.1-400 et seq. of the *Code of Virginia*, as amended, which provides the authority under which benefit terms are established or may be amended. The LODA Program provides death and health insurance benefits to eligible state and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. All paid employees and volunteers in hazardous duty positions in the City are automatically covered by the Line of Duty Act Program. As required by statute, VRS is responsible for managing the assets of the program. Participating employers made contributions to the program beginning in FY 2012. The employer contributions are determined by VRS's actuary using anticipated program cost and the number of covered individuals associated with all participating employers. Specific information for the LODA OPEB, including eligibility, coverage and benefits is set out in the table below:

LINE OF DUTY ACT PROGRAM PLAN PROVISIONS	
Eligible Employees	The eligible employees of the Line and Duty Act Program (LODA) are paid employees and volunteers in hazardous duty positions in Virginia localities and hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS).
Benefit Amounts	<p>The LODA Program provides death and health insurances for eligible individuals:</p> <p>Death Benefit - The LODA Program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows:</p> <ul style="list-style-type: none"> • \$100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after. • \$25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date. • An additional \$20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001. <p>Health Insurance - The LODA Program provides health insurance benefits.</p> <ul style="list-style-type: none"> • The health insurance benefits are managed through the Virginia Department of Human Resources Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members.

Virginia Local Disability Program

All full-time, salaried general employees; including local law enforcement officers, firefighters, or emergency medical technicians of political subdivisions who do not provide enhanced hazardous duty benefits; who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Political Subdivision Employee and Teacher Employee Virginia Local Disability Program. This plan is administered by VRS, along with pension and other OPEB plans, for eligible public employer groups in the Commonwealth of Virginia. Political subdivisions are required by Title 51.1 of the *Code of Virginia*, as amended to provide short-term and long-term disability benefits for their hybrid plan employees either through a local plan or through the Virginia Local Disability Program (VLDP). Specific information for the VLDP, including eligibility, coverage and benefits is set out in the table on the following page.

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POLITICAL SUBDIVISION EMPLOYEE AND TEACHER EMPLOYEE VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) PLAN PROVISIONS

Eligible Employees

The Teachers Employee and Political Subdivision Employee VLDP was implemented January 1, 2014 to provide short-term and long-term disability benefits for non-work related and work-related disabilities for employees with hybrid plan retirement benefits. Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include:

Teachers and other full-time permanent (professional) salaried employees of public school divisions covered under VRS.

Full-time general employees; including local law enforcement officers, firefighters, or emergency medical technicians who do not have enhanced hazardous duty benefits; of public political subdivisions covered under VRS.

Benefit Amounts

The Teacher Employee and Political Subdivision Employee (VLDP) provides the following benefits for eligible employees:

Short-Term Disability

- The program provides short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation in VLDP with their current employer.
- During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work related or work-related disability.
- Once the eligibility period is satisfied, employees are eligible for higher income replacement levels.

Long-Term Disability

- The VLDP program provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work at all or are working fewer than 20 hours per week.
- Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.

Virginia Local Disability Program Notes:

- Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible.
- VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.

Health Insurance Credit Program

The Teacher Employee Health Insurance Credit Program was established pursuant to §51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The Teacher Employee Health Insurance Credit Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit Program. This plan is administered by the VRS, along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit

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for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death. The specific information for the Teacher Health Insurance Credit Program OPEB, including eligibility, coverage, and benefits is set out in the table below:

TEACHER EMPLOYEE HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS
Eligible Employees The Teacher Health Insurance Credit Program was established July 1, 1993, for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: <ul style="list-style-type: none">• Full-time permanent (professional) salaried employees of public school divisions covered under VRS.
Benefit Amounts The Teacher Employee Retiree HIC provides the following benefits for eligible employees: At Retirement – For Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. Disability Retirement – For Teacher and other professional school employees who retire on disability or go on long-term disability under the VLDP, the monthly benefit is either: <ul style="list-style-type: none">• \$4.00 per month multiplied by twice the amount of service credit, or• \$4.00 per month multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.
HIC Notes: <ul style="list-style-type: none">• The monthly HIC benefit cannot exceed the individual premium amount.• Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the health insurance credit as a retiree.

Contributions

Group Life Insurance

The contribution requirements for the GLI Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Program was 1.18% of covered employee compensation. This was allocated into an employee and employer component using a 60/40 split. The employee component was 0.71% (1.18% X 60%) and the employer component was 0.47% (1.18 X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each Employer's contractually required employer contribution rate for the year ended June 30, 2025 was 0.47% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Program for the City were \$2,246,901 and \$2,082,846 for the years ended June 30, 2025 and June 30, 2024, respectively. Contributions to the GLI Program for the School Board for combined professionals and nonprofessionals were \$2,752,977 and \$3,099,742 for the years ended June 30, 2025 and June 30, 2024, respectively.

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Line of Duty Act Program

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2025 was \$2,017 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program for the City were \$1,948,293 and \$1,538,613 for the years ended June 30, 2025 and June 30, 2024, respectively.

Virginia Local Disability Program

The contribution requirements for active hybrid employees is governed by §51.1-1178(C) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to political subdivisions and school divisions by the Virginia General Assembly. Each political subdivision's contractually required employer contribution rate for the year ended for the year ended June 30, 2025 was 0.74% of covered employee compensation for employees in the VRS Political Subdivision Employee VLDP. Each school division's contractually required employer contribution rate for the year ended June 30, 2025, was 0.45% of covered employee compensation for employees in the VRS Teacher Employee VLDP. These rates were based on an actuarially determined rates from an actuarial valuation as of June 30, 2023. The actuarially determined rate 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 VLDP for the City were \$1,145,331 and \$960,891 for the years ended June 30, 2025 and June 30, 2024, respectively. Contributions to the Teacher Employee VLDP for the School Board were \$943,502 and \$913,923 for the years ended June 30, 2025 and June 30, 2024, respectively. Contributions to the Political Subdivision Employee VLDP for the School Board were \$290,871 and \$298,601 for the years ended June 30, 2025 and June 30, 2024, respectively.

Health Insurance Credit Program

The contribution requirements for active employees is governed by §51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2025 was 1.21% and 1.02% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Program or Political Subdivision Health Insurance Credit Program, respectively. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate 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 from the School Board to the VRS Teacher Employee HIC program were \$6,271,703 and \$6,150,231 for the years ended June 30, 2025 and June 30, 2024, respectively. Contributions from the School Board to the Political Subdivision HIC Program were \$684,851 and \$650,062 for the years ended June 30, 2025 and June 30, 2024, respectively.

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OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As June 30, 2025, the City and School Board reported the following liabilities/(assets) for their proportionate share of the multiple-employer, cost sharing plans administered by VRS:

	<u>City</u>	<u>School Board</u>
Net OPEB Liabilities:		
Group Life Insurance Program	\$ 18,083,294	\$ 24,924,342
Line of Duty Act Program	40,170,843	-
Virginia Local Disability Program	(628,471)	(324,924)
Health Insurance Credit Program	-	54,760,265
	<u>\$ 57,625,666</u>	<u>\$ 79,359,683</u>

The net OPEB liabilities were measured as of June 30, 2024 and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation as June 30, 2023. The City and School Board's proportion of the Net OPEB liabilities were based on the City and School Board's contributions to VRS for the above plans for the year ended June 30, 2024 relative to the total of the employer contributions for all participating employers. A comparison of the City's and School Board's proportion of the City and School Board's contribution from June 30, 2023 to June 30, 2024 were as followed:

	<u>City</u>	<u>School Board</u>
Proportionate Share of Contributions as of June 30, 2024		
Group Life Insurance	1.62048%	2.23352%
Line of Duty Act Program	10.20718%	N/A
Virginia Local Disability Program - Political Subdivisions	17.42145%	4.54194%
Virginia Local Disability Program - Teachers	N/A	17.97891%
Health Insurance Credit Program	N/A	4.73849%
Proportionate Share of Contributions as of June 30, 2023		
Group Life Insurance	1.63747%	2.21803%
Line of Duty Act Program	9.38453%	N/A
Virginia Local Disability Program - Political Subdivisions	18.46936%	4.61706%
Virginia Local Disability Program - Teachers	N/A	17.31220%
Health Insurance Credit Program	N/A	4.64345%

For the year ended June 30, 2025, the City and School Board recognized OPEB expenses were as followed:

Recognized Net OPEB Expense:	<u>City</u>	<u>School Board</u>
Group Life Insurance	\$ 195,662	\$ 212,579
Line of Duty Act Program	5,187,240	-
Virginia Local Disability Program - Political Subdivision	850,627	220,678
Virginia Local Disability Program - Teachers	-	705,652
Health Insurance Credit Program	-	3,526,477
Total	<u>\$ 6,233,529</u>	<u>\$ 4,665,386</u>

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Since there were changes in the proportionate shares between measurement dates of the City and School Board's contribution a portion of the Net OPEB expense were related to deferred amounts from changes in proportion.

At June 30, 2025 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Group Life Insurance		
Difference between Expected & Actual Experience	\$ 2,852,151	\$ 441,714
Net Difference between Projected and Actual Earnings	-	1,524,232
Changes in Assumptions	103,075	896,171
Changes in Proportionate Share	252,301	660,623
Employer Contributions subsequent to the Measurement Date	2,246,901	-
Total Group Life Insurance	<u>5,454,428</u>	<u>3,522,740</u>
Line of Duty Act		
Difference between Expected & Actual Experience	1,397,696	9,812,524
Net Difference between Projected and Actual Earnings	-	132,793
Changes in Assumptions	7,405,112	8,090,600
Changes in Proportionate Share	3,905,530	2,525,211
Employer Contributions subsequent to the Measurement Date	1,538,613	-
Total Line of Duty Act	<u>14,246,951</u>	<u>20,561,128</u>
Virginia Local Disability Program - Political Subdivision		
Difference between Expected & Actual Experience	74,672	132,429
Net Difference between Projected and Actual Earnings	-	56,843
Changes in Assumptions	-	14,595
Changes in Proportionate Share	11,480	18,370
Employer Contributions subsequent to the Measurement Date	1,145,331	-
Total Virginia Local Disability Program	<u>1,231,483</u>	<u>222,237</u>
Grand Total	<u><u>\$ 20,932,862</u></u>	<u><u>\$ 24,306,105</u></u>

Employer Contributions subsequent to the measurement date totaled \$4,930,845 and will be recognized as a reduction of the City's OPEB liability in the Fiscal Year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the City's OPEB expense in future reporting periods as follows:

Fiscal Year Ended June 30:	GLI	LODA	VLDP
2026	\$ (1,017,467)	\$ (552,279)	\$ (60,565)
2027	196,390	(467,568)	(6,776)
2028	30,049	(757,985)	(19,301)
2029	225,695	(1,124,448)	(30,836)
2030	250,120	(1,437,477)	(18,688)
Thereafter	-	(3,513,033)	81
	<u><u>\$ (315,213)</u></u>	<u><u>\$ (7,852,790)</u></u>	<u><u>\$ (136,085)</u></u>

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At June 30, 2025 the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Group Life Insurance		
Difference between Expected & Actual Experience	\$ 3,931,142	\$ 608,818
Net Difference between Projected and Actual Earnings	-	2,100,861
Changes in Assumptions	142,069	1,235,199
Changes in Proportionate Share	329,542	1,086,410
Employer Contributions subsequent to the Measurement Date	2,752,977	-
Total Group Life Insurance	<u>7,155,730</u>	<u>5,031,288</u>
Virginia Local Disability Program - Political Subdivision		
Difference between Expected & Actual Experience	19,468	34,525
Net Difference between Projected and Actual Earnings	-	14,820
Changes in Assumptions	-	3,805
Changes in Proportionate Share	1,125	4,993
Employer Contributions subsequent to the Measurement Date	290,871	-
Total Virginia Local Disability Program	<u>311,464</u>	<u>58,143</u>
Virginia Local Disability Program - Teachers		
Difference between Expected & Actual Experience	492,814	43,320
Net Difference between Projected and Actual Earnings	-	27,214
Changes in Assumptions	43,500	-
Changes in Proportionate Share	2,683	21,861
Employer Contributions subsequent to the Measurement Date	943,502	-
Total Virginia Local Disability Program	<u>1,482,499</u>	<u>92,395</u>
Health Insurance Credit Program		
Difference between Expected & Actual Experience	-	4,533,833
Net Difference between Projected and Actual Earnings	-	216,113
Changes in Assumptions	1,092,041	-
Changes in Proportionate Share	1,004,518	2,405,354
Employer Contributions subsequent to the Measurement Date	6,956,555	-
Total Health Insurance Credit Program	<u>9,053,114</u>	<u>7,155,300</u>
Grand Total	<u><u>\$ 18,002,807</u></u>	<u><u>\$ 12,337,126</u></u>

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Employer Contributions subsequent to the measurement date totaled \$10,943,905 will be recognized as a reduction of the School Board's OPEB liability in the Fiscal Year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the School Board's OPEB expense in future reporting periods as follows:

Fiscal Year Ended June 30:	
2026	\$ (3,087,167)
2027	(1,185,861)
2028	(1,094,614)
2029	(412,735)
2030	250,397
Thereafter	251,756
	<u>\$ (5,278,224)</u>

Actuarial Assumptions

The total Cost sharing OPEB liabilities administered by VRS were based on an actuarial valuation as of June 30, 2023, 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, 2024.

Inflation	2.50 percent
Salary increases, including inflation –	
General state employees	3.50 percent – 5.35 percent
Teachers	3.50 percent – 5.95 percent
SPORS employees	3.50 percent – 4.75 percent
VaLORS employees	3.50 percent – 4.75 percent
JRS employees	4.00 percent
Locality – General employees	3.50 percent – 5.35 percent
Locality – Hazardous Duty employees	3.50 percent – 4.75 percent
Investment rate of return – GLI, VLDP and HIC	6.75 Percent, net of investment expenses, including inflation
Investment rate of return – LODA	3.97 Percent, including inflation*

* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.97% was used since it approximates the risk-free rate of return.

Mortality rates – General State Employees

Pre-Retirement:

Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females

Mortality Improvement Scale:

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Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB 2010 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 from 75 to 80 for all
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

Mortality rates – Teachers

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rate projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	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 from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

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Mortality rates – Largest Ten Locality Employers - General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	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 from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty	No change
Discount Rate	No change

Mortality rates – Non-Largest Ten Locality Employers - General Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

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Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	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 Plan2/Hybrid; changed final retirement age from 75 to 80
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty	No change
Discount Rate	No change

Line of Duty Act

Mortality rates – Largest Ten Locality Employers with Public Safety Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

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Mortality rates – Non-Largest Ten Locality Employers with Public Safety Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change

Mortality rates – Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

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The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty	No change
Discount Rate	No change

Mortality rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty	No change
Discount Rate	No change

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Net OPEB Liability

The net OPEB liability/(assets) (NOL) represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of the measurement date of June 30, 2024, NOL amounts for each program are as follows (amounts expressed in thousands):

	Group Life Insurance	Line of Duty Act	Virginia Local Disability - Political Subdivision	Virginia Local Disability - Teachers	Health Insurance Credit
Total OPEB Liability	\$ 4,196,055	\$ 398,395	\$ 12,230	\$ 12,741	\$ 1,478,105
Plan Fiduciary Net Position	3,080,133	4,841	15,837	13,637	322,457
Employers' Net OPEB Liability/(Asset)	<u>\$ 1,115,922</u>	<u>\$ 393,554</u>	<u>\$ (3,607)</u>	<u>\$ (896)</u>	<u>\$ 1,155,648</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	73.41%	1.22%	129.49%	107.03%	21.82%

The total OPEB liability is calculated by VRS's actuary, and each plan fiduciary net position is reported in VRS's financial statements. The net OPEB liability/(asset) is disclosed in accordance with the requirements of GAAP in the VRS's notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

Group Life Insurance, Virginia Local Disability Program and Health Insurance Credit Program

The long-term expected rate of return on the VRS 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 VRS 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)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00%	5.40%	0.86%
Credit Strategies	16.00%	8.10%	1.30%
Real Assets	15.00%	7.20%	1.08%
Private Equity	15.00%	8.70%	1.31%
PIP - Private Investment Partnership	1.00%	8.00%	0.08%
Diversifying Strategies	6.00%	5.80%	0.35%
Cash	2.00%	3.00%	0.06%
Leverage	(3.00)%	3.50%	(0.11)%
Total	<u>100.00%</u>		<u>7.07%</u>
Expected arithmetic nominal return*			<u>7.07%</u>

*The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumption). 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 median returns of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate

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of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14% including expected inflation of 2.50%.

Line of Duty Act Program

The long-term expected rate of return on LODA Program OPEB investments was set at 3.97% for this valuation. Since LODA Program is funded on a current-disbursement basis, it is not able to use the System's Pooled Investments' 6.75% assumption. Instead, the assumed annual rate of return of 3.97% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Fidelity Fixed Income General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2024.

Discount Rate

Group Life Insurance, Virginia Local Disability Program, and Health Insurance Credit Program

The discount rate used to measure the City and School Board's GLI and VLDP OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by the City and School Board for the VRS GLI and VRS VLDP will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2024 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI and VLDP OPEB plans' fiduciary net positions were projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

Line of Duty Act Program

The discount rate used to measure the total LODA OPEB liability was 3.97%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rate equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2024, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

Sensitivity Analysis

The following presents the City and School Board's proportionate share of the Net OPEB liabilities using the current discount rate, as well as what the City and School Board's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Group Life Insurance:			
City	\$ 28,121,871	\$ 18,083,294	\$ 9,973,444
School Board	34,415,312	2,213,185	12,205,418
School Board - Nonprofessionals	4,345,277	2,794,157	1,541,056
Virginia Local Disability Program - Political Subdivision:			
City	\$ (457,022)	\$ (628,471)	\$ (779,350)
School Board	(119,150)	(163,848)	(203,184)
Virginia Local Disability Program - Teachers:			
School Board	\$ 97,901	\$ (161,076)	\$ (386,952)
Health Insurance Credit Program:			
School Board	\$ 62,276,082	\$ 54,760,265	\$ 48,389,923
School Board - Nonprofessionals	2,103,512	1,733,323	1,417,873

Line of Duty Act Program

	1% Decrease 2.97%	Discount Rate 3.97%	1% Increase 4.97%
Line of Duty Act			
City	\$ 44,532,500	\$ 40,170,843	\$ 36,420,303

Because the Line of Duty Act Program (LODA) contains a provisions for the payment of health insurances premiums, the liabilities are also impacted by the health care trend rates. The following presents the covered employer's proportionate share of the net LODA OPEB liability using health care trend rate of 7.00% decreasing to 4.75%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower (6.00% decreasing to 3.75%) or one percentage point higher (8.00% decreasing to 5.75%) than the current rate:

	1% Decrease 6.25% decreasing to 3.25%	Current Trend Rates 7.25% decreasing to 4.25%	1% Increase 8.25% decreasing to 5.25%
Line of Duty Act:			
City	\$ 34,220,221	\$ 40,170,843	\$ 47,472,337

OPEB Plan Fiduciary Net Position

Detailed information about the Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (ACFR). A copy of the 2024 VRS ACFR may be downloaded from the VRS website at <https://www.varetire.org/media/shared/pdf/publications/2024-annual-report.pdf>, or by writing to the System's Chief Financial Officer at PO Box 2500, Richmond, VA, 23218-2500.

**REQUIRED
SUPPLEMENTAL
INFORMATION
(Unaudited)**

REQUIRED SUPPLEMENTAL INFORMATION

GENERAL FUND - BUDGET TO ACTUAL

VIRGINIA RETIREMENT SYSTEM PENSION

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

(UNAUDITED)

In accordance with the Governmental Accounting Standards Board, the following information is a required part of the Basic Financial Statements.

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts			Variance Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General Property Taxes:				
Real Estate property taxes	\$ 732,558,835	\$ 732,558,835	\$ 730,030,924	\$ (2,527,911)
Personal property taxes	153,312,589	153,312,589	165,520,091	12,207,502
Other Local Taxes	304,363,085	304,363,085	310,504,543	6,141,458
Fines and Forfeitures	1,326,584	1,326,584	1,757,797	431,213
Permits, Privilege Fees, and Regulatory Licenses	9,186,261	9,186,261	9,622,379	436,118
From Use of Money and Property	15,102,199	15,102,199	35,701,881	20,599,682
Charges for Services	63,501,361	63,541,482	62,666,380	(875,102)
Miscellaneous	11,815,714	11,868,788	9,987,692	(1,881,096)
From Commonwealth	188,190,973	198,235,514	199,286,951	1,051,437
From Federal Government	25,492,274	26,241,973	31,042,751	4,800,778
Total Revenues	1,504,849,875	1,515,737,310	1,556,121,389	40,384,079
EXPENDITURES				
Legislative	1,536,619	1,645,241	1,572,755	72,486
Executive	8,692,168	9,587,162	9,275,984	311,178
Law	6,083,052	6,384,545	6,345,988	38,557
Finance	27,162,823	29,091,924	27,924,385	1,167,539
Human Resources	8,822,509	9,844,054	9,293,755	550,299
Judicial	22,858,723	23,945,482	23,216,452	729,030
Health	4,260,366	4,372,037	4,365,681	6,356
Police	132,399,680	135,146,119	132,475,684	2,670,435
Human Services	146,765,250	153,594,169	139,099,848	14,494,321
Public Works	111,696,505	121,821,533	100,745,512	21,076,021
Parks and Recreation	42,755,169	44,181,774	38,751,085	5,430,689
Library	21,787,572	22,740,394	22,205,988	534,406
Planning	15,971,597	17,444,917	15,820,535	1,624,382
Agriculture	1,103,606	1,187,031	1,048,016	139,015
Economic Development	4,688,114	5,467,424	4,254,376	1,213,048
Convention and Visitor Development	11,370,841	11,716,991	10,880,806	836,185
Cultural Affairs	3,486,641	8,046,849	6,120,701	1,926,148
Information Technology	25,500,746	27,660,779	27,540,597	120,182
Emergency Communications and Citizen Services	12,887,357	13,154,296	12,298,586	855,710
Fire	82,623,695	87,217,573	86,364,037	853,536
Budget and Management Services	1,585,196	1,690,817	1,638,199	52,618
Education	482,364,397	503,395,921	465,301,341	38,094,580
Housing and Neighborhood Preservation	8,515,877	8,820,800	8,285,126	535,674
Aquariums	16,842,171	17,380,268	15,023,526	2,356,742
General Registrar	3,894,159	4,915,670	4,415,592	500,078
General Government	49,845,474	54,849,768	47,252,919	7,596,849
Emergency Medical Services	25,434,422	28,541,051	27,679,841	861,210
Lease Payments	-	-	6,348,514	(6,348,514)
Subscription Payments	-	-	540,838	(540,838)
Contingencies	33,993,097	40,268,026	-	40,268,026
Debt Service:				
Principal Retirement	52,170,917	52,170,917	45,740,103	6,430,814
Interest and Fiscal Charges	22,821,459	22,821,459	18,776,927	4,044,532
Total Expenditures	1,389,920,202	1,469,104,991	1,320,603,697	148,501,294
Excess (Deficiency) of Revenues over (under) Expenditures	114,929,673	46,632,319	235,517,692	188,885,373
OTHER FINANCING SOURCES (USES)				
Revenue/(Payment) under Support Agreement	-	-	(927,264)	(927,264)
Transfers In	532,603	587,701	587,701	-
Transfers Out	(119,075,180)	(163,528,992)	(163,024,297)	504,695
Issuance of Capitalized Leases	-	-	686,277	686,277
Issuance of Capitalized Subscriptions	-	-	1,338,056	1,338,056
Use of Fund Balance	3,612,904	116,308,972	-	(116,308,972)
Total Other Financing Sources (uses)	(114,929,673)	(46,632,319)	(161,339,527)	(114,707,208)
Net Change in Fund Balance	-	-	74,178,165	74,178,165
Fund Balance - Beginning	368,103,097	368,103,097	368,103,097	-
Fund Balance - Ending	\$ 368,103,097	\$ 368,103,097	\$ 442,281,262	\$ 74,178,165

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	City									
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total Pension Liability										
Service Cost	\$ 35,932,562	\$ 36,304,048	\$ 36,385,569	\$ 38,749,786	\$ 39,607,023	\$ 42,513,760	\$ 41,628,460	\$ 41,392,422	\$ 50,070,544	\$ 54,275,017
Interest	119,573,242	122,642,141	127,496,045	132,764,815	137,584,382	141,392,693	147,077,745	159,269,191	161,907,327	172,726,725
Changes in assumptions	-	-	7,551,961	-	58,968,730	-	99,509,870	-	-	-
Differences between expected and actual experience	(24,723,400)	3,527,958	1,570,175	2,420,090	6,189,119	20,475,089	(22,225,698)	(37,192,336)	85,562,485	70,662,778
Benefit Payments, including refunds of employee contributions	(82,356,519)	(91,525,484)	(94,739,837)	(100,731,357)	(109,436,121)	(116,831,594)	(123,485,515)	(130,052,052)	(136,075,768)	(146,839,128)
Net change in total pension liability	48,425,885	70,948,663	78,263,913	73,203,334	132,913,133	87,549,948	142,504,862	33,417,225	161,464,588	150,825,392
Total pension liability - beginning	1,749,367,437	1,797,793,322	1,868,741,985	1,947,005,898	2,020,209,232	2,153,122,365	2,240,672,313	2,383,177,175	2,416,594,400	2,578,058,988
Total pension liability - ending (a)	<u>\$ 1,797,793,322</u>	<u>\$ 1,868,741,985</u>	<u>\$ 1,947,005,898</u>	<u>\$ 2,020,209,232</u>	<u>\$ 2,153,122,365</u>	<u>\$ 2,240,672,313</u>	<u>\$ 2,383,177,175</u>	<u>\$ 2,416,594,400</u>	<u>\$ 2,578,058,988</u>	<u>\$ 2,728,884,380</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 48,703,360	\$ 49,521,364	\$ 43,305,500	\$ 44,514,635	\$ 47,363,487	\$ 48,245,963	\$ 52,734,089	\$ 54,688,523	\$ 67,544,081	\$ 72,468,257
Contributions - employee	14,937,006	15,185,917	15,780,809	16,102,282	16,153,428	16,422,289	16,143,295	16,674,134	18,261,694	19,474,208
Net investment income	64,442,330	24,961,833	175,963,753	117,134,461	109,869,540	33,123,371	463,673,957	(1,553,682)	131,785,575	205,744,890
Benefit Payments, including refunds of employee contributions	(82,356,519)	(91,525,484)	(94,739,837)	(100,731,357)	(109,436,121)	(116,831,594)	(123,485,515)	(130,052,052)	(136,075,768)	(146,839,128)
Administrative expenses	(887,459)	(910,017)	(1,029,901)	(1,022,764)	(1,110,715)	(1,141,131)	(1,174,234)	(1,328,173)	(1,323,192)	(1,382,504)
Other	(13,597)	(10,675)	(156,044)	(103,817)	(71,080)	(43,405)	17,203	34,333	(62,905)	39,106
Net change in plan fiduciary net position	44,825,121	(2,777,062)	139,124,280	75,893,440	62,768,539	(20,224,507)	407,908,795	(61,536,917)	80,129,485	149,504,829
Plan fiduciary net position - beginning	1,415,595,867	1,460,420,988	1,457,643,926	1,596,768,206	1,672,661,646	1,735,430,185	1,715,205,678	2,123,114,473	2,061,577,556	2,141,707,041
Plan fiduciary net position - ending (b)	<u>\$ 1,460,420,988</u>	<u>\$ 1,457,643,926</u>	<u>\$ 1,596,768,206</u>	<u>\$ 1,672,661,646</u>	<u>\$ 1,735,430,185</u>	<u>\$ 1,715,205,678</u>	<u>\$ 2,123,114,473</u>	<u>\$ 2,061,577,556</u>	<u>\$ 2,141,707,041</u>	<u>\$ 2,291,211,870</u>
Net pension liability, ending	\$ 337,372,334	\$ 411,098,059	\$ 350,237,692	\$ 347,547,586	\$ 417,692,180	\$ 2,123,114,473	\$ 260,062,702	\$ 355,016,844	\$ 436,351,947	\$ 437,672,510
Net position as a percentage of the total pension liability	81.2%	78.0%	82.0%	82.8%	80.6%	76.5%	89.1%	85.3%	83.1%	84.0%
Covered payroll	\$ 299,462,518	\$ 305,412,468	\$ 317,193,072	\$ 328,337,502	\$ 333,558,319	\$ 342,477,093	\$ 335,108,903	\$ 347,939,147	\$ 384,216,743	\$ 414,294,585
City's net pension liability as a percentage of covered payroll	112.7%	134.6%	110.4%	105.9%	125.2%	619.9%	77.6%	102.03%	113.57%	105.64%

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	School Board Non Professional									
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total Pension Liability										
Service Cost	\$ 4,089,939	\$ 4,079,432	\$ 4,027,098	\$ 3,831,060	\$ 3,788,974	\$ 3,961,923	\$ 3,964,435	\$ 3,934,382	\$ 4,580,664	\$ 5,109,779
Interest	13,574,596	14,020,741	14,519,133	14,994,765	15,432,954	15,856,267	16,427,054	17,604,104	17,751,173	18,488,637
Differences between expected and actual experience	(747,303)	264,387	1,300,649	(114,972)	2,127,992	2,409,511	(808,663)	(4,908,939)	4,390,987	10,224,638
Changes in assumptions	-	-	(1,332,150)	-	6,306,405	-	8,249,072	-	-	-
Benefit Payments, including refunds of employee contributions	(10,023,655)	(11,063,812)	(11,425,531)	(12,014,444)	(12,468,334)	(13,083,421)	(13,991,919)	(14,113,284)	(15,194,069)	(16,765,210)
Refunds of contributions	(465,012)	(482,631)	(358,994)	(461,154)	(419,254)	(467,858)	-	(551,790)	(334,923)	(358,891)
	-	-	-	-	-	-	-	-	-	-
Net change in total pension liability	6,893,577.0	7,300,748	7,089,199	6,696,409	14,768,737	8,676,422	13,839,979	1,964,473	11,193,832	16,698,953
Total pension liability - beginning	198,934,626	205,828,203	213,128,951	220,218,150	226,914,559	241,683,296	250,359,718	264,199,697	266,164,170	277,358,002
Total pension liability - ending (a)	<u>\$ 205,828,203</u>	<u>\$ 213,128,951</u>	<u>\$ 220,218,150</u>	<u>\$ 226,914,559</u>	<u>\$ 241,683,296</u>	<u>\$ 250,359,718</u>	<u>\$ 264,199,697</u>	<u>\$ 266,164,170</u>	<u>\$ 277,358,002</u>	<u>\$ 294,056,955</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 3,739,486	\$ 3,876,348	\$ 2,959,847	\$ 2,967,419	\$ 2,880,916	\$ 2,906,100	\$ 3,376,047	\$ 3,605,284	\$ 4,068,854	\$ 4,443,511
Contributions - employee	2,041,468	2,113,676	2,124,981	2,121,653	2,161,296	2,209,656	2,129,012	2,294,774	2,670,800	2,843,835
Net investment income	8,507,018	3,214,427	22,825,346	15,092,474	14,049,158	4,171,983	58,169,277	(176,724)	16,335,735	25,210,417
Benefit Payments, including refunds of employee contributions	(9,558,643)	(10,581,181)	(11,066,537)	(11,553,290)	(12,468,334)	(13,083,421)	(13,601,312)	(14,113,284)	(15,194,069)	(16,765,210)
Refunds of contributions	(465,012)	(482,631)	(358,994)	(461,154)	(419,254)	(467,858)	(390,607)	(551,790)	(334,923)	(358,891)
Administrative expenses	(118,985)	(120,635)	(135,200)	(133,315)	(143,574)	(145,905)	(148,821)	(166,678)	(165,884)	(174,408)
Other	(1,792)	(1,394)	(20,191)	(13,321)	(8,810)	(4,932)	(312)	5,868	2,486	71
Net change in plan fiduciary net position	4,143,540	(1,981,390)	16,329,252	8,020,466	6,051,398	(4,414,377)	49,533,284	(9,102,550)	7,382,999	15,199,325
Plan fiduciary net position - beginning	188,111,748	192,255,288	190,273,898	206,603,150	214,623,616	220,675,014	216,260,637	265,793,921	256,691,371	264,074,370
Plan fiduciary net position - ending (b)	<u>\$ 192,255,288</u>	<u>\$ 190,273,898</u>	<u>\$ 206,603,150</u>	<u>\$ 214,623,616</u>	<u>\$ 220,675,014</u>	<u>\$ 216,260,637</u>	<u>\$ 265,793,921</u>	<u>\$ 256,691,371</u>	<u>\$ 264,074,370</u>	<u>\$ 279,273,695</u>
Net pension liability/(asset) - ending	\$ 13,572,915	\$ 22,855,053	\$ 13,615,000	\$ 12,290,943	\$ 21,008,282	\$ 34,099,081	\$ (1,594,224)	\$ 9,472,799	\$ 13,283,632	\$ 14,783,260
Plan fiduciary net position as a percentage of total pension liability	93.41%	89.28%	93.82%	94.58%	91.31%	86.38%	100.60%	96.44%	95.21%	94.97%
Covered payroll	\$ 40,970,605	\$ 42,344,732	\$ 42,112,697	\$ 42,303,998	\$ 42,872,651	\$ 43,518,726	\$ 43,346,298	\$ 45,137,761	\$ 51,427,059	\$ 56,249,704
Net pension liability/(asset) as a percentage of covered payroll	33.13%	53.97%	32.33%	29.05%	49.00%	78.35%	(3.68)%	20.99%	25.83%	26.28%

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contributions (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
City					
June 30, 2016	\$ 49,847,919	\$ 49,847,919		\$ 305,412,468	16.32%
June 30, 2017	43,919,386	43,919,386	-	317,193,072	13.85%
June 30, 2018	44,501,507	44,501,507	-	328,337,502	13.55%
June 30, 2019	47,366,085	47,366,085	-	333,558,319	14.20%
June 30, 2020	48,251,362	48,251,362	-	342,477,093	14.08%
June 30, 2021	52,803,308	52,803,308	-	335,108,903	15.76%
June 30, 2022	54,759,166	54,759,166	-	347,939,147	15.74%
June 30, 2023	67,629,663	67,629,663	-	384,216,743	18.25%
June 30, 2024	72,565,286	72,565,286	-	414,294,585	18.25%
June 30, 2025	82,362,777	82,362,777	-	433,874,441	18.98%
School Board Non Professional					
June 30, 2016	\$ 3,857,605	\$ 3,857,605	\$ -	\$ 42,344,732	9.11%
June 30, 2017	2,956,311	2,956,311	-	42,112,697	7.02%
June 30, 2018	2,969,741	2,969,741	-	42,303,998	7.02%
June 30, 2019	2,885,329	2,885,329	-	42,872,651	6.73%
June 30, 2020	2,928,810	2,928,810	-	43,518,726	6.73%
June 30, 2021	3,404,642	3,404,642	-	42,346,298	8.04%
June 30, 2022	3,629,076	3,629,076	-	45,137,761	8.04%
June 30, 2023	4,109,022	4,109,022	-	51,427,059	7.99%
June 30, 2024	4,494,351	4,494,351	-	56,249,704	7.99%
June 30, 2025	5,241,489	5,241,489		63,303,004	8.28%
School Board Professional / Teacher					
June 30, 2016	\$ 54,463,409	\$ 54,463,409	\$ -	\$ 387,364,218	14.06%
June 30, 2017	57,698,763	57,698,763	-	393,579,555	14.66%
June 30, 2018	65,402,518	65,402,518	-	400,750,722	16.32%
June 30, 2019	63,710,358	63,710,358	-	406,316,058	15.68%
June 30, 2020	65,059,491	65,059,491	-	414,920,223	15.68%
June 30, 2021	67,989,422	67,989,422	-	409,081,963	16.62%
June 30, 2022	70,274,556	70,274,556	-	422,831,265	16.62%
June 30, 2023	73,202,797	73,202,797	-	440,450,043	16.62%
June 30, 2024	80,073,655	80,073,655		481,790,947	16.62%
June 30, 2025	72,263,417	72,263,417		508,539,178	14.21%

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-LEOS:

- Update mortality rates to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No change to disability rate
- No change to salary scale
- No change to line of duty
- No change to discount rate

All Others (Non 10 Largest) – Non-LEOS:

- Updated mortality rates to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No change to disability rate
- No change to salary scale
- No change to line of duty
- No change to discount rate

Largest 10 –LEOS:

- Update mortality rates to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70
- Decrease withdrawal rates
- No change to disability rate
- No change to salary scale
- No change to line of duty
- No change to discount rate

All Others (Non 10 Largest) – LEOS:

- Updated mortality rates to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70
- Decrease withdrawal rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
- No change in disability rates
- No change in salary scale
- No change in line of duty disability
- No change in discount rate

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY

School Board Professional / Teacher					
Date	Employer's Proportion of the Net Pension Liability (a)	Employer's Proportionate Share of the Net Pension Liability (b)	Employer's Covered Payroll (c)	Employer's Proportionate Share of the NPL as a % of its Covered Payroll (d)	Plan Fiduciary Net Position as a % of the Total Pension Liability (e)
June 30, 2015	5.19364%	\$ 653,690,000	\$ 385,231,385	169.69%	70.68%
June 30, 2016	5.12286%	717,924,000	387,364,218	185.34%	68.28%
June 30, 2017	5.08685%	625,579,000	393,579,555	158.95%	72.92%
June 30, 2018	5.07577%	596,910,000	400,750,722	148.95%	74.81%
June 30, 2019	4.99839%	657,816,528	406,316,058	161.90%	73.51%
June 30, 2020	4.91130%	714,726,039	414,952,023	172.26%	71.47%
June 30, 2021	4.83003%	374,959,932	409,081,963	91.66%	85.46%
June 30, 2022	4.75530%	452,733,028	422,831,262	107.07%	82.61%
June 30, 2023	4.66432%	471,432,374	440,450,043	107.03%	82.45%
June 30, 2024	4.76873%	447,637,568	481,790,497	92.91%	84.52%

The amounts presented have a measurement date of the prior fiscal year-end.

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY AND RELATED RATIOS

	City								
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total OPEB Liability									
Service Cost	\$ 2,092,692	\$ 1,452,138	\$ 2,038,460	\$ 2,124,026	\$ 1,568,824	\$ 1,741,329	\$ 1,788,393	\$ 1,364,439	\$ 1,232,988
Interest	5,784,254	5,558,785	6,656,348	6,702,911	5,331,978	5,305,431	5,770,588	5,918,600	5,330,397
Economic/Demographic Gains or Losses	-	(3,737,558)	-	-	-	7,501,875	-	(6,434,500)	-
Assumption Changes	-	15,718,896	3,781,224	(19,288,032)	-	271,399	2,718,654	(2,332,675)	-
Benefit Payments	(6,074,717)	(7,387,237)	(7,894,660)	(7,013,877)	(7,269,625)	(7,700,578)	(7,721,459)	(7,427,056)	(7,440,503)
Net change in total OPEB liability	1,802,229	11,605,024	4,581,372	(17,474,972)	(368,823)	7,119,456	2,556,176	(8,911,192)	(877,118)
Total OPEB liability - beginning	83,525,542	85,327,774	96,932,798	101,514,170	84,039,198	83,670,375	90,789,831	93,346,007	84,434,815
Total OPEB liability - ending (a)	\$ 85,327,771	\$ 96,932,798	\$ 101,514,170	\$ 84,039,198	\$ 83,670,375	\$ 90,789,831	\$ 93,346,007	\$ 84,434,815	\$ 83,557,697
Plan Fiduciary Net Position									
Employer Contributions	\$ 6,074,717	\$ 7,387,237	\$ 7,894,660	\$ 7,013,877	\$ 7,269,625	\$ 7,700,578	\$ 7,721,459	\$ 7,427,056	\$ 7,440,503
Benefit Payments	(6,074,717)	(7,387,237)	(7,894,660)	(7,013,877)	(7,269,625)	(7,700,578)	(7,721,459)	(7,427,056)	(7,440,503)
Net Investment Income (Loss)	4,405,718	3,693,879	1,942,585	1,349,790	13,666,374	(5,452,397)	4,085,103	5,462,822	5,575,133
Administrative Expenses	(34,423)	(35,921)	(36,956)	(37,255)	(38,953)	(41,727)	(37,354)	(37,738)	(38,862)
Net change in plan fiduciary net position	4,371,295	3,657,958	1,905,629	1,312,535	13,627,421	(5,494,124)	4,047,749	5,425,084	5,536,271
Plan fiduciary net position - beginning	34,212,904	38,584,199	42,242,157	44,147,786	45,460,321	59,087,742	53,593,618	57,641,367	63,066,451
Plan fiduciary net position - ending (b)	\$ 38,584,199	\$ 42,242,157	\$ 44,147,786	\$ 45,460,321	\$ 59,087,742	\$ 53,593,618	\$ 57,641,367	\$ 63,066,451	\$ 68,602,722
Political subdivisions's net OPEB liability, ending (a) - (b)	\$ 46,743,572	\$ 54,690,641	\$ 57,366,384	\$ 38,578,877	\$ 24,582,633	\$ 37,196,213	\$ 35,704,640	\$ 21,368,364	\$ 14,954,975
Fiduciary net position as a percentage of the total OPEB liability	45.22%	43.58%	43.49%	54.09%	70.62%	59.03%	61.75%	74.69%	82.10%
Covered Payroll	\$ 306,050,000	\$ 327,257,500	\$ 327,257,500	\$ 340,412,201	\$ 340,412,201	\$ 345,125,935	\$ 345,125,935	\$ 414,452,722	\$ 414,452,722
City's OPEB liability as a percentage of covered payroll	15.27%	16.71%	17.53%	11.33%	7.22%	10.78%	10.35%	5.16%	3.61%
Net Money-Weighted Rate of Return	12.89%	9.58%	4.60%	3.06%	30.08%	-9.23%	7.63%	9.48%	8.84%

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

** Schedules are intended to show information for 10 years. The first year for this presentation is 2017; additional years will be included as they become available*

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY AND RELATED RATIOS

	School Board									
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	
Total OPEB Liability										
Service Cost	\$ 1,529,672	\$ 1,239,627	\$ 2,429,766	\$ 2,566,620	\$ 1,934,661	\$ 2,049,213	\$ 2,072,937	\$ 1,399,597	\$ 1,616,771	
Interest	4,928,893	5,027,382	6,508,729	6,616,759	5,305,457	5,360,537	5,812,560	6,870,091	7,205,462	
Economic/Demographic Gains or Losses	-	1,400,273	-	2,340,909	-	7,289,849	13,394,219	(11,286,206)	-	
Assumption Changes	-	20,370,070	3,705,597	(22,674,032)	-	(584,251)	3,487,727	16,251,080	-	
Benefit Payments	(5,661,710)	(6,679,101)	(6,650,666)	(5,945,243)	(6,160,668)	(6,864,988)	(7,514,976)	(8,143,732)	(8,445,375)	
Net change in total OPEB liability	796,855	21,358,251	5,993,426	(17,094,987)	1,079,450	7,250,360	17,252,467	5,090,830	376,858	
Total OPEB liability - beginning	71,666,051	72,462,906	93,821,157	99,814,583	82,719,596	83,799,046	91,049,406	108,301,873	113,392,703	
Total OPEB liability - ending (a)	\$ 72,462,906	\$ 93,821,157	\$ 99,814,583	\$ 82,719,596	\$ 83,799,046	\$ 91,049,406	\$ 108,301,873	\$ 113,392,703	\$ 113,769,561	
Plan Fiduciary Net Position										
Employer Contributions	\$ 5,661,710	\$ 7,369,401	\$ 6,650,666	\$ 6,950,743	\$ 6,160,668	\$ 6,864,988	\$ 7,514,976	\$ 8,143,732	\$ 8,445,375	
Benefit Payments	(5,661,710)	(6,679,101)	(6,650,666)	(5,945,243)	(6,160,668)	(6,864,988)	(7,514,976)	(8,143,732)	(8,445,375)	
Net Investment Income (Loss)	3,098,316	2,597,704	1,397,854	997,100	10,143,922	(4,047,045)	3,032,165	4,054,762	4,138,117	
Administrative Expenses	(24,357)	(25,409)	(26,592)	(27,508)	(29,042)	(31,102)	(27,865)	(28,130)	(28,909)	
Net change in plan fiduciary net position	3,073,959	3,262,595	1,371,262	1,975,092	10,114,880	(4,078,147)	3,004,300	4,026,632	4,109,208	
Plan fiduciary net position - beginning	24,060,265	27,134,224	30,396,819	31,768,081	33,743,173	43,858,053	39,779,906	42,784,206	46,810,838	
Plan fiduciary net position - ending (b)	\$ 27,134,224	\$ 30,396,819	\$ 31,768,081	\$ 33,743,173	\$ 43,858,053	\$ 39,779,906	\$ 42,784,206	\$ 46,810,838	\$ 50,920,046	
Political subdivision's net OPEB liability, ending (a) - (b)	\$ 45,328,682	\$ 63,424,338	\$ 68,046,502	\$ 48,976,423	\$ 39,940,993	\$ 51,269,500	\$ 65,517,667	\$ 66,581,865	\$ 62,849,515	
Fiduciary net position as a percentage of the total OPEB liability	37.45%	32.40%	31.83%	40.79%	52.34%	43.69%	39.50%	41.28%	44.76%	
Covered Payroll	\$ 426,884,300	\$ 444,517,100	\$ 444,517,100	\$ 466,464,228	\$ 466,464,228	\$ 481,013,873	\$ 481,013,873	\$ 563,813,011	\$ 563,813,011	
School Board's OPEB liability as a percentage of covered payroll	10.62%	14.27%	15.31%	10.50%	8.56%	10.66%	13.62%	11.81%	11.15%	
Net Money-Weighted Rate of Return	12.89%	9.56%	4.60%	3.04%	30.08%	-9.23%	7.63%	9.48%	8.84%	

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money weighted rate of return is calculated net of investment expenses.

** Schedules are intended to show information for 10 years. The first year for this presentation is 2017; additional years will be included as they become available*

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF OPEB ANNUAL CONTRIBUTIONS

City					
Fiscal Year Ending June 30	Actuarially Determined Contributions	Actual Employer Contribution 1	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percent of Covered Payroll
2016	5,186,400	5,998,200	(811,800)	306,050,000	1.96%
2017	5,296,700	6,074,700	(778,000)	306,050,000	1.98%
2018	6,296,000	7,387,237	(1,091,237)	327,257,500	2.26%
2019	6,405,600	7,894,660	(1,489,060)	327,257,500	2.41%
2020	4,571,500	7,013,877	(2,442,377)	340,412,201	2.06%
2021	4,657,600	7,269,625	(2,612,025)	340,412,201	2.14%
2022	4,710,600	7,700,578	(2,989,978)	345,125,935	2.23%
2023	4,694,600	7,721,459	(3,026,859)	345,125,935	2.24%
2024	3,285,200	7,427,056	(4,141,856)	414,452,722	1.79%
2025	3,452,300	7,440,503	(3,988,203)	414,452,722	1.80%

School Board					
Fiscal Year Ending June 30	Actuarially Determined Contributions	Actual Employer Contribution 1	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percent of Covered Payroll
2016	4,462,800	5,748,000	(1,285,200)	426,884,300	1.35%
2017	4,542,400	5,661,700	(1,119,300)	426,884,300	1.33%
2018	7,369,400	7,369,400	-	444,517,100	1.66%
2019	7,656,200	6,650,666	1,005,534	444,517,100	1.50%
2020	5,704,500	6,950,743	(1,246,243)	466,464,228	1.49%
2021	5,835,800	6,160,668	(324,868)	466,464,228	1.32%
2022	5,942,500	6,864,988	(922,488)	481,013,873	1.43%
2023	7,437,500	7,514,976	(77,476)	481,013,873	1.56%
2024	7,627,700	8,143,732	(516,032)	563,813,011	1.44%
2025	7,838,400	8,445,375	(606,975)	563,813,011	1.50%

1 Employer contributions include trust contributions and explicit subsidy payments provided directly to retirees from the City and School Board own resources. They also include estimated implicit subsidy payments for retirees from the City and School Board own resources

Valuation Timing	Actuarial valuations for OPEB funding purposes are performed biennially as of January 1. The most recent valuation was performed as of January 1, 2024.
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Amortization Period	21 Years Remaining as of January 1, 2025
Asset Valuation Method	5-year asset smoothing
Inflation	2.50%
Salary Increases	Please see 01/01/2024 OPEB valuation report
Discount Rate	6.50%
Healthcare Trend Rates	Please see 01/01/2024 OPEB valuation report

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF THE NET OPEB LIABILITY

For Measurement Dates	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
City:								
<u>Group Life Insurance (GLI)</u>								
Employer's Portion of the Net GLI OPEB Liability	1.62048%	1.63747%	1.60834%	1.62909%	1.66934%	1.70784%	1.72678%	1.71960%
Employers Proportionate Share of the Net GLI OPEB Liability	\$ 18,083,294	\$ 19,638,398	\$ 19,365,964	\$ 18,967,028	\$ 27,858,552	\$ 27,791,102	\$ 26,225,000	\$ 25,877,000
Employer's Covered Payroll	\$ 416,091,553	\$ 399,845,259	\$ 349,853,870	\$ 336,346,740	\$ 343,539,339	\$ 334,796,183	\$ 328,337,502	\$ 317,193,072
Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll	4.35%	4.91%	5.54%	5.64%	8.11%	8.30%	7.99%	8.16%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	73.41%	69.30%	67.21%	67.45%	54.00%	52.00%	51.22%	48.86%
<u>Line of Duty Act (LODA)</u>								
Employer's Portion of the Net LODA OPEB Liability	10.20718%	9.38453%	9.78701%	9.98391%	9.91526%	10.27005%	10.29832%	9.48107%
Employers Proportionate Share of the Net LODA OPEB Liability	\$ 40,170,843	\$ 37,622,505	\$ 37,039,469	\$ 44,028,199	\$ 41,526,639	\$ 36,847,507	\$ 32,288,000	\$ 24,916,000
Employer's Covered Employee Payroll	\$ 126,115,779	\$ 111,262,625	\$ 107,833,520	\$ 107,799,200	\$ 109,959,120	\$ 110,370,707	\$ 110,808,888	\$ 103,532,167
Employer's Proportionate Share of the Net LODA OPEB Liability as a Percentage of its Covered Payroll	31.85%	33.81%	34.35%	40.84%	37.77%	33.39%	29.14%	24.07%
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	1.22%	1.31%	1.87%	1.68%	1.02%	0.79%	0.60%	1.30%
<u>Virginia Local Disability Program (VLDP) - Political Subdivision</u>								
Employer's Portion of the Net VLDP OPEB Liability	17.42145%	18.46936%	19.14947%	19.71247%	19.99173%	19.66871%	19.35404%	18.65503%
Employers Proportionate Share of the Net VLDP OPEB Liability/(Asset)	\$ (628,471)	\$ (297,171)	\$ (112,589)	\$ (199,534)	\$ 657,261	\$ 398,444	\$ 156,000	\$ 100,000
Employer's Covered Payroll	\$ 134,744,338	\$ 101,528,389	\$ 89,713,494	\$ 79,188,866	\$ 74,495,268	\$ 60,780,141	\$ 46,992,859	\$ 34,255,962
Employer's Proportionate Share of the Net VLDP OPEB Liability/(Asset) as a Percentage of its Covered Payroll	-0.47%	-0.29%	-0.13%	-0.25%	0.88%	0.66%	0.33%	0.29%
Plan Fiduciary Net Position as a Percentage of the Total VLDP OPEB Liability	129.50%	116.89%	107.99%	119.59%	76.84%	49.19%	51.39%	38.40%

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF THE NET OPEB LIABILITY

For Measurement Dates School Board:	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<u>Group Life Insurance (GLI)</u>								
Employer's Portion of the Net GLI OPEB Liability	2.23352%	2.21803%	2.26333%	2.29054%	2.32010%	2.36880%	2.39294%	2.41666%
Employers Proportionate Share of the Net GLI OPEB Liability \$	24,924,342 \$	26,601,132 \$	27,252,676 \$	26,668,100 \$	38,718,670 \$	38,546,680 \$	36,342,000 \$	36,367,000
Employer's Covered Payroll \$	573,488,105 \$	522,464,617 \$	492,331,588 \$	472,910,695 \$	477,484,009 \$	464,367,468 \$	455,011,974 \$	435,693,000
Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll	4.35%	5.09%	5.54%	5.63%	8.11%	8.30%	7.99%	8.35%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	73.41%	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%
<u>Health Insurance Credit (HIC)</u>								
Employer's Portion of the Net HIC OPEB Liability	4.73849%	4.64345%	4.73288%	4.80573%	4.87922%	4.96761%	5.04954%	5.06312%
Employers Proportionate Share of the Net HIC OPEB Liability \$	54,760,265 \$	56,251,561 \$	59,115,873 \$	61,684,868 \$	63,650,230 \$	65,030,846 \$	64,113,000 \$	64,231,000
Employer's Covered Payroll \$	507,674,183 \$	463,002,968 \$	441,111,818 \$	425,016,085 \$	427,749,309 \$	416,667,852 \$	408,375,692 \$	393,580,000
Employer's Proportionate Share of the Net HIC OPEB Liability as a Percentage of its Covered Payroll	10.79%	12.15%	13.40%	14.51%	14.88%	15.61%	15.70%	16.32%
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability	21.82%	17.09%	15.08%	13.15%	9.95%	8.97%	8.08%	7.04%
<u>Virginia Local Disability Program (VLDP) - Political Subdivision</u>								
Employer's Portion of the Net VLDP OPEB Liability	4.54194%	4.61706%	4.44580%	4.35422%	4.54891%	4.62460%	4.93874%	5.20662%
Employers Proportionate Share of the Net VLDP OPEB Liability/(Asset) \$	(163,848) \$	(74,288) \$	(26,139) \$	(44,077) \$	45,409 \$	93,686 \$	38,000 \$	30,000
Employer's Covered Payroll \$	35,129,142 \$	28,259,774 \$	20,828,092 \$	17,491,581 \$	16,950,791 \$	14,290,947 \$	11,991,585 \$	9,515,500
Employer's Proportionate Share of the Net VLDP OPEB Liability as a Percentage of its Covered Payroll	-0.47%	-0.26%	-0.13%	-0.25%	0.27%	0.66%	0.32%	0.31%
Plan Fiduciary Net Position as a Percentage of the Total VLDP OPEB Liability	129.49%	116.89%	107.99%	119.64%	78.28%	49.19%	51.39%	38.40%
<u>Virginia Local Disability Program (VLDP) - Teachers</u>								
Employer's Portion of the Net VLDP OPEB Liability	17.97891%	17.73122%	17.43607%	17.50814%	17.32958%	16.94127%	16.82241%	16.44512%
Employers Proportionate Share of the Net VLDP OPEB Liability/(Asset) \$	(161,076) \$	117,722 \$	(19,604) \$	(123,258) \$	139,032 \$	98,486 \$	127,000 \$	98,000
Employer's Covered Payroll \$	194,019,780 \$	165,580,452 \$	140,335,596 \$	117,813,537 \$	102,504,393 \$	81,239,317 \$	62,725,531 \$	49,489,310
Employer's Proportionate Share of the Net VLDP OPEB Liability as a Percentage of its Covered Payroll	-0.08%	0.07%	-0.01%	-0.10%	0.14%	0.12%	0.20%	0.21%
Plan Fiduciary Net Position as a Percentage of the Total VLDP OPEB Liability	107.08%	93.77%	101.57%	114.41%	78.28%	74.12%	46.18%	31.96%

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF OPEB GROUP LIFE INSURANCE ANNUAL CONTRIBUTIONS

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
Primary Government					
2016	1,618,686	1,465,980	152,706	305,412,468	0.48%
2017	1,649,404	1,649,404	-	317,193,072	0.52%
2018	1,707,355	1,707,355	-	328,337,502	0.52%
2019	1,740,935	1,740,935	-	334,796,183	0.52%
2020	1,786,400	1,786,400	-	343,539,339	0.52%
2021	1,816,271	1,816,271	-	336,346,740	0.54%
2022	1,821,273	1,821,273	-	349,853,870	0.52%
2023	1,889,213	1,889,213	-	385,711,031	0.49%
2024	2,082,846	2,082,846	-	416,091,553	0.50%
2025	2,246,901	2,246,901	-	436,296,985	0.51%
School Board - Nonprofessional					
2016	231,831	209,960	21,871	43,741,730	0.48%
2017	230,517	230,517	-	44,330,131	0.52%
2018	234,625	234,625	-	45,120,109	0.52%
2019	242,000	242,000	-	46,160,454	0.52%
2020	250,065	250,065	-	47,915,825	0.52%
2021	251,112	251,112	-	46,503,477	0.54%
2022	268,726	268,726	-	49,796,398	0.54%
2023	312,721	312,721	-	57,910,661	0.54%
2024	347,170	347,170	-	64,290,045	0.54%
2025	309,417	309,417	-	66,721,124	0.46%
School Board - Teachers					
2016	2,079,432	1,883,259	196,173	392,345,632	0.48%
2017	2,087,447	2,087,447	-	401,432,134	0.52%
2018	2,131,438	2,131,438	-	409,891,865	0.52%
2019	2,190,000	2,190,000	-	418,203,923	0.52%
2020	2,257,910	2,257,910	-	429,568,184	0.53%
2021	2,302,569	2,302,569	-	426,407,218	0.54%
2022	2,368,914	2,368,914	-	442,535,190	0.54%
2023	2,509,214	2,509,214	-	464,553,956	0.54%
2024	2,752,572	2,752,572	-	509,198,060	0.54%
2025	2,443,560	2,443,560	-	519,997,019	0.47%

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF OPEB LINE OF DUTY ANNUAL CONTRIBUTIONS

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Payroll
Primary Government					
2016	968,155	968,155	-	96,868,601	1.00%
2017	1,022,399	1,022,399	-	103,532,167	0.99%
2018	1,097,008	1,097,008	-	110,808,888	0.99%
2019	1,368,198	1,368,198	-	110,370,707	1.24%
2020	1,347,490	1,347,490	-	108,668,548	1.24%
2021	1,374,547	1,374,547	-	109,963,764	1.25%
2022	1,347,919	1,347,919	-	107,833,520	1.25%
2023	1,245,381	1,245,381	-	111,262,625	1.12%
2024	1,538,613	1,538,613	-	126,115,779	1.22%
2025	1,948,293	1,948,293	-	159,696,148	1.22%

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF OPEB VIRGINIA LOCAL DISABILITY PROGRAM ANNUAL CONTRIBUTIONS

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
Primary Government					
2016	137,137	137,137	-	22,856,172	0.60%
2017	205,536	205,536	-	34,255,962	0.60%
2018	281,957	281,957	-	46,992,859	0.60%
2019	437,618	437,618	-	60,780,141	0.72%
2020	536,372	536,372	-	74,495,268	0.72%
2021	657,963	657,963	-	79,188,866	0.83%
2022	744,614	744,614	-	89,713,494	0.83%
2023	960,891	960,891	-	113,046,211	0.85%
2024	1,145,331	1,145,331	-	134,744,338	0.85%
2025	1,120,088	1,120,088	-	155,362,944	0.72%
School Board - Nonprofessional					
2016	40,146	40,146	-	6,691,000	0.60%
2017	57,365	57,365	-	9,560,850	0.60%
2018	71,950	71,950	-	11,991,585	0.60%
2019	102,908	102,908	-	14,290,947	0.72%
2020	122,065	122,065	-	16,950,791	0.72%
2021	145,229	145,229	-	17,491,581	0.83%
2022	172,623	172,623	-	20,828,092	0.83%
2023	240,208	240,208	-	28,259,774	0.85%
2024	298,601	298,601	-	35,129,142	0.85%
2025	290,871	290,871	-	39,349,222	0.74%
School Board - Teachers					
2016	80,152	80,152	-	27,638,756	0.29%
2017	143,865	143,865	-	46,408,200	0.31%
2018	194,449	194,449	-	62,725,531	0.31%
2019	333,000	333,000	-	81,239,317	0.41%
2020	423,008	423,008	-	102,504,393	0.41%
2021	553,806	553,806	-	117,813,537	0.47%
2022	659,550	659,550	-	140,335,596	0.47%
2023	778,254	778,254	-	165,580,452	0.47%
2024	913,923	913,923	-	194,019,780	0.47%
2025	943,502	943,502	-	210,116,289	0.45%

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF OPEB HEALTH INSURANCE CREDIT PROGRAM ANNUAL CONTRIBUTIONS

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
School Board - Nonprofessional					
2016	N/A**	N/A**	N/A**	N/A**	N/A**
2017	N/A**	N/A**	N/A**	N/A**	N/A**
2018	N/A**	N/A**	N/A**	N/A**	N/A**
2019	N/A**	N/A**	N/A**	N/A**	N/A**
2020	N/A**	N/A**	N/A**	N/A**	N/A**
2021	\$ 400,904	\$ 400,904	\$ -	\$ 46,081,028	0.87%
2022	430,973	430,973	-	49,466,229	0.87%
2023	588,631	588,631	-	57,416,545	1.03%
2024	650,062	650,062	-	63,738,321	1.02%
2025	684,852	684,852	-	66,168,568	1.04%
School Board - Teachers					
2016	4,609,056	4,140,339	468,717	390,598,006	1.06%
2017	4,914,862	4,435,363	479,499	399,582,254	1.11%
2018	5,023,021	5,023,021	-	408,375,692	1.23%
2019	4,997,000	4,997,000	-	416,667,852	1.20%
2020	5,148,298	5,148,298	-	427,749,309	1.20%
2021	5,143,628	5,143,628	-	425,016,085	1.21%
2022	5,398,393	5,398,393	-	441,111,818	1.22%
2023	5,603,990	5,603,990	-	463,002,968	1.21%
2024	6,150,231	6,150,231	-	507,674,183	1.21%
2025	6,271,703	6,271,703	-	518,353,182	1.21%

** FY 2021 was the first year for the Health Insurance Credit Program for School Board Nonprofessional.

Detailed information about the individual Cost sharing OPEB plans are available in the seperately issued VRS 2024 Annual Comprehensive Financial Report (ACFR). A copy of the VRS ACFR may be downloaded from the VRS website at <https://www.varetire.org/media/shared/pdf/publications/2024-annual-report.pdf> or by writing to the System's Chief Financial Officer at PO Box 2500, Richmond, VA, 23218-2500.

CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF OPEB HEALTH INSURANCE CREDIT PROGRAM ANNUAL CONTRIBUTIONS
(POLITICAL SUBDIVISION)

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Total HIC OPEB Liability					
Service Cost	\$ 42,486	\$ 43,751	\$ 58,118	\$ 63,751	\$ -
Interest on Total OPEB Liability	259,201	429,451	390,927	354,375	-
Changes Of Benefit Terms	-	-	-	-	5,249,993
Difference between actual and expected experience	(495,619)	(2,817,220)	(167,281)	-	-
Change in Assumptions	-	-	475,946	149,910	-
Benefit Payments	(177,890)	(175,968)	(169,274)	-	-
Net Change in Total HIC OPEB Liability	(371,822)	(2,519,986)	588,436	568,036	5,249,993
Total HIC OPEB Liability, Beginning	3,886,479	6,406,465	5,818,029	5,249,993	-
Total HIC OPEB Liability, Ending (a)	<u>\$ 3,514,657</u>	<u>\$ 3,886,479</u>	<u>\$ 6,406,465</u>	<u>\$ 5,818,029</u>	<u>\$ 5,249,993</u>
Fiduciary Net Position					
Employer Contributions	\$ 650,062	\$ 585,631	\$ 430,973	\$ 400,904	\$ -
Net Investment Income	134,998	62,476	(5,734)	47,594	-
Benefit Payments	(177,890)	(175,968)	(169,274)	-	-
Administrative Expenses	(2,114)	(1,676)	(1,280)	(1,754)	-
Other	-	235	4,151	-	-
Net Change in Fiduciary Net Position	605,056	470,698	258,836	446,744	-
Fiduciary Net Position, Beginning	1,176,278	705,580	446,744	-	-
Fiduciary Net Position, Ending (b)	<u>\$ 1,781,334</u>	<u>\$ 1,176,278</u>	<u>\$ 705,580</u>	<u>\$ 446,744</u>	<u>\$ -</u>
Net HIC OPEB Liability, Ending (a) - (b)	<u>\$ 1,733,323</u>	<u>\$ 2,710,201</u>	<u>\$ 5,700,885</u>	<u>\$ 5,371,285</u>	<u>\$ 5,249,993</u>

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required and until a 10-year trend is complied, OPEB plans should present information for those years for which information is available.



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**NONMAJOR
GOVERNMENTAL FUNDS**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds - are used to account for the proceeds of specific revenue sources (other than capital projects) which are legally restricted to be expended for specific purposes.

Debt Service Fund - is used to account for the financial resources for, and the payment of, general long-term debt principal, interest, and related costs.

**CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash and Investments	\$ 144,859,202	\$ 445,427	\$ 145,304,629
Cash and Investments - Restricted	30,724,853	29,106,832	59,831,685
Receivables (net of allowance for uncollectibles, where applicable):			
Accounts	237,034	-	237,034
Leases	979,261	-	979,261
Loans	5,195,260	-	5,195,260
Due from Other Funds	72,357	-	72,357
Due from:			
Commonwealth	1,704,283	-	1,704,283
Federal Government	8,723,267	-	8,723,267
Inventories	838,456	-	838,456
Total Assets	<u>193,333,973</u>	<u>29,552,259</u>	<u>222,886,232</u>
<u>LIABILITIES</u>			
Vouchers and Accounts Payable	6,525,428	-	6,525,428
Deposits Payable	10,000	-	10,000
Due to Other Funds	7,178,478	-	7,178,478
Due to Other Governments	1,199	-	1,199
Intergovernmental Payables	210,508	-	210,508
Unearned Revenues	976,447	-	976,447
Total Liabilities	<u>14,902,060</u>	<u>-</u>	<u>14,902,060</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows from Leases	1,178,622	-	1,178,622
Total Deferred Inflows of Resources	<u>1,178,622</u>	<u>-</u>	<u>1,178,622</u>
<u>FUND BALANCES</u>			
Nonspendable:			
Inventories	838,456	-	838,456
Loans Receivable	5,195,260	-	5,195,260
Restricted for:			
Debt Service	-	29,552,259	29,552,259
General Government	12,432,864	-	12,432,864
Housing and Community Development	9,171,603	-	9,171,603
Judicial	316,412	-	316,412
Public Safety	3,098,564	-	3,098,564
Special Service District	10,879,664	-	10,879,664
Committed to:			
Agriculture	176,000	-	176,000
Convention and Visitor Development	533,579	-	533,579
Education	49,517	-	49,517
Judicial	169,520	-	169,520
Public Safety	94,395	-	94,395
Tax Increment Financing	1,000,000	-	1,000,000
Assigned to:			
Agriculture	26,398,765	-	26,398,765
Convention and Visitor Development	69,363,288	-	69,363,288
Parks and Recreation	23,696,917	-	23,696,917
Tax Increment Financing	18,638,693	-	18,638,693
Unassigned	(4,800,206)	-	(4,800,206)
Total Fund Balances	<u>177,253,291</u>	<u>29,552,259</u>	<u>206,805,550</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 193,333,973</u>	<u>\$ 29,552,259</u>	<u>\$ 222,886,232</u>

CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
<u>REVENUES</u>			
General Property Taxes - Real Estate	\$ 47,989,056	\$ -	\$ 47,989,056
Other Local Taxes	85,390,025	-	85,390,025
Permits, Privilege Fees, and Regulatory Licenses	182,722	-	182,722
From Use of Money and Property	8,949,463	1,279,822	10,229,285
Charges for Services	15,143,300	-	15,143,300
Miscellaneous	502,574	-	502,574
From Commonwealth	33,836,084	-	33,836,084
From Federal Government	103,886,963	244,107	104,131,070
Total Revenues	<u>295,880,187</u>	<u>1,523,929</u>	<u>297,404,116</u>
<u>EXPENDITURES</u>			
Current Operating:			
Executive	261,015	-	261,015
Law	1,514	-	1,514
Finance	45,408	-	45,408
Judicial	69,705,080	-	69,705,080
Police	1,049,509	-	1,049,509
Human Services	11,701,552	-	11,701,552
Public Works	9,524,903	-	9,524,903
Parks and Recreation	24,536,790	-	24,536,790
Library	237,147	-	237,147
Planning	115,857	-	115,857
Agriculture	205,497	-	205,497
Economic Development	3,371,164	-	3,371,164
Convention and Visitor Development	28,249,298	-	28,249,298
Cultural Affairs	620,500	-	620,500
Emergency Communications and Citizen Services	5,000	-	5,000
Fire	8,495,316	-	8,495,316
Housing and Neighborhood Preservation	40,214,717	-	40,214,717
General Registrar	459,650	-	459,650
General Government	5,740,870	-	5,740,870
Emergency Medical Services	2,248,569	-	2,248,569
Subscription Payments	93,932	-	93,932
Debt Service:			
Principal Retirement	19,129,531	32,211,658	51,341,189
Interest and Fiscal Charges	7,759,656	12,231,359	19,991,015
Total Expenditures	<u>233,772,475</u>	<u>44,443,017</u>	<u>278,215,492</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>62,107,712</u>	<u>(42,919,088)</u>	<u>19,188,624</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Revenue/(Payment) under Support Agreement	(13,451,494)	-	(13,451,494)
Transfers In	44,546,424	45,610,895	90,157,319
Transfers Out	(64,847,406)	(2,442,859)	(67,290,265)
Total Other Financing Sources and (Uses)	<u>(33,752,476)</u>	<u>43,168,036</u>	<u>9,415,560</u>
Net Change in Fund Balance	28,355,236	248,948	28,604,184
Fund Balance - Beginning	148,898,055	29,303,311	178,201,366
Fund Balance - Ending	<u>\$ 177,253,291</u>	<u>\$ 29,552,259</u>	<u>\$ 206,805,550</u>



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GENERAL FUND

GENERAL FUND

The General Fund is the general operating fund of the City which is used to account for all of the financial resources, except those required to be accounted for in another fund.

**CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO FINAL BUDGET
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>General Property Taxes</u>				
Real Estate	\$ 729,243,999	\$ 729,243,999	\$ 726,491,801	\$ (2,752,198)
Personal Property	147,843,771	147,843,771	159,764,864	11,921,093
Interest and Penalties on Personal Property	5,468,818	5,468,818	5,755,227	286,409
Interest and Penalties on Real Estate Taxes	3,314,836	3,314,836	3,539,123	224,287
Total General Property Taxes	885,871,424	885,871,424	895,551,015	9,679,591
<u>Other Local Taxes</u>				
General Sales	93,281,986	93,281,986	95,412,089	2,130,103
Utility	42,327,354	42,327,354	42,933,656	606,302
Business Licenses	62,625,915	62,625,915	67,346,186	4,720,271
Automobile Licenses	10,639,555	10,639,555	10,410,277	(229,278)
Bank Stock	4,525,088	4,525,088	4,530,666	5,578
City Tax on Deeds	8,727,043	8,727,043	8,141,576	(585,467)
City Tax on Wills	103,664	103,664	126,704	23,040
Cigarette	6,993,331	6,993,331	5,695,951	(1,297,380)
Amusement	1,613,524	1,613,524	2,246,561	633,037
Hotel Taxes	11,477,696	11,477,696	11,216,701	(260,995)
Restaurant Meals	62,047,929	62,047,929	62,444,176	396,247
Total Other Local Taxes	304,363,085	304,363,085	310,504,543	6,141,458
<u>Permits, Privilege Fees, and Regulatory Licenses</u>				
Police Permits and Licenses	467,075	467,075	458,285	(8,790)
Planning Permits and Licenses	5,557,322	5,557,322	6,106,454	549,132
Other Permits, Fees and Licenses	2,989,993	2,989,993	2,851,850	(138,143)
Public Works Fees	1,871	1,871	7,350	5,479
Court Fines and Forfeitures	1,326,584	1,326,584	1,757,797	431,213
Fire Permits	170,000	170,000	198,440	28,440
Total Permits, Privilege Fees, and Regulatory Licenses	10,512,845	10,512,845	11,380,176	867,331
<u>From Use of Money and Property</u>				
<u>Revenue from Use of Money:</u>				
Interest on Bank Deposits	8,387,187	8,387,187	28,272,294	19,885,107
<u>Revenue from Use of Property:</u>				
Farmers Market Fees	33,889	33,889	28,910	(4,979)
Photocopying Machines	100,134	100,134	73,953	(26,181)
Convention Center Rent	4,407,067	4,407,067	4,637,954	230,887
Lease of Land and Property	2,173,922	2,173,922	2,688,770	514,848
Total from Use of Money and Property	15,102,199	15,102,199	35,701,881	20,599,682
<u>Charges For Services</u>				
Court Costs	1,498,235	1,498,235	1,532,082	33,847
Police - False Alarm Fees	530,300	530,300	518,281	(12,019)
Fire Services	262,000	262,000	257,819	(4,181)
Animal Adoption Fees	24,400	24,400	1,873	(22,527)
Other Charges and Fees	9,851,288	9,877,494	10,310,407	432,913
Human Services	26,468,226	26,468,226	24,188,975	(2,279,251)
Aquarium and Historical Houses	12,297,438	12,297,438	14,148,783	1,851,345
Planning Maps, Publications, and Fees	316,580	316,580	277,778	(38,802)
Convention Center	249,596	249,596	256,689	7,093
Other Services Provided	989,550	1,003,465	896,778	(106,687)
Reimbursement - Freedom of Information Act Costs	52,700	52,700	90,761	38,061
Water and Sewer Direct Charges	9,357,647	9,357,647	9,171,769	(185,878)
Storm Water Direct Charges	1,603,401	1,603,401	1,014,385	(589,016)
Total Charges for Services	63,501,361	63,541,482	62,666,380	(875,102)

**CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO FINAL BUDGET
FOR THE YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Miscellaneous Revenue</u>				
Returned Check Processing Charges	115,000	115,000	57,040	(57,960)
Donations	1,351,755	1,404,829	1,085,373	(319,456)
City Treasurer Charges	2,000,000	2,000,000	1,963,690	(36,310)
Sale of Salvage Materials	1,006,000	1,006,000	341,360	(664,640)
Miscellaneous	7,342,959	7,342,959	6,540,229	(802,730)
Total Miscellaneous Revenue	11,815,714	11,868,788	9,987,692	(1,881,096)
<u>From Commonwealth</u>				
Rolling Stock Tax	23,736	23,736	19,423	(4,313)
Mobile Homes Sales Tax	-	-	50,179	50,179
Passenger Car Rental Tax	1,447,432	1,447,432	1,427,697	(19,735)
Reimbursement - Treasurer	1,011,140	1,011,140	1,009,504	(1,636)
Reimbursement - Commissioner of the Revenue	904,302	904,302	903,378	(924)
Reimbursement - General Registrar's Salary	172,183	182,884	140,315	(42,569)
Reimbursement - Clerk of Circuit Court	2,889,865	2,889,865	2,786,163	(103,702)
Reimbursement - Commonwealth's Attorney	3,790,518	3,790,518	3,742,472	(48,046)
Reimbursement - Health Department Automobile	13,000	13,000	12,964	(36)
Reimbursement - State Aid Law Enforcement	13,372,311	13,372,311	14,568,286	1,195,975
Personal Property Paid by Commonwealth	53,412,868	53,412,868	53,412,868	-
State Prisoner Transportation	350,000	350,000	210,654	(139,346)
Mental Health, Developmental Services and Substance Abuse	18,519,178	22,270,873	22,893,374	622,501
Juvenile Justice Block Grant	5,150,856	5,150,856	5,576,853	425,997
Maintenance of Roads	66,174,346	68,031,664	68,031,664	-
Public Assistance Grants	18,131,287	22,096,056	20,547,271	(1,548,785)
DMV Select Program	150,000	150,000	132,836	(17,164)
Virginia Commission For The Arts	4,500	4,500	4,500	-
Wireless E-911 Services Board	1,646,689	1,646,689	1,791,242	144,553
State Aid Library	332,354	365,621	365,621	-
Other State Revenues	694,408	1,121,199	1,659,687	538,488
Total From Commonwealth	188,190,973	198,235,514	199,286,951	1,051,437
<u>From Federal Government</u>				
Indirect Costs - Social Services	1,434,179	1,434,179	2,201,744	767,565
SEVAMP Grant	213,000	213,000	172,540	(40,460)
Mental Health, Developmental Services and Substance Abuse	60,196	60,196	22,428	(37,768)
USDA Juvenile Detention	99,471	99,471	154,996	55,525
Public Assistance Grants	23,402,665	24,152,364	28,491,043	4,338,679
Federal Reimbursement of Interest	282,763	282,763	-	(282,763)
Total From Federal Government	25,492,274	26,241,973	31,042,751	4,800,778
TOTAL REVENUES	1,504,849,875	1,515,737,310	1,556,121,389	40,384,079
<u>Other Financing Sources</u>				
Transfers In	532,603	587,701	587,701	-
Use of Fund Balance	3,612,904	116,308,972	-	(116,308,972)
Capitalized Leases	-	-	686,277	686,277
Capitalized Subscriptions	-	-	1,338,056	1,338,056
Total Other Financing Sources	4,145,507	116,896,673	2,612,034	(114,284,639)
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 1,508,995,382	\$ 1,632,633,983	\$ 1,558,733,423	\$ (73,900,560)

**CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO FINAL BUDGET
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>City Manager</u>				
Admin & Support	\$ 3,318,594	\$ 3,587,161	\$ 3,448,683	\$ 138,478
Office of Volunteer Resources	515,556	546,347	449,250	97,097
Total City Manager	3,834,150	4,133,508	3,897,933	235,575
<u>Communications</u>				
City Admin & Support	3,847,354	4,409,021	4,400,730	8,291
Total Communications	3,847,354	4,409,021	4,400,730	8,291
<u>City Clerk</u>				
City Clerk Admin & Support	742,847	822,340	787,100	35,240
Total City Clerk	742,847	822,340	787,100	35,240
<u>City Council</u>				
City Council Admin & Support	793,772	822,901	785,655	37,246
Total City Council	793,772	822,901	785,655	37,246
<u>City Attorney</u>				
City Attorney Admin & Support	6,083,052	6,384,545	6,345,988	38,557
Total City Attorney	6,083,052	6,384,545	6,345,988	38,557
<u>City Auditor</u>				
City Auditor Admin & Support	1,127,387	1,204,871	1,188,698	16,173
Total City Auditor	1,127,387	1,204,871	1,188,698	16,173
<u>City Real Estate Assessor</u>				
Admin & Support	4,106,409	4,199,336	4,120,936	78,400
Board & Commissions	2,566	2,566	3,586	(1,020)
Total City Real Estate Assessor	4,108,975	4,201,902	4,124,522	77,380
<u>City Treasurer</u>				
City Treasurer Admin & Support	8,454,552	8,725,013	8,694,191	30,822
Total City Treasurer	8,454,552	8,725,013	8,694,191	30,822
<u>Commissioner of the Revenue</u>				
Admin & Support	6,964,109	7,280,612	7,278,488	2,124
Total Commissioner of the Revenue	6,964,109	7,280,612	7,278,488	2,124
<u>Finance</u>				
Finance Admin & Support	2,230,052	2,763,163	1,966,296	796,867
Finance Accounting	1,287,512	1,327,974	1,407,375	(79,401)
Finance Accounts Payable	437,544	447,069	457,469	(10,400)
Finance Payroll	870,719	890,905	1,007,783	(116,878)
Finance Purchasing	1,590,355	1,767,736	1,504,323	263,413
SWAM Office	522,912	975,746	792,540	183,206
Finance Technical Services	696,093	711,804	691,398	20,406
Total Finance	7,635,187	8,884,397	7,827,184	1,057,213
<u>Agriculture</u>				
Agriculture Admin & Support	409,982	443,946	425,677	18,269
Agriculture Cooperative Extension	328,025	365,396	278,742	86,654
Agriculture Farmers Market	365,599	377,689	343,597	34,092
Total Agriculture	1,103,606	1,187,031	1,048,016	139,015
<u>Cultural Affairs</u>				
Cultural Affairs Admin & Support	2,010,115	6,039,587	4,335,413	1,704,174
Cultural Affairs Board & Commissions	700,000	985,212	1,044,464	(59,252)
Cultural Affairs Historic Museums	776,526	1,022,050	740,824	281,226
Total Culture Affairs	3,486,641	8,046,849	6,120,701	1,926,148

**CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO FINAL BUDGET
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Library</u>				
Admin & Support	2,430,443	2,735,654	2,799,303	(63,649)
Records Management	476,498	498,608	512,342	(13,734)
Support Services	3,337,435	3,443,315	3,308,646	134,669
Programming & Operations	14,545,832	15,034,641	14,498,644	535,997
Technical Services	997,364	1,028,176	1,087,053	(58,877)
Total Library	21,787,572	22,740,394	22,205,988	534,406
<u>Parks & Recreation</u>				
Parks & Recreation Admin & Support	1,077,993	1,086,783	1,052,600	34,183
Parks & Recreation Landscape Management	22,667,000	23,511,570	21,454,189	2,057,381
Parks & Recreation Programming & Operations	19,010,176	19,583,421	16,244,296	3,339,125
Total Parks & Recreation	42,755,169	44,181,774	38,751,085	5,430,689
<u>Virginia Aquarium</u>				
Programming & Operations	16,842,171	17,380,268	15,023,526	2,356,742
Total Virginia Aquarium	16,842,171	17,380,268	15,023,526	2,356,742
<u>Clerk of the Circuit Court - Judicial</u>				
Admin & Support	5,284,832	5,824,672	5,676,919	147,753
Total Clerk of the Circuit Court	5,284,832	5,824,672	5,676,919	147,753
<u>Commonwealth's Attorney - Judicial</u>				
Commonwealth's Attorney Admin & Support	13,772,758	14,204,838	14,036,239	168,599
Total Commonwealth's Attorney	13,772,758	14,204,838	14,036,239	168,599
<u>Circuit Court - Judicial</u>				
Support Services	1,654,421	1,709,828	1,681,676	28,152
Total Circuit Court	1,654,421	1,709,828	1,681,676	28,152
<u>Juvenile Probation - Judicial</u>				
Support Services	1,138,031	1,140,381	920,708	219,673
Juvenile Probations CHINS	278,403	284,992	261,535	23,457
Total Juvenile Probation	1,416,434	1,425,373	1,182,243	243,130
<u>General District Court - Judicial</u>				
Support Services	491,097	499,292	385,358	113,934
Total General District Court	491,097	499,292	385,358	113,934
<u>Juvenile & Domestic Relations Court - Judicial</u>				
Support Services	195,199	223,223	212,590	10,633
Total Juvenile & Domestic Relations Court	195,199	223,223	212,590	10,633
<u>Magistrate - Judicial</u>				
Support Services	43,982	58,256	41,427	16,829
Total Magistrate	43,982	58,256	41,427	16,829
<u>Health Department</u>				
Admin & Support	4,260,366	4,372,037	4,365,681	6,356
Total Health Department	4,260,366	4,372,037	4,365,681	6,356
<u>Human Services</u>				
Human Services Admin & Support	9,182,086	9,880,232	9,989,413	(109,181)
Human Services Business Services	4,275,919	4,295,081	3,936,555	358,526
Human Services Substance Use Disorder	6,226,529	6,417,346	4,647,424	1,769,922
Human Services Mental Health	30,448,792	32,836,220	25,108,933	7,727,287
Human Services Child Welfare & Family Services	19,051,823	18,912,571	19,729,767	(817,196)
Human Services Childrens Services Act	15,989,821	18,722,537	15,591,078	3,131,459
Human Services Development Services	31,272,461	31,986,019	29,832,480	2,153,539
Human Services Benefit Program	13,609,826	13,710,360	14,660,766	(950,406)
Human Services Juvenile Detention Center	7,545,918	7,611,713	7,036,698	575,015
Human Services Support Services	2,096,096	2,121,259	1,536,492	584,767
Human Services Adult Services	7,065,979	7,100,831	7,030,242	70,589
Total Human Services	146,765,250	153,594,169	139,099,848	14,494,321

**CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO FINAL BUDGET
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Human Resources</u>				
Human Resources Admin & Support	1,052,514	1,073,753	1,143,738	(69,985)
Human Resources Employee Relations	2,463,791	2,803,964	2,491,001	312,963
Human Resources Employee Services	873,470	1,138,621	917,608	221,013
Human Resources Occupational Safety & Health	1,809,386	1,848,310	1,855,151	(6,841)
Human Resources Staffing & Compensation	2,531,955	2,886,191	2,792,170	94,021
Human Resources Board & Commissions	91,393	93,215	94,087	(872)
Total Human Resources	8,822,509	9,844,054	9,293,755	550,299
<u>Emergency Communications & Citizen Services</u>				
Admin & Support	2,898,258	2,989,678	2,989,774	(96)
Citizen Services	1,135,576	1,162,110	1,174,697	(12,587)
Emergency Communications	8,853,523	9,002,508	8,134,115	868,393
Total Emergency Communications & Citizen Services	12,887,357	13,154,296	12,298,586	855,710
<u>Emergency Management</u>				
Emergency Management Admin & Support	1,930,774	1,982,872	1,743,854	239,018
Total Emergency Management	1,930,774	1,982,872	1,743,854	239,018
<u>Emergency Medical Services</u>				
Emergency Medical Services Admin & Support	3,494,352	4,181,370	4,972,564	(791,194)
Emergency Medical Services Operational Management	19,913,030	22,332,641	20,226,746	2,105,895
Emergency Medical Services Lifeguard Services	2,027,040	2,027,040	2,480,531	(453,491)
Total Emergency Medical Services	25,434,422	28,541,051	27,679,841	861,210
<u>Fire</u>				
Admin & Support	4,857,586	4,983,990	5,811,938	(827,948)
Operations & Training	71,578,300	75,857,317	74,448,324	1,408,993
Prevention	4,257,035	4,393,394	4,359,921	33,473
Total Fire	80,692,921	85,234,701	84,620,183	614,518
<u>Police</u>				
Admin & Support	2,670,030	2,769,322	2,581,235	188,087
Business Services	12,634,823	11,669,146	10,257,935	1,411,211
Investigations	23,187,977	23,666,645	22,091,047	1,575,598
Police Support Services	15,733,173	17,220,270	17,633,921	(413,651)
Uniform Patrol	78,173,677	79,820,736	79,911,546	(90,810)
Total Police	132,399,680	135,146,119	132,475,684	2,670,435
<u>Convention & Visitor Bureau</u>				
Convention & Visitors Bureau Admin & Support	1,553,705	1,590,628	1,605,915	(15,287)
Convention & Visitors Bureau Programming & Opera	7,366,739	7,620,452	6,845,886	774,566
Convention & Visitors Bureau Sales & Marketing	1,966,298	2,011,595	1,978,172	33,423
Convention & Visitors Bureau Tourism Promotion	484,099	494,316	450,833	43,483
Total Convention & Visitor Bureau	11,370,841	11,716,991	10,880,806	836,185
<u>Economic Development</u>				
Economic Development Admin & Support	4,688,114	5,467,424	4,254,376	1,213,048
Total Economic Development	4,688,114	5,467,424	4,254,376	1,213,048
<u>Housing & Neighborhood Preservation</u>				
Housing Code Enforcement	2,746,048	2,849,594	2,860,554	(10,960)
Housing & Neighborhood Preservation Homeless Servi	5,669,829	5,871,206	5,305,959	565,247
Housing Section 8 Housing	100,000	100,000	118,613	(18,613)
Total Housing & Neighborhood Preservation	8,515,877	8,820,800	8,285,126	535,674

**CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO FINAL BUDGET
FOR THE YEAR ENDED JUNE 30, 2025**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Planning</u>				
Admin & Support	4,809,021	5,982,125	4,559,290	1,422,835
Permits & Inspections	5,094,130	4,851,388	4,902,671	(51,283)
Development Services	4,043,137	4,486,562	4,275,944	210,618
Planning Zoning Administration	2,025,309	2,124,842	2,082,630	42,212
Planning	15,971,597	17,444,917	15,820,535	1,624,382
<u>Information Technology</u>				
Information Technology Business Services	2,965,185	4,035,081	3,065,977	969,104
Information Technology Information Services	9,764,035	10,113,623	10,474,690	(361,067)
Information Technology Information Systems	12,771,526	13,512,075	13,999,930	(487,855)
Total Information Technology	25,500,746	27,660,779	27,540,597	120,182
<u>Budget & Management Services</u>				
Budget & Management Services Admin & Support	1,585,196	1,690,817	1,638,199	52,618
Budget & Management Services	1,585,196	1,690,817	1,638,199	52,618
<u>Office of Performance & Accountability</u>				
Office of Performance & Accountability Admin & Sup	1,010,664	1,044,633	977,321	67,312
Total Office of Performance & Accountability	1,010,664	1,044,633	977,321	67,312
<u>Public Works</u>				
Public Works Admin & Support	10,456,850	11,311,768	9,758,649	1,553,119
Public Works Real Estate	1,208,669	1,237,145	1,090,374	146,771
Public Works Engineering	11,310,537	12,251,350	10,608,355	1,642,995
Public Works Facilities Management	27,595,906	27,595,319	27,847,774	(252,455)
Public Works Infrastructure Maintenance	40,882,672	47,794,217	35,176,831	12,617,386
Public Works Storm Water Operations	20,241,871	21,631,734	16,263,529	5,368,205
Total Public Works	111,696,505	121,821,533	100,745,512	21,076,021
<u>Voter Registration & Elections</u>				
Admin & Support	3,894,159	4,915,670	4,415,592	500,078
Total Voter Registration & Elections	3,894,159	4,915,670	4,415,592	500,078
<u>Non Departmental</u>				
Computer Replacements	-	897,700	897,575	125
Independent Financial Services	194,674	194,674	194,866	(192)
Subscriptions	-	87,558	75,804	11,754
Employee Services	9,128,288	9,291,301	8,676,816	614,485
Facilities Management	3,780,869	3,861,940	182,238	3,679,702
Vehicle Replacement	6,000,000	9,674,784	6,807,465	2,867,319
Revenue Reimbursement	16,611,925	16,611,925	16,204,262	407,663
Community & Organization Contributions	12,252,331	12,275,015	12,275,195	(180)
Community Organization Grant	750,000	750,000	750,000	-
Total Non Departmental	48,718,087	53,644,897	46,064,221	7,580,676
<u>General Government</u>				
Lease Payments	-	-	6,348,514	(6,348,514)
Subscription Payments	-	-	540,838	(540,838)
Contingencies	33,993,097	40,268,026	-	40,268,026
Total General Government	33,993,097	40,268,026	6,889,352	33,378,674

**CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO FINAL BUDGET
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Debt Service</u>				
Retirement	52,170,917	52,170,917	45,740,103	6,430,814
Interest and Fiscal Charges	22,821,459	22,821,459	18,776,927	4,044,532
Total Debt Service	74,992,376	74,992,376	64,517,030	10,475,346
<u>Education</u>				
School Operating	471,364,397	482,364,397	444,269,817	38,094,580
Capital Projects	11,000,000	21,031,524	21,031,524	-
Total Education	482,364,397	503,395,921	465,301,341	38,094,580
Total Department Expenditures	1,389,920,202	1,469,104,991	1,320,603,697	148,501,294
<u>Other Financing Uses</u>				
Revenue/(Payment) under Support Agreement	-	-	927,264	(927,264)
Transfers Out:				
General Debt Service	44,198,910	44,198,910	44,198,910	-
General Government Capital Projects	33,095,894	69,858,078	69,858,078	-
Grants Consolidated	1,078,784	1,128,647	623,952	504,695
Sheriff's Department	39,245,796	40,049,761	40,049,761	-
Parks and Recreation	-	70,944	70,944	-
Water and Sewer Utility Capital Projects	-	4,200,000	4,200,000	-
Storm Water Utility Capital Projects	886,581	3,436,581	3,436,581	-
Federal Section 8	76,000	76,000	76,000	-
Housing and Neighborhood Preservation	435,513	435,513	435,513	-
Law Library	57,702	57,702	57,702	-
Oyster Heritage Fund	-	16,856	16,856	-
Total Other Financing Uses	119,075,180	163,528,992	163,024,297	504,695
TOTAL EXPENDITURES AND OTHER FINANCIAL USES	<u>\$ 1,508,995,382</u>	<u>\$ 1,632,633,983</u>	<u>\$ 1,484,555,258</u>	<u>\$ 148,078,725</u>

**NONMAJOR
SPECIAL REVENUE FUNDS**

NONMAJOR SPECIAL REVENUE FUNDS

The Nonmajor Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The City has the following Nonmajor Special Revenue Funds:

Agriculture Reserve Program - accounts for revenue and expenses to promote and encourage the preservation of farmland in the rural southern portion of the City, in which agricultural uses predominate. As established by City Council, this is a voluntary purchase of development rights rather than regulatory. Fund balance will be used for payments of future interest costs of U.S. Treasury Securities and the maturing interest on each agreement.

Central Business District South Tax Increment Financing - accounts for incremental growth in real estate tax revenues and debt service funding of public parking and other public improvements in this business district. Fund balance is maintained to meet planned construction and debt service costs for improvements in this district as approved by City Council.

Combined Area Dredging Projects – this fund supports the special service districts of Old Donation Creek, Bayville Creek Shadowlawn, Chesopeian Colony, Harbour Point, Gills Cove and Hurds Cove, where additional real estate taxes are assessed on residents of those districts and collected to provide neighborhood channel dredging of creeks and rivers.

Emergency FEMA - accounts for receipts from the Federal Emergency Management Agency (FEMA), for the cost of providing urban search and rescue services in support of disaster declarations, and reimbursements to the City for the cost of local disasters. The level of fund balance is subject to final audit by the Inspector General.

Federal Section Eight Program - accounts for funds received from the Federal Department of Housing and Urban Development to provide rental assistance to low and moderate income families. A separate fund is required by the Federal government and fund balance must be used for rental assistance.

Forfeited Assets – accounts for the City's share of Federal revenues derived from any Federal agency where money or assets are seized. If the Commonwealth's Attorney is involved in the case, the department gets a portion of the funds. All State seizures are divided with the Commonwealth's Attorney receiving 25% and the Police Department receiving 75%. All real estate seized is split 50%/50% between the Commonwealth's Attorney and the Police Department. Fund balance must be used in compliance with Federal and State regulations to fund Police or Commonwealth's Attorney projects.

Grants Consolidated - accounts for certain Commonwealth of Virginia and Federal Grants (with matching local funds, if required).

Housing and Neighborhood Preservation - accounts for the combined activities of the Federal Community Development Block Grant (CDBG), Federal Housing Assistance Grant, Community Development Loan and programs, and Virginia State Rental Assistance Program (SRAP). This fund supports the administration of both capital improvement projects in target neighborhoods and various other housing programs. The uses of fund balance are restricted to the federal and state programs that generated the funds.

Law Library - accounts for the revenues and expenditures of providing legal information and research. Revenues are raised through a set charge per civil court case and donations, which are used for library operations.

Open Space - accounts for the acquisition and preservation of land in the City of Virginia Beach. This fund receives dedicated revenues from a percentage of the restaurant meal tax

Parks and Recreation - accounts for revenues raised through Parks and Recreation programs. This fund also receives dedicated funding from a portion of the real estate taxes to support and maintain the City's recreation centers.

Sandbridge Special Service District - accounts for the revenues raised by the additional real estate tax, hotel tax and other Sandbridge related revenue. The Virginia Beach code restricts the uses of fund balance to Capital Improvement Program projects associated with beach and shoreline restoration and maintenance within the Sandbridge District.

Sheriff's Department - accounts for the cost of the care and custody of persons placed in the Virginia Beach Correctional Center by the courts and for the operation of the Sheriff's Department, as established by City Council.

Tourism Advertising Program - accounts for revenue and expenses related to tourism advertising. This fund receives dedicated funding from a percentage of the hotel room tax and restaurant meal tax. There is a City Council appointed committee that oversees the use of these funds.

Tourism Investment Program - accounts for the revenue streams to fund tourism related capital projects and expenditures for oceanfront programs and events, maintenance, operating costs, and debt service of tourism-related projects, as established by City Council. This fund receives dedicated funding from a percentage of the following local taxes: amusement, hotel room, and restaurant meal tax receipts.

Town Center Special Service District – established to provide for the maintenance of public parking facilities and other infrastructure in conjunction with realizing a long-term City Council goal of developing a town center. This is supported by revenues from an additional real estate tax rate applied to each property owner in the Central Business District (CBD) within the Pembroke area of the City.

Wetlands Board Mitigation – accounts for the fines assessed for the destruction of wetlands and are to be used for the purchase of land and re-creation of wetlands.



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**CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025**

	Agriculture Reserve Program	Central Business District South Tax Increment Financing	Combined Area Dredging Projects	Emergency FEMA
<u>ASSETS</u>				
Cash and Investments	\$ 26,574,765	\$ 19,946,693	\$ -	\$ -
Restricted Cash	-	-	1,774,501	-
Accounts Receivable	-	-	-	-
Leases	-	-	-	-
Loans Receivable	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Commonwealth	-	-	-	-
Due from Federal Government	-	-	-	2,897,490
Inventories	-	-	-	-
Total Assets	<u>26,574,765</u>	<u>19,946,693</u>	<u>1,774,501</u>	<u>2,897,490</u>
<u>LIABILITIES</u>				
Vouchers and Accounts Payable	-	-	-	32,742
Deposits Payable	-	-	-	-
Due to Other Funds	-	308,000	-	2,115,123
Due to Other Governments	-	-	-	-
Intergovernmental Payables	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>308,000</u>	<u>-</u>	<u>2,147,865</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Inflows from Leases	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventories	-	-	-	-
Loans Receivable	-	-	-	-
Restricted for:				
General Government	-	-	-	-
Housing and Community Development	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	-	-	749,625
Special Service District	-	-	1,774,501	-
Committed for:				
Agriculture	176,000	-	-	-
Convention and Visitor Development	-	-	-	-
Education	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	-	-	-
Tax Increment Financing	-	1,000,000	-	-
Assigned to:				
Agriculture	26,398,765	-	-	-
Convention and Visitor Development	-	-	-	-
Parks and Recreation	-	-	-	-
Tax Increment Financing	-	18,638,693	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>26,574,765</u>	<u>19,638,693</u>	<u>1,774,501</u>	<u>749,625</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 26,574,765</u>	<u>\$ 19,946,693</u>	<u>\$ 1,774,501</u>	<u>\$ 2,897,490</u>

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**CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025**

	Open Space	Parks and Recreation	Sandbridge Special Service District	Sheriff's Department
ASSETS				
Cash and Investments	\$ 12,480,075	\$ 13,023,426	\$ -	\$ -
Restricted Cash	-	-	8,389,262	-
Accounts Receivable	-	79,624	-	1,200
Leases	-	-	-	-
Loans Receivable	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Commonwealth	-	-	-	1,704,283
Due from Federal Government	-	-	-	-
Inventories	-	-	-	838,456
Total Assets	12,480,075	13,103,050	8,389,262	2,543,939
LIABILITIES				
Vouchers and Accounts Payable	12,223	934,309	-	1,750,334
Deposits Payable	-	-	-	-
Due to Other Funds	-	-	-	4,755,355
Due to Other Governments	-	-	-	-
Intergovernmental Payables	-	98	-	-
Unearned Revenues	-	939,578	-	-
Total Liabilities	12,223	1,873,985	-	6,505,689
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows from Leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable:				
Inventories	-	-	-	838,456
Loans Receivable	-	-	-	-
Restricted for:				
General Government	-	-	-	-
Housing and Community Development	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	-	-	-
Special Service District	-	-	8,389,262	-
Committed for:				
Agriculture	-	-	-	-
Convention and Visitor Development	-	-	-	-
Education	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	-	-	-
Tax Increment Financing	-	-	-	-
Assigned to:				
Agriculture	-	-	-	-
Convention and Visitor Development	-	-	-	-
Parks and Recreation	12,467,852	11,229,065	-	-
Tax Increment Financing	-	-	-	-
Unassigned	-	-	-	(4,800,206)
Total Fund Balances	12,467,852	11,229,065	8,389,262	(3,961,750)
TOTAL LIABILITIES AND FUND BALANCES	\$ 12,480,075	\$ 13,103,050	\$ 8,389,262	\$ 2,543,939

**CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025**

Tourism Advertising Program	Tourism Investment Program	Town Center Special Service District	Wetlands Board Mitigation	Totals
\$ 18,122,144	\$ 54,378,194	\$ -	\$ -	\$ 144,859,202
-	-	912,870	647,710	30,724,853
-	155,229	-	-	237,034
-	979,261	-	-	979,261
-	-	-	-	5,195,260
-	-	72,357	-	72,357
-	-	-	-	1,704,283
-	-	-	-	8,723,267
-	-	-	-	838,456
<u>18,122,144</u>	<u>55,512,684</u>	<u>985,227</u>	<u>647,710</u>	<u>193,333,973</u>
2,030,198	519,141	269,326	-	6,525,428
-	10,000	-	-	10,000
-	-	-	-	7,178,478
-	-	-	-	1,199
-	-	-	-	210,508
-	-	-	-	976,447
<u>2,030,198</u>	<u>529,141</u>	<u>269,326</u>	<u>-</u>	<u>14,902,060</u>
-	1,178,622	-	-	1,178,622
-	1,178,622	-	-	1,178,622
-	-	-	-	838,456
-	-	-	-	5,195,260
-	-	-	647,710	12,432,864
-	-	-	-	9,171,603
-	-	-	-	316,412
-	-	-	-	3,098,564
-	-	715,901	-	10,879,664
-	-	-	-	176,000
533,579	-	-	-	533,579
-	-	-	-	49,517
-	-	-	-	169,520
-	-	-	-	94,395
-	-	-	-	1,000,000
-	-	-	-	26,398,765
15,558,367	53,804,921	-	-	69,363,288
-	-	-	-	23,696,917
-	-	-	-	18,638,693
-	-	-	-	(4,800,206)
<u>16,091,946</u>	<u>53,804,921</u>	<u>715,901</u>	<u>647,710</u>	<u>177,253,291</u>
<u>\$ 18,122,144</u>	<u>\$ 55,512,684</u>	<u>\$ 985,227</u>	<u>\$ 647,710</u>	<u>\$ 193,333,973</u>

CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Agriculture Reserve Program	Central Business District South Tax Increment Financing	Combined Area Dredging Projects	Emergency FEMA
<u>REVENUES</u>				
General Property Taxes	\$ 7,055,690	\$ 10,053,823	\$ 870,346	\$ -
Other Local Taxes	-	500,000	-	-
Permits, Privilege Fees, and Regulatory Licenses	-	-	-	-
From Use of Money and Property	1,306,909	749,811	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
From Commonwealth	-	-	-	-
From Federal Government	-	-	-	5,603,488
Total Revenues	<u>8,362,599</u>	<u>11,303,634</u>	<u>870,346</u>	<u>5,603,488</u>
<u>EXPENDITURES</u>				
Current:				
Executive	-	-	-	-
Law	-	-	-	-
Finance	-	-	-	-
Judicial	-	-	-	-
Police	-	-	-	-
Human Services	-	-	-	-
Public Works	-	-	-	-
Parks and Recreation	-	-	-	-
Library	-	-	-	-
Planning	-	-	-	-
Agriculture	205,497	-	-	-
Economic Development	-	-	-	-
Convention and Visitor Development	-	-	-	-
Cultural Affairs	-	-	-	-
Emergency Communications and Citizen Services	-	-	-	-
Fire	-	-	-	5,846,311
Housing and Neighborhood Preservation	-	-	-	-
General Registrar	-	-	-	-
General Government	-	308,000	-	-
Emergency Medical Services	-	-	-	-
Subscription Payments	-	-	-	-
Debt Service:				
Principal Retirement	2,442,859	-	-	-
Interest and Fiscal Charges	2,065,693	977	-	-
Total Expenditures	<u>4,714,049</u>	<u>308,977</u>	<u>-</u>	<u>5,846,311</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,648,550</u>	<u>10,994,657</u>	<u>870,346</u>	<u>(242,823)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Revenue/(Payment) under Support Agreement	-	(4,105,306)	-	-
Transfers In	2,442,859	-	-	-
Transfers Out	(2,901,985)	(150,000)	(230,082)	-
ments under Support Agreemen				
Total Other Financing Sources (Uses), net	<u>(459,126)</u>	<u>(4,255,306)</u>	<u>(230,082)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>3,189,424</u>	<u>6,739,351</u>	<u>640,264</u>	<u>(242,823)</u>
FUND BALANCES - JULY 1	<u>23,385,341</u>	<u>12,899,342</u>	<u>1,134,237</u>	<u>992,448</u>
FUND BALANCES - JUNE 30	<u>\$ 26,574,765</u>	<u>\$ 19,638,693</u>	<u>\$ 1,774,501</u>	<u>\$ 749,625</u>

CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Section Eight Program	Forfeited Assets	Grants Consolidated	Housing and Neighborhood Preservation	Law Library
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	42
66,708	165,227	-	323,932	983
1,852,159	-	1,364,130	-	267,629
125,351	-	94,717	56,784	124
-	143,602	7,714,235	1,565,979	-
29,544,313	136,246	64,087,554	4,337,755	-
31,588,531	445,075	73,260,636	6,284,450	268,778
-	-	261,015	-	-
-	-	1,514	-	-
-	-	45,408	-	-
-	179,869	843,753	-	-
-	375,618	673,891	-	-
-	-	11,701,552	-	-
-	-	20,000	-	-
-	-	435,449	-	-
-	-	6,497	-	230,553
-	-	115,857	-	-
-	-	-	-	-
-	-	-	-	-
-	-	134,214	-	-
-	-	100,000	-	-
-	-	5,000	-	-
-	-	2,649,005	-	-
31,359,747	-	3,882,797	4,972,173	-
-	-	459,650	-	-
-	-	4,015,821	-	-
-	-	1,277,789	-	-
58,650	-	35,282	-	-
-	-	-	-	-
-	-	-	-	-
31,418,397	555,487	26,664,494	4,972,173	230,553
170,134	(110,412)	46,596,142	1,312,277	38,225
-	-	-	-	-
76,000	-	633,952	1,065,206	57,702
-	-	(43,596,427)	(38,242)	-
76,000	-	(42,962,475)	1,026,964	57,702
246,134	(110,412)	3,633,667	2,339,241	95,927
2,206,337	3,039,678	8,151,487	9,575,151	(46,410)
\$ 2,452,471	\$ 2,929,266	\$ 11,785,154	\$ 11,914,392	\$ 49,517

CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Open Space	Parks and Recreation	Sandbridge Special Service District	Sheriff's Department
REVENUES				
General Property Taxes	\$ -	\$ 27,180,085	\$ 196,263	\$ -
Other Local Taxes	7,793,435	-	6,107,873	-
Permits, Privilege Fees, and Regulatory Licenses	-	-	-	3,868
From Use of Money and Property	-	478,226	553,834	19,594
Charges for Services	-	7,328,503	-	3,941,088
Miscellaneous	-	22,041	-	250
From Commonwealth	-	-	-	24,412,268
From Federal Government	-	-	-	177,607
Total Revenues	7,793,435	35,008,855	6,857,970	28,554,675
EXPENDITURES				
Current:				
Executive	-	-	-	-
Law	-	-	-	-
Finance	-	-	-	-
Judicial	-	-	-	68,681,458
Police	-	-	-	-
Human Services	-	-	-	-
Public Works	-	3,869,970	505,408	-
Parks and Recreation	437,372	22,447,806	-	-
Library	-	97	-	-
Planning	-	-	-	-
Agriculture	-	-	-	-
Economic Development	-	-	-	-
Convention and Visitor Development	-	-	-	-
Cultural Affairs	-	-	-	-
Emergency Communications and Citizen Services	-	-	-	-
Fire	-	-	-	-
Housing and Neighborhood Preservation	-	-	-	-
General Registrar	-	-	-	-
General Government	-	-	-	-
Emergency Medical Services	-	-	-	-
Subscription Payments	-	-	-	-
Debt Service:				
Principal Retirement	1,113,223	2,657,316	-	-
Interest and Fiscal Charges	98,505	888,935	-	-
Total Expenditures	1,649,100	29,864,124	505,408	68,681,458
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,144,335	5,144,731	6,352,562	(40,126,783)
OTHER FINANCING SOURCES (USES)				
Revenue/(Payment) under Support Agreement	-	-	-	-
Transfers In	-	70,944	-	40,049,761
Transfers Out	(3,000,000)	(6,574,500)	(4,676,341)	(11,600)
ments under Support Agreemen				
Total Other Financing Sources (Uses), net	(3,000,000)	(6,503,556)	(4,676,341)	40,038,161
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	3,144,335	(1,358,825)	1,676,221	(88,622)
FUND BALANCES - JULY 1	9,323,517	12,587,890	6,713,041	(3,873,128)
FUND BALANCES - JUNE 30	\$ 12,467,852	\$ 11,229,065	\$ 8,389,262	\$ (3,961,750)

CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Tourism Advertising Program	Tourism Investment Program	Town Center Special Service District	Wetlands Board Mitigation	Totals
\$ -	\$ -	\$ 2,632,849	\$ -	\$ 47,989,056
17,163,124	53,825,593	-	-	85,390,025
-	63,135	84,581	31,096	182,722
1,054,318	4,035,540	160,584	33,797	8,949,463
3,500	1,050	385,241	-	15,143,300
3	202,402	902	-	502,574
-	-	-	-	33,836,084
-	-	-	-	103,886,963
18,220,945	58,127,720	3,264,157	64,893	295,880,187
-	-	-	-	261,015
-	-	-	-	1,514
-	-	-	-	45,408
-	-	-	-	69,705,080
-	-	-	-	1,049,509
-	-	-	-	11,701,552
-	5,129,525	-	-	9,524,903
-	1,117,553	98,610	-	24,536,790
-	-	-	-	237,147
-	-	-	-	115,857
-	-	-	-	205,497
-	224,520	3,146,644	-	3,371,164
16,106,374	12,008,710	-	-	28,249,298
-	520,500	-	-	620,500
-	-	-	-	5,000
-	-	-	-	8,495,316
-	-	-	-	40,214,717
-	-	-	-	459,650
-	1,417,049	-	-	5,740,870
-	970,780	-	-	2,248,569
-	-	-	-	93,932
-	12,916,133	-	-	19,129,531
-	4,705,546	-	-	7,759,656
16,106,374	39,010,316	3,245,254	-	233,772,475
2,114,571	19,117,404	18,903	64,893	62,107,712
-	(9,346,188)	-	-	(13,451,494)
-	-	150,000	-	44,546,424
(557,083)	(2,465,170)	(645,976)	-	(64,847,406)
(557,083)	(11,811,358)	(495,976)	-	(33,752,476)
1,557,488	7,306,046	(477,073)	64,893	28,355,236
14,534,458	46,498,875	1,192,974	582,817	148,898,055
\$ 16,091,946	\$ 53,804,921	\$ 715,901	\$ 647,710	\$ 177,253,291

CITY OF VIRGINIA BEACH, VIRGINIA
AGRICULTURE RESERVE PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Real Estate Property Taxes	\$ 7,085,160	\$ 7,085,160	\$ 7,055,690	\$ (29,470)
From Use of Money and Property	30,954	30,954	1,306,909	1,275,955
Total Revenues	7,116,114	7,116,114	8,362,599	1,246,485
<u>EXPENDITURES</u>				
Agriculture Admin & Support	259,355	274,824	205,497	69,327
Contingencies	188,108	172,639	-	172,639
Debt Service:				
Principal Retirement	2,442,859	2,442,859	2,442,859	-
Interest and Fiscal Charges	5,178,651	4,521,837	2,065,693	2,456,144
Total Expenditures	8,068,973	7,412,159	4,714,049	2,698,110
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	(952,859)	(296,045)	3,648,550	3,944,595
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	2,442,859	2,442,859	2,442,859	-
Transfers Out	(1,490,000)	(2,146,814)	(2,901,985)	(755,171)
Total Other Financing Sources (Uses)	952,859	296,045	(459,126)	(755,171)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	-	-	3,189,424	3,189,424
<u>FUND BALANCE - JULY 1</u>	23,385,341	23,385,341	23,385,341	-
<u>FUND BALANCE - JUNE 30</u>	<u>\$ 23,385,341</u>	<u>\$ 23,385,341</u>	<u>\$ 26,574,765</u>	<u>\$ 3,189,424</u>

CITY OF VIRGINIA BEACH, VIRGINIA
CENTRAL BUSINESS DISTRICT SOUTH TAX INCREMENT FINANCING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Real Estate Property Taxes	\$ 10,478,916	\$ 10,478,916	\$ 10,053,823	\$ (425,093)
Other Local Taxes	500,000	500,000	500,000	-
From Use of Money and Property	2,000	2,000	749,811	747,811
Total Revenues	10,980,916	10,980,916	11,303,634	322,718
<u>EXPENDITURES</u>				
Parks & Recreation Contingencies	-	2,084	-	2,084
Contingencies	6,708,709	6,006,625	-	6,006,625
Debt Service:				
Principal Retirement	3,379,319	3,379,319	-	3,379,319
Interest and Fiscal Charges	742,888	742,888	977	741,911
Total Expenditures	10,830,916	10,130,916	977	10,129,939
General Government	-	700,000	308,000	392,000
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	150,000	150,000	10,994,657	10,844,657
<u>OTHER FINANCING SOURCES (USES)</u>				
Revenue/(Payment) under Support Agreement	-	-	(4,105,306)	(4,105,306)
Transfers Out	(150,000)	(150,000)	(150,000)	-
Total Other Financing Sources (Uses)	(150,000)	(150,000)	(4,255,306)	(4,105,306)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	-	-	6,739,351	6,739,351
<u>FUND BALANCE - JULY 1</u>	12,899,342	12,899,342	12,899,342	-
<u>FUND BALANCE - JUNE 30</u>	\$ 12,899,342	\$ 12,899,342	\$ 19,638,693	\$ 6,739,351

CITY OF VIRGINIA BEACH, VIRGINIA
COMBINED AREA DREDGING PROJECTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Real Estate Property Taxes	\$ 879,341	\$ 879,341	\$ 870,346	\$ (8,995)
Total Revenues	879,341	879,341	870,346	(8,995)
<u>EXPENDITURES</u>				
Contingencies	808,022	808,022	-	808,022
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	71,319	71,319	870,346	799,027
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	(230,082)	(230,082)	(230,082)	-
Use of Fund Balance	158,763	158,763	-	(158,763)
Total Other Financing Sources (Uses)	(71,319)	(71,319)	(230,082)	(158,763)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	-	-	640,264	640,264
<u>FUND BALANCE - JULY 1</u>	1,134,237	1,134,237	1,134,237	-
<u>FUND BALANCE - JUNE 30</u>	\$ 1,134,237	\$ 1,134,237	\$ 1,774,501	\$ 640,264

CITY OF VIRGINIA BEACH, VIRGINIA
FEDERAL SECTION EIGHT PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
From Use of Money and Property	\$ -	\$ -	\$ 66,708	\$ 66,708
Charges for Services	2,455,000	2,455,000	1,852,159	(602,841)
Miscellaneous	-	-	125,351	125,351
From Federal Government	25,790,845	28,846,775	29,544,313	697,538
Total Revenues	28,245,845	31,301,775	31,588,531	286,756
<u>EXPENDITURES</u>				
Housing Section 8 Housing	28,460,354	31,990,592	31,359,747	630,845
Subscription Payments	-	-	58,650	(58,650)
Contingencies	67,211	-	-	-
Total Expenditures	28,527,565	31,990,592	31,418,397	572,195
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	(281,720)	(688,817)	170,134	858,951
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	76,000	76,000	76,000	-
Use of Fund Balance	205,720	612,817	-	(612,817)
Total Other Financing Sources (Uses)	281,720	688,817	76,000	(612,817)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	-	-	246,134	246,134
<u>FUND BALANCE - JULY 1</u>	2,206,337	2,206,337	2,206,337	-
<u>FUND BALANCE - JUNE 30</u>	<u>\$ 2,206,337</u>	<u>\$ 2,206,337</u>	<u>\$ 2,452,471</u>	<u>\$ 246,134</u>

CITY OF VIRGINIA BEACH, VIRGINIA
FORFEITED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
From Use of Money and Property	\$ -	\$ -	\$ 165,227	\$ 165,227
From Commonwealth	100,000	100,000	143,602	43,602
From Federal Government	-	-	136,246	136,246
Total Revenues	100,000	100,000	445,075	345,075
<u>EXPENDITURES</u>				
Commonwealth's Attorney Admin & Support	100,000	286,402	179,869	106,533
Police Admin & Support	-	375,000	24,600	350,400
Police Business Services	-	150,000	-	150,000
Police Investigations	100,000	172,290	55,508	116,782
Police Uniform Patrol	-	206,151	295,510	(89,359)
Total Expenditures	200,000	1,189,843	555,487	634,356
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	(100,000)	(1,089,843)	(110,412)	979,431
<u>OTHER FINANCING SOURCES (USES)</u>				
Use of Fund Balance	100,000	1,089,843	-	(1,089,843)
Total Other Financing Sources (Uses)	100,000	1,089,843	-	(1,089,843)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	-	-	(110,412)	(110,412)
<u>FUND BALANCE - JULY 1</u>	3,039,678	3,039,678	3,039,678	-
<u>FUND BALANCE - JUNE 30</u>	\$ 3,039,678	\$ 3,039,678	\$ 2,929,266	\$ (110,412)

**CITY OF VIRGINIA BEACH, VIRGINIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025**

	Budget Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Permits, Privilege Fees, and Regulatory Licenses	\$ -	\$ -	\$ 42	\$ 42
From Use of Money and Property	6,293	6,293	983	(5,310)
Charges for Services	169,305	169,305	267,629	98,324
Miscellaneous	-	-	124	124
Total Revenues	<u>175,598</u>	<u>175,598</u>	<u>268,778</u>	<u>93,180</u>
<u>EXPENDITURES</u>				
Admin & Support	-	-	10	(10)
Programming & Operations	<u>233,300</u>	<u>233,300</u>	<u>230,543</u>	<u>2,757</u>
Total Expenditures	<u>233,300</u>	<u>233,300</u>	<u>230,553</u>	<u>2,747</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(57,702)</u>	<u>(57,702)</u>	<u>38,225</u>	<u>95,927</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	<u>57,702</u>	<u>57,702</u>	<u>57,702</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>57,702</u>	<u>57,702</u>	<u>57,702</u>	<u>-</u>
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	<u>-</u>	<u>-</u>	<u>95,927</u>	<u>95,927</u>
<u>FUND BALANCE - JULY 1</u>	<u>(46,410)</u>	<u>(46,410)</u>	<u>(46,410)</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>	<u>\$ (46,410)</u>	<u>\$ (46,410)</u>	<u>\$ 49,517</u>	<u>\$ 95,927</u>

CITY OF VIRGINIA BEACH, VIRGINIA
OPEN SPACE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Other Local Taxes	\$ 7,781,454	\$ 7,781,454	\$ 7,793,435	\$ 11,981
Total Revenues	7,781,454	7,781,454	7,793,435	11,981
<u>EXPENDITURES</u>				
Parks & Recreation Admin & Support	13,653	13,653	13,653	-
Parks & Recreation Landscape Management	291,323	317,908	225,038	92,870
Parks & Recreation Planning, Design & Development	273,637	287,970	198,681	89,289
Contingencies	2,987,324	2,967,600	-	2,967,600
Debt Service:				
Principal Retirement	1,113,223	1,113,223	1,113,223	-
Interest and Fiscal Charges	102,294	102,294	98,505	3,789
Total Expenditures	4,767,801	4,788,995	1,635,447	3,153,548
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	3,000,000	2,978,806	6,144,335	3,165,529
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	(3,000,000)	(3,000,000)	(3,000,000)	-
Use of Fund Balance	-	21,194	-	(21,194)
Total Other Financing Sources (Uses)	(3,000,000)	(2,978,806)	(3,000,000)	(21,194)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	-	-	3,144,335	3,144,335
<u>FUND BALANCE - JULY 1</u>	9,323,517	9,323,517	9,323,517	-
<u>FUND BALANCE - JUNE 30</u>	\$ 9,323,517	\$ 9,323,517	\$ 12,467,852	\$ 3,144,335

CITY OF VIRGINIA BEACH, VIRGINIA
PARKS AND RECREATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Real Estate Property Taxes	\$ 27,293,610	\$ 27,293,610	\$ 27,180,085	\$ (113,525)
From Use of Money and Property	295,329	295,329	478,226	182,897
Charges for Services	7,028,151	7,028,151	7,328,503	300,352
Miscellaneous	84,000	84,000	22,041	(61,959)
Total Revenues	34,701,090	34,701,090	35,008,855	307,765
<u>EXPENDITURES</u>				
Parks & Recreation Admin & Support	6,709,001	7,113,621	5,638,705	1,474,916
Parks & Recreation Landscape Management	316,908	332,150	200,321	131,829
Parks & Recreation Programming & Operations	16,251,663	16,907,319	15,550,830	1,356,489
Parks & Recreation Planning, Design & Development	1,013,202	1,140,269	1,058,047	82,222
Public Works Facilities Management	4,097,986	4,120,130	3,869,970	250,160
Contingencies	1,131,854	317,318	-	317,318
Debt Service:				
Principal Retirement	2,635,113	2,635,113	2,657,316	(22,203)
Interest and Fiscal Charges	970,863	970,863	888,935	81,928
Total Expenditures	33,126,590	33,536,783	29,864,124	3,672,659
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	1,574,500	1,164,307	5,144,731	3,980,424
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	-	70,944	70,944	-
Transfers Out	(1,574,500)	(6,574,500)	(6,574,500)	-
Use of Fund Balance	-	5,339,249	-	(5,339,249)
Total Other Financing Sources (Uses)	(1,574,500)	(1,164,307)	(6,503,556)	(5,339,249)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	-	-	(1,358,825)	(1,358,825)
<u>FUND BALANCE - JULY 1</u>	12,587,890	12,587,890	12,587,890	-
<u>FUND BALANCE - JUNE 30</u>	\$ 12,587,890	\$ 12,587,890	\$ 11,229,065	\$ (1,358,825)

CITY OF VIRGINIA BEACH, VIRGINIA
SANDBRIDGE SPECIAL SERVICE DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Real Estate Property Taxes	\$ 195,035	\$ 195,035	\$ 196,263	\$ 1,228
Other Local Taxes	5,666,369	5,666,369	6,107,873	441,504
From Use of Money and Property	3,017	3,017	553,834	550,817
Total Revenues	<u>5,864,421</u>	<u>5,864,421</u>	<u>6,857,970</u>	<u>993,549</u>
<u>EXPENDITURES</u>				
Public Works Infrastructure Maintenance	901,369	1,002,302	505,408	496,894
Contingencies	286,711	271,217	-	271,217
Total Expenditures	<u>1,188,080</u>	<u>1,273,519</u>	<u>505,408</u>	<u>768,111</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>4,676,341</u>	<u>4,590,902</u>	<u>6,352,562</u>	<u>1,761,660</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	(4,676,341)	(4,676,341)	(4,676,341)	-
Use of Fund Balance	-	85,439	-	(85,439)
Total Other Financing Sources (Uses)	<u>(4,676,341)</u>	<u>(4,590,902)</u>	<u>(4,676,341)</u>	<u>(85,439)</u>
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	<u>-</u>	<u>-</u>	<u>1,676,221</u>	<u>1,676,221</u>
<u>FUND BALANCE - JULY 1</u>	<u>6,713,041</u>	<u>6,713,041</u>	<u>6,713,041</u>	<u>-</u>
<u>FUND BALANCE - JUNE 30</u>	<u>\$ 6,713,041</u>	<u>\$ 6,713,041</u>	<u>\$ 8,389,262</u>	<u>\$ 1,676,221</u>

CITY OF VIRGINIA BEACH, VIRGINIA
SHERIFF'S DEPARTMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Permits, Privilege Fees, and Regulatory Licenses	\$ 4,000	\$ 4,000	\$ 3,868	\$ (132)
From Use of Money and Property	14,000	14,000	19,594	5,594
Charges for Services	4,976,608	4,976,608	3,941,088	(1,035,520)
Miscellaneous	3,000	3,000	250	(2,750)
From Commonwealth	24,903,116	24,903,116	24,412,268	(490,848)
From Federal Government	150,000	150,000	177,607	27,607
Total Revenues	30,050,724	30,050,724	28,554,675	(1,496,049)
<u>EXPENDITURES</u>				
Judicial	69,284,920	70,118,664	68,681,458	1,437,206
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	(39,234,196)	(40,067,940)	(40,126,783)	(58,843)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	39,245,796	40,049,761	40,049,761	-
Transfers Out	(11,600)	(11,600)	(11,600)	-
Use of Fund Balance	-	29,779	-	(29,779)
Total Other Financing Sources (Uses)	39,234,196	40,067,940	40,038,161	(29,779)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	-	-	(88,622)	(88,622)
<u>FUND BALANCE - JULY 1</u>	(3,873,128)	(3,873,128)	(3,873,128)	-
<u>FUND BALANCE - JUNE 30</u>	<u>\$ (3,873,128)</u>	<u>\$ (3,873,128)</u>	<u>\$ (3,961,750)</u>	<u>\$ (88,622)</u>

CITY OF VIRGINIA BEACH, VIRGINIA
TOURISM ADVERTISING PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Other Local Taxes	\$ 17,226,868	\$ 17,226,868	\$ 17,163,124	\$ (63,744)
From Use of Money and Property	49,100	49,100	1,054,318	1,005,218
Charges for Services	-	-	3,500	3,500
Miscellaneous	4,000	4,000	3	(3,997)
Total Revenues	17,279,968	17,279,968	18,220,945	940,977
<u>EXPENDITURES</u>				
Convention & Visitors Bureau Admin & Support	2,255,544	2,258,438	914,215	1,344,223
Convention & Visitors Bureau Sales & Marketing	14,047,709	15,689,342	14,456,994	1,232,348
Convention & Visitors Bureau Tourism Promotion	1,290,561	1,362,669	735,165	627,504
Contingencies	47,206	-	-	-
Total Expenditures	17,641,020	19,310,449	16,106,374	3,204,075
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	(361,052)	(2,030,481)	2,114,571	4,145,052
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	(557,083)	(557,083)	(557,083)	-
Use of Fund Balance	918,135	2,587,564	-	(2,587,564)
Total Other Financing Sources (Uses)	361,052	2,030,481	(557,083)	(2,587,564)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	-	-	1,557,488	1,557,488
<u>FUND BALANCE - JULY 1</u>	14,534,458	14,534,458	14,534,458	-
<u>FUND BALANCE - JUNE 30</u>	\$ 14,534,458	\$ 14,534,458	\$ 16,091,946	\$ 1,557,488

CITY OF VIRGINIA BEACH, VIRGINIA
TOURISM INVESTMENT PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Other Local Taxes	\$ 52,837,323	\$ 52,837,323	\$ 53,825,593	\$ 988,270
Permits, Privilege Fees, and Regulatory Licenses	-	-	63,135	63,135
From Use of Money and Property	891,250	891,250	4,035,540	3,144,290
Charges for Services	-	-	1,050	1,050
Miscellaneous	1,778	7,778	202,402	194,624
Total Revenues	53,730,351	53,736,351	58,127,720	4,391,369
<u>EXPENDITURES</u>				
Cultural Affairs Admin & Support	520,500	520,500	520,500	-
Parks & Recreation Landscape Management	1,215,004	1,244,210	1,117,553	126,657
Emergency Medical Services Lifeguard Services	1,073,772	1,073,772	970,780	102,992
Convention & Visitors Bureau Programming & Opera	12,239,788	13,597,466	11,664,448	1,933,018
Convention & Visitors Bureau Sales & Marketing	551,940	1,045,157	457,119	588,038
Economic Development Admin & Support	-	224,520	224,520	-
Public Works Facilities Management	1,556,798	1,597,401	883,413	713,988
Public Works Infrastructure Maintenance	3,197,684	4,253,070	4,133,255	119,815
Non Dept Community & Organization Contributions	1,415,384	1,415,384	1,415,384	-
Non Dept General	-	6,000	1,665	4,335
Contingencies	4,033,511	3,421,518	-	3,421,518
Debt Service:				
Principal Retirement	14,044,982	14,044,982	12,916,133	1,128,849
Interest and Fiscal Charges	13,815,592	13,815,592	4,705,546	9,110,046
Total Expenditures	53,664,955	56,259,572	39,010,316	17,249,256
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	65,396	(2,523,221)	19,117,404	21,640,625
<u>OTHER FINANCING SOURCES (USES)</u>				
Revenue/(Payment) under Support Agreement	-	-	(9,346,188)	(9,346,188)
Transfers Out	(2,465,170)	(2,465,170)	(2,465,170)	-
Use of Fund Balance	2,399,774	4,988,391	-	(4,988,391)
Total Other Financing Sources (Uses)	(65,396)	2,523,221	(11,811,358)	(14,334,579)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	-	-	7,306,046	7,306,046
<u>FUND BALANCE - JULY 1</u>	46,498,875	46,498,875	46,498,875	-
<u>FUND BALANCE - JUNE 30</u>	\$ 46,498,875	\$ 46,498,875	\$ 53,804,921	\$ 7,306,046

CITY OF VIRGINIA BEACH, VIRGINIA
TOWN CENTER SPECIAL SERVICE DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
Real Estate Property Taxes	\$ 2,605,529	\$ 2,605,529	\$ 2,632,849	\$ 27,320
Permits, Privilege Fees, and Regulatory Licenses	-	-	84,581	84,581
From Use of Money and Property	365,500	365,500	160,584	(204,916)
Charges for Services	194,300	194,300	385,241	190,941
Miscellaneous	-	-	902	902
Total Revenues	3,165,329	3,165,329	3,264,157	98,828
<u>EXPENDITURES</u>				
Parks & Recreation Landscape Management	133,550	99,308	98,610	698
Economic Development Strategic Growth Areas	3,087,050	3,087,051	1,512,166	1,574,885
Parking Operations	-	94,989	1,634,478	(1,539,489)
Total Expenditures	3,220,600	3,281,348	3,245,254	36,094
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	(55,271)	(116,019)	18,903	134,922
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	150,000	150,000	150,000	-
Transfers Out	(645,976)	(645,976)	(645,976)	-
Use of Fund Balance	551,247	611,995	-	(611,995)
Total Other Financing Sources (Uses)	55,271	116,019	(495,976)	(611,995)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	-	-	(477,073)	(477,073)
<u>FUND BALANCE - JULY 1</u>	1,192,974	1,192,974	1,192,974	-
<u>FUND BALANCE - JUNE 30</u>	\$ 1,192,974	\$ 1,192,974	\$ 715,901	\$ (477,073)

DEBT SERVICE FUND

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

CITY OF VIRGINIA BEACH, VIRGINIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Amounts		Actual Amounts	Variance Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES</u>				
From Use of Money and Property	\$ -	\$ -	\$ 1,279,822	\$ 1,279,822
Federal Reimbursement of Interest	-	-	244,107	244,107
Total Revenues	-	-	1,523,929	1,523,929
<u>EXPENDITURES</u>				
Contingencies	-	656,814	-	656,814
Principal	33,652,075	33,652,075	32,211,658	1,440,417
Interest	16,481,579	16,481,579	12,231,359	4,250,220
Total Expenditures	50,133,654	50,790,468	44,443,017	6,347,451
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	(50,133,654)	(50,790,468)	(42,919,088)	7,871,380
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	50,133,654	50,790,468	45,610,895	(5,179,573)
Transfers Out	(2,442,859)	(2,442,859)	(2,442,859)	-
Use of Fund Balance	2,442,859	2,442,859	-	(2,442,859)
Total Other Financing Sources (Uses)	50,133,654	50,790,468	43,168,036	(7,622,432)
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	-	-	248,948	248,948
<u>FUND BALANCE - JULY 1</u>	29,303,311	29,303,311	29,303,311	-
<u>FUND BALANCE - JUNE 30</u>	\$ 29,303,311	\$ 29,303,311	\$ 29,552,259	\$ 248,948

GENERAL GOVERNMENT

CAPITAL PROJECTS

GENERAL GOVERNMENT CAPITAL PROJECTS

The General Government Capital Projects Fund is used to account for all revenues and expenditures related to the construction of the City's General Government capital assets and infrastructure. The categories of projects accounted for in this fund are engineering and highways, buildings and assets, flood protection, communications and information technology, parks and recreation, coastal, and economic and tourism development.

**CITY OF VIRGINIA BEACH, VIRGINIA
ENGINEERING AND HIGHWAYS CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025**

Project Number	Project Name	Budget to Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
100050	BUS STOP INFRASTRUCTURE-ACCESS IMP	\$ 1,917,126	\$ 98,378	\$ 1,001,622	\$ -	\$ 125,201	\$ 790,302
100057	CENTERVILLE TURNPIKE - PHASE II	71,998,614	1,307,021	5,625,237	5,625,237	2,461,071	63,912,306
100058	CENTERVILLE TURNPIKE - PHASE III	29,765,921	-	2,120,259	2,120,259	128,388	27,517,274
100122	STREET LIGHTING IMPROVEMENTS - PHASE II	820,000	-	669,767	2,827	55,634	94,599
100123	CLEVELAND STREET IMPROVEMENTS IV	25,047,000	1,396,099	2,513,224	2,513,224	1,627,776	20,906,000
100159	ELBOW ROAD EXTENDED - PHASE II-C	33,171,325	7,780,353	8,462,666	8,462,665	23,683,551	1,025,108
100160	ELBOW ROAD EXTENDED II-D	2,683,000	266,117	390,636	390,636	125,322	2,167,041
100171	FERRELL PARKWAY	661,727	-	92,548	92,548	307,104	262,075
100183	FIRST COLONIAL RD-VB BLVD INTERSECTION	34,765,516	2,878,449	21,933,778	5,963,469	7,426,948	5,404,790
100192	GENERAL BOOTH-CAMP PENDLETON INTERS IMPR	3,739,500	3,293,972	3,659,323	3,659,323	80,176	1
100199	GREENWICH RD-CLEVELAND ST CROSSOVER	14,881,314	1,184,384	9,884,544	9,884,544	42,263	4,954,507
100211	I-264 INDEPENDENCE INTERCHANGE IMPROVEMENTS	500,000	-	196,424	196,424	-	303,576
100213	INDIAN RIVER ROAD - PHASE VII-B	14,114,886	-	-	-	-	14,114,886
100214	INDIAN RIVER RD-KEMPSVILLE RD IMPROVEMENT	20,463,848	-	19,922,201	-	199	541,448
100217	INDIAN RIVER ROAD - PHASE VII-A	60,529,770	-	9,388,650	9,388,650	449,439	50,691,682
100235	LANDSTOWN ROAD IMPROVEMENTS PHASE I	4,637,965	609,674	3,512,685	3,512,685	631,321	493,959
100239	LASKIN ROAD PHASE I-B	7,278,981	-	2,266,061	2,266,061	-	5,012,920
100240	LASKIN ROAD BRIDGE REPLACEMENT	20,530,598	6,611,211	19,769,890	16,167,763	71,102	689,605
100242	LASKIN ROAD - PHASE I-A (VDOT)	23,619,480	7,735,959	23,153,579	18,928,330	120,845	345,056
100268	MAJOR BRIDGE REHABILITATION - PHASE II	22,040,284	930,790	11,684,081	1,318,337	1,262,571	9,093,631
100278	NIMMO PARKWAY - PHASE VII-B	19,962,349	6,575	1,471,131	1,471,131	3,121,274	15,369,944
100301	PARLIAMENT DRIVE SIDEWALK PHASE II	3,852,736	191,764	386,233	386,234	105,766	3,360,736
100306	PLEASURE HOUSE ROAD STREET IMPROVE - PHASE II	3,266,289	15,317	202,570	202,570	1,701,272	1,362,447
100317	PRINCESS ANNE ROAD - PHASE VII-A	350,000	-	218,763	218,763	-	131,238
100318	PRINCESS ANNE PHASE VII	30,109,843	144,914	29,382,106	-	446,160	281,577
100322	PROVIDENCE ROAD SIDEWALK	1,099,000	-	1,056,823	-	100	42,077
100340	ROSEMONT ROAD - PHASE V	24,535,228	270,386	1,951,743	1,951,743	310,724	22,272,760
100347	RURAL ROAD IMPROVEMENTS - PHASE II	2,254,424	33,585	329,470	329,470	49,414	1,875,539
100348	RURAL ROAD RECURRING FLOODING, SLR & RES	500,000	789	789	789	-	499,211
100355	SANDBRIDGE ROAD BRIDGE REPLACEMENT	7,732,467	4,993	7,672,148	-	14,747	45,572
100356	SANDBRIDGE ROAD-NIMMO - PHASE VII-A	26,890,707	5,738,194	22,794,137	11,059,322	3,543,284	553,286
100381	SHORE DRIVE CORRIDOR IMPRV-PHASE III	72,165,498	4,298,380	8,557,363	8,557,363	52,834,780	10,773,355
100383	SHORE DRIVE CORRIDOR IMPRV-PHASE IV	13,632,181	99,068	1,131,011	1,131,011	355,947	12,145,224
100401	STREET RECONSTRUCTION - PHASE II	47,322,635	3,133,858	30,753,490	865,152	3,836,055	10,584,608
100422	TRAFFIC CALMING	1,150,000	96,314	328,831	-	260,280	560,889
100423	TRAFFIC SAFETY IMPROVEMENTS - PHASE IV	27,362,365	3,647,932	21,160,790	-	2,493,773	3,707,802
100425	TRAFFIC SIGNAL REHAB - PHASE II	10,072,070	1,066,751	4,274,028	-	2,281,909	3,516,133
100429	UPTON DR EXT-DAM NECK IMPROVEMENTS	1,300,000	-	13,219	13,219	-	1,286,781
100483	WEST NECK ROAD - PHASE IV	9,966,533	265,097	9,666,006	-	70,718	229,809
100492	WITCHDUCK ROAD - PHASE II	57,988,998	14,063	57,534,067	-	158,341	296,590
100501	LASKIN ROAD - PHASE II	783,111	-	625,465	-	-	157,646
100502	CITY WIDE STREET LIGHTING IMPROVEMENTS III	350,000	-	82,385	82,385	10,659	256,956
100522	TRAFFIC SIGNAL RETIMING - PHASE II	2,451,794	424,053	1,374,540	-	211,932	865,322
100524	PLEASURE HOUSE ROAD STREET IMPROVEMENTS - PHASE I	117,324	-	117,322	117,322	-	2
100529	ELBOW ROAD EXTENDED - PHASE II - B	68,050,361	9,167,471	21,161,635	21,161,635	44,224,093	2,664,633
100537	DAM NECK RD-HOLLAND RD INTERSECTION IMPROVEMENTS	3,296,658	115,079	146,276	146,276	49,798	3,100,585
100542	GENERAL BOOTH BLVD-OCEANA BLVD INTERSECTN IMPRV	4,185,277	188,892	188,892	188,892	465,285	3,531,101
100546	N GREAT NECK-LONDON BRIDGE-VA BEACH BLVD INTN IMP	2,783,209	25,260	25,260	25,260	338,624	2,419,325
100555	PARLIAMENT DR-SIDEWALK PHASE I	3,497,552	34,341	191,204	191,204	16,428	3,289,920
100556	SANDBRIDGE RD-SIDEWALK	1,476,394	104,604	232,699	232,699	671,454	572,240
100564	HOLLAND ROAD PHASE I	16,800,000	-	-	-	-	16,800,000
100565	HOLLAND ROAD PHASE II	500,000	-	-	-	-	500,000
100568	NORTHAMPTON BLVD/DIAMOND SPRINGS RD	710,029	-	-	-	-	710,029
100633	ATLANTIC AVE PEDESTRIAN IMPROVEMENTS	1,772,867	260,484	553,558	553,558	121,115	1,098,194
100634	CONSTRUCTION & ENGINEERING INSPECTION PROGRAM	10,500,000	1,367,319	2,166,091	2,166,091	7,808,431	525,478
100647	INDEPENDENCE BLVD-PLEASURE HOUSE	32,718	-	-	-	-	32,718
100659	INDIAN RIVER RD BRIDGE	1,000,000	209,741	210,150	210,150	328,269	461,581
100660	INDIAN RIVER RD SAFETY IMPR	1,500,000	236,202	268,628	268,628	410,124	821,248
100673	PACIFIC AVENUE TURN LANES	2,000,000	-	-	-	-	2,000,000
100682	WOODSTOCK ROAD SIDEWALK	150,000	-	-	-	-	150,000
100683	LEADING PEDESTRIAN INTERVAL INTERSECTION IMPRVMNTS	35,000	-	-	-	-	35,000
100692	VIRGINIA BEACH BLVD-INDEPENDENCE PED CROSS	3,023,734	-	-	-	-	3,023,734
TOTAL ENGINEERING AND HIGHWAYS CAPITAL PROJECTS		\$ 879,696,206	\$ 65,253,833	\$ 372,475,998	\$ 142,023,849	\$ 164,839,667	\$ 340,232,056

**CITY OF VIRGINIA BEACH, VIRGINIA
BUILDINGS CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025**

Project Number	Project Name	Budget to Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
100047	FACILITIES ACCESS SYSTEMS	\$ 1,950,000	\$ 279,055	\$ 1,031,980	\$ 1,826	\$ 9,618	\$ 908,402
100138	CONVENTION CENTER CAPITAL MAINTENANCE	14,025,549	1,417,100	7,830,797	-	119,967	6,074,785
100165	ENERGY PERFORMANCE CONTRACTS - PHASE II	3,300,000	911,050	2,256,024	-	381,277	662,699
100170	FACILITIES PLANNING SERVICES	1,620,467	-	760,314	-	20,756	839,397
100175	FIRE APPARATUS - PHASE IV	22,933,475	3,722,804	21,980,862	8,999,444	624,731	327,882
100176	FIRE FACILITY REHAB & RENEWAL - PHASE III	8,309,731	978,097	7,806,127	-	349,617	153,987
100178	FIRE TRAINING CENTER IMPROVEMENTS - PHASE IV	3,455,751	131,805	2,043,897	-	13,132	1,398,722
100181	FIRE-RESCUE STATION BURTON STATION	7,810,000	174,428	7,748,394	-	6,920	54,686
100203	HERITAGE BUILDING MAINTENANCE - PHASE II	3,375,000	1,168,071	3,155,017	-	147,621	72,361
100224	INTERMEDIATE CARE FACILITIES REN-REP - PHASE I	1,549,776	81,940	499,098	-	-	1,050,678
100225	JUDICIAL CENTER MAINTENANCE	2,244,372	232,670	2,081,280	-	56,534	106,558
100248	LIBRARY ENHANCEMENTS	5,347,039	563,946	5,003,447	-	111,061	232,530
100260	BEACH MAINTENANCE FACILITY	250,529	5,773	36,675	36,675	87,517	126,337
100291	OPERATIONS FACILITIES RENOVATIONS	93,081,844	17,810,270	81,339,676	2,659,680	4,267,913	7,474,256
100325	PUBLIC SAFETY EQUIPMENT REPLACEMENT I	12,535,572	1,620,348	12,018,919	-	130,463	386,191
100392	CITY SECURITY ENHANCEMENTS	3,729,818	535,175	1,739,995	-	777,024	1,212,800
100437	VA AQUARIUM BUILDING SYSTEMS & FACILITY	9,104,132	1,259,622	4,801,525	-	336,756	3,965,850
100445	VAR BLDGS HVAC REHAB & RENEWAL - PHASE IV	17,500,000	1,755,428	12,205,531	-	1,590,012	3,704,458
100446	VAR BLDGS REHAB & RENEWAL - PHASE IV	29,982,170	5,660,595	25,735,187	-	2,396,319	1,850,664
100455	VARIOUS SITE ACQUISITIONS PHASE - III	172,091	9,454	77,507	-	-	94,584
100457	VETERANS MEMORIAL SUSTAINMENT	566,004	-	490,404	-	-	75,600
100463	VIRGINIA AQUARIUM RENEW & REPLACE - PHASE III	4,271,019	118,999	2,020,026	-	277,036	1,973,957
100503	JUDICIAL CENTER ESCALATOR REPLACEMENT	10,614,900	4,591,899	5,786,142	5,695,957	1,512,007	3,316,751
100536	CREEDS TRAINING CENTER RENOVATIONS	14,719,913	6,908,919	7,979,346	1,412,615	6,610,969	129,597
100584	HOUSING RESOURCE CENTER ACCESSIBILITY	72,401	-	72,401	72,400	-	-
100588	HVAC REC CENTERS HVAC REHAB & RENEWAL ARPA	4,400,000	3,197,191	3,931,466	-	424,709	43,824
100589	HVAC CENTRAL UTILITY PLT HVAC REHAB & RENEWAL ARPA	4,704,423	1,278,061	4,298,070	4,298,070	406,353	-
100590	HVAC COURTS BLDG DDC HVAC REHAB & RENEWAL ARPA	3,916,157	1,202,593	2,851,873	-	1,064,284	-
100591	PARKS & REC CONSTRUCTION YARD RELOCATION - ARPA	12,451,244	5,386,533	9,098,987	9,098,987	2,388,281	963,976
100608	VIRGINIA AQUARIUM ANIMAL HOLDING FACILITY REN	4,321,715	2,454,695	3,079,369	3,079,369	148,582	1,093,764
100614	LEROY RD IMPOUND LOT REMEDIAL ACTION	1,443,700	69,622	77,122	77,122	58,228	1,308,350
100616	MOCA BUILDING REHABILITATION	1,000,000	10,437	23,024	23,024	4,260	972,716
100651	COURT MODERNIZATION STUDY	350,000	179,400	179,400	-	468	170,132
100653	HRC RENOVATION	3,525,950	108,838	760,324	760,324	52,422	2,713,204
100655	LAW ENFORCEMENT TRAINING ACADEMY REPLACEMENT	350,000	281,058	281,058	281,058	-	68,942
100670	VOTER REGISTRAR FACILITY	17,250,000	14,514,196	14,540,044	14,540,044	197,485	2,512,471
100675	CENTRAL PLANT LOOP REPLACEMENT	12,007,627	11,449	11,449	11,449	2,251,915	9,744,263
100676	MOSQUITO CONTROL REPLACEMENT	262,500	99,737	99,737	99,737	145,261	17,502
100677	WASTE MANAGEMENT FACILITY REPLACEMENT	294,040	110,824	110,824	110,824	97,835	85,381
100681	PUBLIC WORKS JOINT OPERATIONS FACILITY	3,000,000	-	-	-	-	3,000,000
TOTAL BUILDINGS CAPITAL PROJECTS		<u>\$ 341,798,910</u>	<u>\$ 78,842,081</u>	<u>\$ 255,843,316</u>	<u>\$ 51,258,604</u>	<u>\$ 27,067,337</u>	<u>\$ 58,888,257</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
FLOOD PROTECTION PROGRAM CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025**

Project Number	Project Name	Budget to Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
100061	CENTRAL RESORT DISTRICT - 24TH ST CULVER	\$ 5,100,000	\$ -	\$ -	\$ -	\$ -	\$ 5,100,000
100062	CENTRAL RESORT DISTRICT DRAINAGE IMPROVEMENT	89,500,000	657,953	1,825,840	657,953.37	613,901	87,060,259
100418	THE LAKES HOLLAND ROAD GATE	8,507,000	2,663,680	3,605,476	3,605,476	758,572	4,142,953
100487	WINDSOR WOODS PUMP STATION	41,946,000	4,049,355	5,895,008	5,895,008	1,798,750	34,252,242
100516	PRINCESS ANNE PLAZA -BOW CREEK STORMWATER PARK	76,895,850	11,305,661	28,384,763	28,384,763	18,020,615	30,490,472
100517	PRINCESS ANNE PLAZA N LONDON BRIDGE PUMP STATION	60,900,000	8,728,664	14,595,525	14,595,525	4,734,109	41,570,366
100538	EASTERN SHORE DR-ELEVATE LYNNHAVEN DR	4,016,130	303,108	724,088	724,088	16,923	3,275,119
100548	PUNGO FERRY RD IMPROVEMENTS	30,512,917	75,239	436,578	436,578	974,692	29,101,648
100551	STORMWATER GREEN INFRASTRUCTURE	54,811,400	202,735	1,711,238	1,711,238	2,168,278	50,931,884
100553	WINDSOR WOODS-THALIA CREEK-LAKE TRASHMORE IMP	3,346,500	137,262	182,685	182,685	114,211	3,049,604
100578	STORMWATER PROJECT ADMINISTRATION	5,000,000	639,832	3,962,553	-	974,663	62,784
100595	CHUBB LAKE/LAKE BRADFORD PUMP STATION AND OUTFALL	78,200,000	601,126	1,263,218	1,263,218	2,574,646	74,362,136
100596	CHURCH POINT/THOROUGHGOOD DRAINAGE IMPROV	35,900,000	694,912	764,046	764,046	1,496,061	33,639,893
100597	EASTERN SHORE DRIVE - PH 1 SECTION 1F IMPROVEMENTS	3,450,371	124,022	263,204	263,204	147,288	3,039,880
100598	EASTERN SHORE DRIVE - PH 1 SECTION 1G IMPROVEMENTS	940,000	124,022	263,204	263,204	147,288	529,509
100599	EASTERN SHORE DRIVE - POINCIANA PUMP STATION	8,200,000	375,988	1,021,771	1,021,771	476,135	6,702,094
100600	SEATAACK NEIGHBORHOOD DRAINAGE IMPROVEMENTS	6,925,000	2,449,702	4,207,283	4,207,283	2,110,143	607,574
100601	FIRST COLONIAL & OCEANA BLVD DRAINAGE IMPROVEMENTS	5,346,663	256,357	579,254	579,254	3,865,228	902,181
100602	WEST NECK CREEK BRIDGE	69,000,000	1,155,103	1,502,858	1,502,858	733,919	66,763,223
100603	SANDBRIDGE/NEW BRIDGE INTERSECTION IMPROVEMENTS	7,990,000	-	278,364	278,364	216,634	7,495,002
100604	THE LAKES - FLOOD BARRIERS	3,600,000	843,244	1,190,572	1,190,572	231,021	2,178,408
100605	WINDSOR WOODS - FLOOD BARRIERS	13,157,500	706,881	911,286	911,286	183,410	12,062,804
TOTAL FLOOD PROTECTION PROGRAM CAPITAL PROJECTS		<u>\$ 613,245,331</u>	<u>\$ 36,094,846</u>	<u>\$ 73,568,814</u>	<u>\$ 68,438,374</u>	<u>\$ 42,356,487</u>	<u>\$ 497,320,035</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025**

Project Number	Project Name	Budget to Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
100074	21ST CENTURY ENTERPRISE RESOURCE (HCM)	\$ 13,601,837	\$ 1,868,261	\$ 4,733,178	\$ 4,733,178	\$ 693,487	\$ 8,175,172
100076	ACCELA SUSTAINMENT	2,826,532	142,000	2,750,306	-	4,800	71,426
100083	CABLE ACCESS INFRASTRUCTURE REPLACE - PHASE II	1,713,525	419,704	419,704	419,704	163,327	1,130,494
100084	CITY SOFTWARE UPGRADE-REPLACE	19,749,946	3,457,120	17,106,451	-	2,319,391	324,104
100087	COMMUNICATION INFRASTRUCTURE REPLACE - PHASE III	31,045,801	2,893,273	21,131,197	-	2,160,215	7,754,389
100094	ENTERPRISE CUSTOMER RELATIONSHIP MGMT SYSTEM	2,644,779	353,395	2,224,339	-	368,978	51,462
100103	IT SERVICE CONTINUITY - PHASE II	8,932,211	628,592	8,335,192	-	229,171	367,847
100105	MAINTAIN & SECURE CORPORATE DATA	9,982,078	1,560,779	5,609,942	-	243,004	4,129,132
100106	NEXT GENERATION NETWORK	17,892,720	242,141	13,109,029	-	1,102,079	1,937,024
100107	NETWORK INFRASTRUCTURE REPLACE - PHASE III	36,008,276	4,775,302	31,247,318	-	499,254	4,261,704
100110	POLICE OCEANFRONT CAMERAS	4,965,400	61,878	4,411,122	-	27,762	526,515
100113	ENTERPRISE PUBLIC SAFETY SYSTEMS	19,276,162	421,360	17,874,073	-	816,780	585,309
100118	TELECOMMUNICATIONS REPLACEMENT - PHASE II	6,924,494	9,052	3,649,224	-	139,683	3,135,587
100533	NEXT GENERATION 911	4,061,397	1,857,221	3,499,911	-	353,617	207,869
100541	ENTERPRISE ELECTRONIC CONTENT & RECORDS MGMT (ECRM)	250,000	197,410	197,410	-	-	52,590
100569	LIBRARIES MEETING SPACE TECHNOLOGY MODERNIZATION	325,396	767	275,978	-	-	49,418
100570	ECCS BACK-UP SITE PHASE II	2,807,200	755,717	1,453,381	1,453,381	717,228	636,591
100572	HR-FINANCE SOFTWARE SUSTAINMENT	5,632,431	1,250,431	5,044,987	-	312,591	274,853
100574	COURTS TECHNOLOGY SYSTEM SUSTAINMENT	2,143,064	156,837	1,759,683	-	34,660	348,720
100579	JUVENILE DETENTION CENTER SECURITY REPLACEMENT	1,088,266	31,774	1,066,375	-	1,558	20,332
100580	GUNSHOT DETECTION SYSTEM	2,016,000	29,879	794,721	-	150,449	1,070,830
100581	CRIME PREVENTION THROUGH ENVIRONMENTAL DESIGN	1,867,000	17,308	1,452,357	-	1,936	412,707
100592	TELEHEALTH & CASE MANAGEMENT ARPA	2,210,962	552,386	2,206,329	-	2,563	2,070
100593	SOUTHSIDE NETWORK AUTHORITY BROADBAND RING ARPA	8,299,993	548,876	6,387,676	-	1,912,317	-
100594	LIBRARY MEETING ROOMS TECH MODERNIZATION - ARPA	725,331	538,707	668,572	-	50,426	6,333
100618	REVENUE MANAGEMENT SUSTAINMENT	1,047,696	303,690	773,024	-	66,293	208,378
100620	HSD DOCUMENT MANAGEMENT SYSTEM	1,353,000	188,652	286,088	-	269,368	797,544
100621	CSA MODERNIZATION	975,000	65,203	147,179	-	111,793	716,029
100622	HSD EVIDENCE MANAGEMENT	520,000	360	360	360	35,640	484,000
100624	FORENSIC EVIDENCE MANAGEMENT	506,000	-	82,340	82,340	-	423,660
100645	EOC MODERNIZATION	1,482,900	848,589	848,589	-	264,031	370,281
100657	MYREVENUE SYSTEM CLOUD MIGRATION	4,373,200	257,698	513,198	-	356,102	3,503,900
100658	TREASURERS E-BILLING	414,000	-	-	-	317,605	96,395
100679	MASS CARE MANAGEMENT TECHNOLOGY	685,209	-	-	-	60,000	625,209
100680	INTEGRATED EMERGENCY MANAGEMENT FRAMEWORK	1,897,500	726,940	726,940	726,940	161,489	1,009,072
TOTAL COMMUNICATIONS AND INFORMATION TECHNOLOGY CAPITAL PROJECTS		<u>\$ 220,245,306</u>	<u>\$ 25,161,301</u>	<u>\$ 160,786,174</u>	<u>\$ 7,415,903</u>	<u>\$ 13,947,597</u>	<u>\$ 43,766,946</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
PARKS AND RECREATION CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025**

Project Number	Project Name	Budget to Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
100023	ATHLETIC FIELDS LIGHTING-RENOV - PHASE III	\$ 3,702,277	\$ 216,598	\$ 2,780,220	\$ -	\$ 10,913	\$ 911,144
100040	BIKEWAYS-TRAILS REPAIRS-RENOVATIONS - PHASE I	3,424,279	540,556	1,911,800	-	310,612	1,201,866
100119	CITY BIKEWAYS & TRAILS PLAN IMPLEMENTATION - PHASE II	4,982,978	294,386	2,929,877	-	78,722	1,974,378
100127	RECREATION CENTERS REPAIRS & RENOV - PHASE III	26,087,768	1,719,804	16,042,771	-	304,079	9,740,917
100190	FOXFIRE TRAIL PEDESTRIAN BRIDGE	2,615,397	1,123,829	2,386,957	2,386,957	217	228,223
100194	GOLF COURSES CONTRACTUAL OBLIGATIONS	1,680,000	111,712	1,165,154	-	-	514,846
100198	GREENWAY SCENIC WATER & NAT AREA - PHASE III	3,475,000	869,551	2,493,814	-	311,807	669,378
100256	LYNNHAVEN BOAT RAMP-BEACH FAC REP-RENOV	662,221	39,082	484,788	-	-	177,433
100289	OPEN SPACE PARK DEVELOPMENT-MAINT-PHASE II	18,171,100	1,473,958	17,131,881	6,209,652	250,244	788,975
100299	PARK PLAYGROUND RENOVATIONS - PHASE III	8,117,587	887,390	7,240,022	-	844,592	32,973
100320	PARKS & SPECIAL USE FACILITY DEV/RENO-PHASE III	22,555,001	3,365,687	14,709,365	-	2,346,581	5,499,055
100393	SPORTSPLEX-NATL TRNG CTR REN & REPLACE	12,862,173	2,322,581	11,288,562	-	24,060	1,549,551
100402	STUMPY LAKE GOLF COURSE LEASE OBLIGATION	404,503	-	173,408	-	-	231,095
100413	TENNIS COURT RENOVATIONS - PHASE III	3,675,000	273,375	2,210,323	-	-	1,464,677
100415	THALIA CREEK GREENWAY - PHASE I	3,400,157	791,914	1,402,301	1,402,301	1,585,262	412,594
100511	SOUTHERN RIVERS WATERSHED SITE ACQUISITION PROGRAM	8,000,000	1,573,041	1,573,291	-	-	6,426,709
100558	VIOLET BANK TRAIL	1,600,000	3,745	3,745	3,745	-	1,596,255
100559	THREE OAKS ELEMENTARY MULTI-USE PATH	740,901	645,493	655,328	654,978	65,757	19,816
100587	PARKS CAPITAL INFRASTRUCTURE REPLACEMENT - ARPA	16,775,000	5,141,629	16,078,020	874,447	696,980	-
100607	LITTLE ISLAND PARKING LOT IMPROVEMENT ARPA	1,550,000	1,372,965	1,411,648	-	6,048	132,303
100632	PARK INFRASTRUCTURE REPLCMT & UNDERDEVELOPED PARKS	9,380,000	606,908	1,458,934	1,458,934	515,069	7,405,996
100637	PUNGO FERRY LANDING PARK IMPROVEMENTS	2,585,625	46,653	206,764	206,764	93,039	2,285,822
100638	OWL CREEK BOAT RAMP IMPROVEMENTS	3,993,000	382,400	426,651	426,651	1,863,118	1,703,232
100641	OPEN SPACE ACQUISITION IV	7,500,000	6,182	1,506,182	3,232	-	5,993,818
100644	VIRGINIA BEACH TRAIL	19,550,000	368,711	368,711	368,711	42,480	19,138,809
100661	RECREATION CENTER MODERNIZATION	4,000,000	-	-	-	-	4,000,000
100663	LITTLE ISLAND PARK PIER REPAIRS	1,200,000	47,642	47,642	47,642	41,690	1,110,668
100664	VIRGINIA BEACH MAY 31 MEMORIAL	14,000,000	2,109,451	3,197,890	3,197,890	9,145,963	1,656,147
100667	RUDEE LOOP PARK DEVELOPMENT	10,000,000	2,202,384	2,202,384	2,202,384	208,717	7,588,898
100684	SEATAACK PARK IMPROVEMENTS	3,000,000	-	-	-	-	3,000,000
TOTAL PARKS AND RECREATION CAPITAL PROJECTS		<u>\$ 219,689,966</u>	<u>\$ 28,537,626</u>	<u>\$ 113,488,434</u>	<u>\$ 19,444,288</u>	<u>\$ 18,745,953</u>	<u>\$ 87,455,579</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
COASTAL CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025**

Project Number	Project Name	Budget to Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
100030	BAY BEACHES RESTORATION	\$ 5,855,804	\$ 1,363	\$ 1,363	\$ -	\$ 187,372	\$ 5,667,069
100038	BEACH REPLENISHMENT - PHASE II	18,398,413	70,322	70,322	-	60,000	18,268,091
100142	CROATAN BEACH RESTORATION	3,075,674	-	-	-	-	3,075,674
100149	DREDGE OPERATIONS REHAB & MODIFICATIONS	3,190,700	818,687	818,687	818,687	426,922	1,945,091
100152	EASTERN BRANCH LYNNHAVEN RIVER DREDGING	11,794,602	2,177,209	2,177,209	-	1,322,611	8,294,782
100193	GILLS COVE NEIGHBORHOOD DREDGING	1,198,072	-	-	-	281,139	916,933
100210	HURDS COVE NEIGHBORHOOD DREDGING	2,905,719	1,007,764	1,007,764	-	1,331,321	566,635
100253	BAYVILLE CREEK NEIGHBORHOOD DREDGING II	515,899	-	-	-	80,485	435,414
100258	LYNNHAVEN INLET MAINTENANCE DREDGING - PHASE II	2,544,184	-	-	-	-	2,544,184
100274	NEIGHBORHOOD DREDGING SPUR CHANNELS	1,487,097	43,716	43,716	43,716	73,118	1,370,264
100304	PLEASURE HOUSE POINT MITIGATION - PHASE I	7,086,636	1,328,098	1,328,098	-	4,238,053	1,520,486
100334	RUDEE INLET DREDGE REPLACEMENT	9,788,769	3,141,978	3,141,978	6,959,775	2,808,008	3,838,783
100344	RUDEE INLET FEDERAL DREDGING - PHASE II	6,960,000	1,487,242	1,487,242	-	909	5,471,849
100345	RUDEE INLET OUTER CHAN MAINT DREDG - PHASE II	4,513,433	530,587	530,587	-	-	3,982,846
100349	SANDBRIDGE BEACH ACCESS IMPROV - PHASE II	4,200,000	16,815	16,815	-	22,938	4,160,247
100450	VARIOUS MINOR DREDGING - PHASE II	4,535,354	414,873	414,873	-	111,760	4,008,721
100510	SANDBRIDGE BEACH RESTORATION - PHASE IV	31,955,465	49,059	49,059	-	-	31,906,406
100534	OLD DONATION CREEK AREA DREDGING-PHASE II	1,123,855	1,673	1,673	-	1,011,288	110,894
100550	SHADOWLAWN AREA DREDGING II	321,328	127,004	127,004	-	34,290	160,034
100552	WESTERN BRANCH LYNNHAVEN DREDGING II	3,714,040	27,948	27,948	-	2,076,324	1,609,768
100560	HARBOUR POINT DREDGING II	205,159	80,165	80,165	-	15,987	109,007
100617	RUDEE INLET WEIR REPLACEMENT	915,204	209,891	209,891	209,891	544,933	160,380
100636	SANDBRIDGE BEACH RESTORATION - PHASE III	21,239,390	-	-	-	-	21,239,390
TOTAL COASTAL CAPITAL PROJECTS		<u>\$ 147,524,797</u>	<u>\$ 11,534,394</u>	<u>\$ 11,534,394</u>	<u>\$ 8,032,069</u>	<u>\$ 14,627,458</u>	<u>\$ 121,362,948</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
ECONOMIC AND TOURISM CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025**

Project Number	Project Name	Budget to Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
100001	17TH STREET IMPROVEMENTS - PHASE I	\$ 48,843,040	\$ 350,236	\$ 2,179,297	\$ 2,179,297	\$ 40,237,880	\$ 6,425,863
100002	17TH STREET IMPROVEMENTS - PHASE II	293,631	-	293,631	293,631	-	-
100014	APZ-1 ECONOMIC INCENTIVES	1,857,692	25,593	746,898	-	-	1,110,794
100048	BURTON STATION ROAD IMPROVEMENTS-PHASE III	17,611,465	65,391	2,812,214	2,812,214	253,443	14,545,808
100059	RESORT PARKING DISTRICT	26,125,000	-	4,200	-	-	26,120,800
100145	ATLANTIC PARK DEVELOPMENT ACQUISITION	9,194,182	228,416	8,741,369	-	254,864	197,949
100146	ATLANTIC PARK ENTERTAINMENT VENUE	54,997,614	26,823,238	51,888,749	-	16,700	3,220,561
100147	ATLANTIC PARK PARKING	45,950,000	939	45,870,653	-	-	79,347
100148	ATLANTIC PARK STREETSCAPES	6,000,000	-	4,287,993	-	-	1,712,007
100157	ECONOMIC DEVELOPMENT INVESTMENT PROGRAM - II	12,075,696	861,105	2,861,105	-	-	10,075,696
100251	LONDON BRIDGE COMMERCE CENTER - PHASE I	1,730,762	-	91,404	91,404	-	1,639,359
100262	LYNNHAVEN PARKWAY CORRIDOR IMPROVEMENTS	7,939,338	41,477	527,397	527,397	6,590,630	821,312
100282	OCEANA & ITA CONFORMITY & ACQUISITION - PHASE II	8,642,318	564,445	6,907,836	-	25,912	1,708,570
100283	OCEANFRONT CAPITAL PROJECTS REINVESTMENT I	7,331,861	98,370	5,495,930	-	60,671	1,775,260
100284	OCEANFRONT GARAGES CAPITAL MAINTENANCE	6,315,893	5,640	6,315,077	-	-	816
100285	OCEANFRONT PARKING FACILITY CAP MAIN-DEV	5,853,367	901,554	2,605,388	-	1,505,799	1,742,180
100286	OCEANFRONT RESTROOM	2,833,484	156,458	1,286,449	-	238,343	1,308,691
100300	ATLANTIC AVENUE STREET IMPROVEMENTS	33,900,000	4,074,973	5,535,000	5,535,000	1,034,526	27,330,473
100399	STRATEGIC GROWTH AREA PROGRAM	12,445,687	354,946	10,901,888	-	158,383	1,385,417
100419	TOWN CENTER GARAGE & PLAZA CAP MAINT - PHASE I	2,657,133	19,888	2,654,231	-	196	2,707
100420	TOWN CENTER GARAGE & PLAZA CAP MAINT - PHASE II	4,180,128	1,171,935	2,160,452	-	195,111	1,824,564
100421	TOWN CENTER REINVESTMENT	1,050,000	46,982	405,477	-	-	644,523
100456	VB AMPHITHEATER CAPITAL MAINTENANCE	4,241,446	964,853	4,224,876	559,272	677	15,894
100459	VIBE DISTRICT STREET INF - PHASE I	10,811,046	801,930	5,391,058	-	5,022,809	397,179
100466	VIRGINIA BEACH SPORTS CENTER	73,651,047	2,512,782	71,045,529	-	429,963	2,175,555
100489	WINSTON-SALEM AVENUE IMPROVEMENTS	18,558,235	3,869,160	4,771,381	4,771,381	9,991,172	3,795,682
100575	31ST STREET STAGE CANOPY	3,128,720	960,378	2,928,582	-	3,789	196,349
100576	VA BEACH INNOVATION PARK INFRASTRUCTURE II	18,659,000	6,212,408	15,567,361	15,282,340	20,458	3,356,202
100606	ATLANTIC PARK OFFSITE INFRASTRUCTURE	36,567,955	9,396,960	30,490,715	-	683,838	5,680,569
100628	VISITOR INFORMATION SERVICES	1,000,000	21,494	21,494	21,494	77,085	901,421
100629	SPORTS TOURISM FACILITIES & INFRASTRUCTURE	19,500,000	9,589,039	9,653,939	9,653,939	6,651,461	3,194,600
100630	17TH ST REGIONAL STORMWATER MANAGEMENT FACILITY	28,700,000	662,032	906,994	906,994	740,163	27,052,843
100635	CORPORATE LANDING BUSINESS PARK INFRASTRUCTURE	10,000,000	2,776,990	7,695,178	5,545,883	-	4,454,117
100639	CAPE HENRY LIGHTHOUSE RESTORATION	1,918,119	165,458	252,109	252,109	150,550	1,515,460
100666	DAM NECK-LONDON BRIDGE CONNECTOR IMPROVEMENTS	22,500,000	2,500,000	2,500,000	2,500,000	-	20,000,000
TOTAL ECONOMIC & TOURISM CAPITAL PROJECTS		<u>\$ 567,063,859</u>	<u>\$ 76,225,070</u>	<u>\$ 320,021,854</u>	<u>\$ 50,932,355</u>	<u>\$ 74,344,423</u>	<u>\$ 176,408,568</u>

CITY OF VIRGINIA BEACH, VIRGINIA
SUMMARY OF GENERAL GOVERNMENT CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

Project Name	Budget to Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
ENGINEERING AND HIGHWAYS	\$ 879,696,206	\$ 65,253,833	\$ 372,475,998	\$ 142,023,849	\$ 164,839,667	\$ 342,380,541
BUILDINGS	341,798,910	78,842,081	255,843,316	51,258,604	27,067,337	58,888,257
FLOOD PROTECTION PROGRAM	613,245,331	36,094,846	73,568,814	68,438,374	42,356,487	497,320,030
COMMUNICATIONS & INFORMATION TECHNOLOGY	220,245,306	25,161,301	160,786,174	7,415,903	13,947,597	45,511,535
PARKS AND RECREATION	219,689,966	28,537,626	113,488,434	19,444,288	18,745,953	87,455,579
COASTAL	147,524,797	11,534,394	11,534,394	8,032,069	14,627,458	121,362,945
ECONOMIC AND TOURISM	<u>567,063,859</u>	<u>76,225,070</u>	<u>320,021,854</u>	<u>50,932,355</u>	<u>74,344,423</u>	<u>172,697,582</u>
GENERAL GOVERNMENT EXPENDITURES	<u>\$ 2,989,264,375</u>	321,649,151.00	<u>\$ 1,307,718,984</u>	<u>\$ 347,545,442</u>	<u>\$ 355,928,922</u>	<u>\$ 1,325,616,469</u>
CLOSED CAPITAL PROJECTS EXPENDITURES		5,233,955				
CAPITALIZED SUBSCRIPTION EXPENDITURES		<u>4,130,510</u>				
TOTAL CURRENT YEAR CAPITAL PROJECTS EXPENDITURES AND OTHER FINANCING USES		<u>\$ 331,013,616</u>				
TOTAL GENERAL GOVERNMENT CAPITAL PROJECTS REVENUES			\$ 1,576,889,889			
TOTAL GENERAL GOVERNMENT CAPITAL PROJECTS EXPENDITURES			<u>(1,307,718,984)</u>			
GENERAL GOVERNMENT CAPITAL PROJECT FUND BALANCE			<u>\$ 269,170,905</u>			

CITY OF VIRGINIA BEACH, VIRGINIA
SUMMARY OF GENERAL GOVERNMENT CAPITAL PROJECTS REVENUES
FOR THE YEAR ENDED JUNE 30, 2025

	Budget Revenues	Actual Revenues		
		Prior Years	Current Year	Total
FEDERAL FUNDING	\$ 193,820,533	\$ 46,538,884	\$ 21,408,574	\$ 67,947,458
STATE FUNDING	212,265,679	94,604,756	6,681,313	\$ 101,286,069
LOCAL FUNDING	2,583,178,163	1,296,360,650	111,295,712	\$ 1,407,656,362
TOTAL GENERAL GOVERNMENT CAPITAL PROJECTS REVENUES	<u>\$ 2,989,264,375</u>	<u>\$ 1,437,504,290</u>	<u>\$ 139,385,599</u>	<u>\$ 1,576,889,889</u>

WATER AND SEWER

ENTERPRISE FUND

WATER AND SEWER ENTERPRISE FUND

The Water and Sewer Enterprise Fund operates the water distribution and sanitary sewer collection systems. The mission of this fund is to provide public water, including water for fire protection, and public sanitary sewer service to the urban areas of Virginia Beach.

CITY OF VIRGINIA BEACH, VIRGINIA
WATER AND SEWER ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS

Current Assets:	
Cash and Investments	\$ 133,615,614
Accounts Receivable - Net of Estimated Uncollectibles	18,330,339
Intergovernmental Receivables	99,764
Inventory	4,442,389
Total Current Assets	<u>156,488,106</u>
Non-current Assets:	
Cash and Investments - Restricted	43,151,251
Capital Assets:	
Land	14,618,544
Buildings	18,940,552
Utility System	1,308,292,041
Machinery and Equipment	44,792,037
Construction in Progress	73,599,335
Less: Accumulated Depreciation	<u>(709,058,284)</u>
Total Capital Assets	<u>751,184,225</u>
Total Non-current Assets	<u>794,335,476</u>
Total Assets	<u>950,823,582</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows for Pensions	9,338,120
Deferred Outflows for OPEB	<u>619,770</u>
Total Deferred Outflows of Resources	<u>9,957,890</u>

LIABILITIES

Current Liabilities:	
Vouchers and Accounts Payable	5,004,167
Deposits Payable	235,726
Accrued Interest Payable	1,492,703
Construction Contracts Payable	4,004,070
Unearned Revenue	1,091,312
Current Portion of Long-term Liabilities	<u>17,489,836</u>
Total Current Liabilities	<u>29,317,814</u>
Long-Term Liabilities:	
Compensated Absences	2,877,831
Bonds and Notes Payable	163,342,539
Subscriptions Payable	4,218,887
Net Pension Liability	23,371,711
Net OPEB Liability	<u>1,962,474</u>
Total Long-Term Liabilities	<u>195,773,442</u>
Total Liabilities	<u>225,091,256</u>

DEFERRED INFLOWS OF RESOURCES

Debt Refundings Resulting in Gain Transactions	104,488
Deferred Inflows for Pensions	3,652,541
Deferred Inflows for OPEB	<u>802,983</u>
Total Deferred Inflows of Resources	<u>4,560,012</u>

NET POSITION

Net Investment in Capital Assets	584,571,801
Restricted for Debt Service	21,425,886
Unrestricted	<u>125,132,517</u>
Total Net Position	<u>\$ 731,130,204</u>

CITY OF VIRGINIA BEACH, VIRGINIA
WATER AND SEWER ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

OPERATING REVENUES

Service Charges	\$ 83,511,558
Sale of Water	58,664,283
Tap Fees	1,393,842
Fire Hydrant Rental	310
Navy Wheelage Charges	174,769
Interfund Services Provided	2,365,634
Miscellaneous	6,590
Total Operating Revenues	<u>146,116,985</u>

OPERATING EXPENSES

Cost of Goods Sold - Water Purchases	37,135,530
Personal Services	36,036,435
Contractual Services	12,760,133
Internal Services	5,526,194
Other Charges	21,282,576
Leases and Rentals	489,290
Depreciation	27,613,082
Total Operating Expenses	<u>140,843,240</u>

OPERATING INCOME

5,273,745

NONOPERATING REVENUES (EXPENSES)

From Commonwealth	16,655
Interest Income	10,989,995
Gain From Sale of Assets	118,538
Interest and Fiscal Charges	(4,862,401)
Total Nonoperating Revenues, net	<u>6,262,787</u>

INCOME BEFORE CONTRIBUTIONS

11,536,532

Capital Contributions	3,894,535
Capital Contributions - Transfers In	<u>4,200,000</u>

CHANGE IN NET POSITION

19,631,067

TOTAL NET POSITION - BEGINNING

711,499,137

TOTAL NET POSITION - ENDING\$ 731,130,204

**CITY OF VIRGINIA BEACH, VIRGINIA
WATER AND SEWER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from Customers and Users	\$ 141,089,035
Receipts from Interfund Services Provided	2,417,685
Other Operating Cash Receipts	6,590
Cash Payments to Suppliers of Goods and Services	(80,479,847)
Cash Payments to Employees for Services	(36,480,580)
Net Cash Provided By Operating Activities	<u>26,552,883</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Intergovernmental Receipts	16,655
Net Cash Provided By Noncapital Financing Activities	<u>16,655</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Receipts of Capital Contributions	3,578,005
Interest on Long-term Debt, Subscriptions and Lease Obligations	(6,742,494)
Acquisition and Construction of Capital Assets	(60,910,298)
Subscription Principal Payments	(1,254,296)
Lease Principal Payments	(168,380)
Proceeds from Sale of Salvage	118,538
Principal Paid on Capital Debt	(12,720,000)
Net Cash Used in Capital and Related Financing Activities	<u>(78,098,925)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest and Dividends Received	<u>10,989,995</u>
Net Increase (Decrease) in Cash and Investments	(40,539,392)
Cash and Investments, July 1	<u>217,306,257</u>
Cash and Investments, June 30	<u>\$ 176,766,865</u>

RECONCILIATION OF OPERATING INCOME (LOSS)**TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating Income	\$ 5,273,745
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:	
Depreciation	27,613,082
Net changes in assets and liabilities:	
Accounts Receivable	(2,655,726)
Intergovernmental Receivables	52,051
Inventory	(652,252)
Deferred Outflows of Resources	(738,873)
Vouchers and Accounts Payable	454,480
Deposits Payable	(24,365)
Unearned Revenue	(3,063,987)
Deferred Inflows of Resources	401,601
Accrued Compensated Leave	42,327
Net Pension Liability	332,329
Net OPEB Liability	(481,529)
Net Cash Provided By Operating Activities	<u>\$ 26,552,883</u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Capital Contributions of Capital Assets	\$ 316,530
Amortization of Bond Premiums	1,726,134
Right-to-use Assets Acquired through Lease and Subscription Contracts	6,380,299
Lease and Subscription Liabilities Incurred from Acquiring Right-to-Use Assets	(6,380,299)

CITY OF VIRGINIA BEACH, VIRGINIA
WATER AND SEWER ENTERPRISE FUND
SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget	Actual	Variance
<u>Administration and Support</u>			
Personal Services	\$ 375,327	\$ 356,243	\$ 19,084
Fringe Benefits	111,831	107,824	4,007
Contractual Services	1,075	6,600	(5,525)
Internal Services	1,209,750	1,211,136	(1,386)
Other Charges	61,532	55,088	6,444
Total Administration and Support	<u>1,759,515</u>	<u>1,736,891</u>	<u>22,624</u>
<u>Business Services</u>			
Personal Services	4,278,403	3,546,423	731,980
Fringe Benefits	1,010,871	1,000,010	10,862
Contractual Services	3,234,345	1,300,039	1,934,306
Internal Services	245,014	229,225	15,789
Other Charges	<u>38,449,022</u>	<u>38,314,536</u>	<u>134,485</u>
Total Business Services	<u>47,217,654</u>	<u>44,390,232</u>	<u>2,827,422</u>
<u>Engineering</u>			
Personal Services	6,944,821	6,291,981	652,840
Fringe Benefits	1,672,489	1,706,911	(34,422)
Contractual Services	11,369,797	6,402,888	4,966,909
Internal Services	356,462	304,304	52,158
Other Charges	<u>2,334,048</u>	<u>1,880,897</u>	<u>453,151</u>
Total Engineering	<u>22,677,617</u>	<u>16,586,981</u>	<u>6,090,636</u>
<u>Operational Management</u>			
Personal Services	15,661,354	14,539,971	1,121,383
Fringe Benefits	3,591,773	3,562,681	29,093
Contractual Services	6,630,794	4,849,966	1,780,828
Internal Services	3,785,810	3,748,910	36,901
Other Charges	<u>7,161,271</u>	<u>8,538,653</u>	<u>(1,377,382)</u>
Total Operational Management	<u>36,831,003</u>	<u>35,240,180</u>	<u>1,590,822</u>
<u>Technical Services</u>			
Personal Services	2,190,265	1,671,461	518,805
Fringe Benefits	487,098	442,854	44,243
Contractual Services	129,364	32,254	97,110
Internal Services	31,493	32,244	(751)
Other Charges	<u>55,610</u>	<u>16,750</u>	<u>38,860</u>
Total Technical Services	<u>2,893,830</u>	<u>2,195,563</u>	<u>698,267</u>

CITY OF VIRGINIA BEACH, VIRGINIA
WATER AND SEWER ENTERPRISE FUND
SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>General Fund Charges</u>			
Building Maintenance	\$ 152,500	\$ 72,539	\$ 79,961
Direct Cost	141,396	141,396	-
Development Services Center	392,095	411,020	(18,925)
Indirect Cost	3,003,539	3,003,539	-
Landscape Services	742,132	674,915	67,217
Occupational Health	50,000	21,000	29,000
Office Rent	127,660	127,660	-
Right of Way	4,000,000	4,000,000	-
Treasurer Support	498,325	512,810	(14,485)
Water Assistance	250,000	206,890	43,110
Total General Fund Charges	<u>9,357,647</u>	<u>9,171,769</u>	<u>185,878</u>
<u>Other Charges</u>			
Retiree Health Insurance	3,296,542	3,296,917	(375)
CIP Annual Expenditures	-	1,098,098	(1,098,098)
Net Deferred OPEB Contributions	-	(609,910)	609,910
Net Deferred Pension Contributions	-	123,437	(123,437)
Reserves	426,213	-	426,213
Total Other Charges	<u>3,722,755</u>	<u>3,908,542</u>	<u>(185,787)</u>
Total Budgeted Operating Expenses	<u>\$ 124,460,021</u>	<u>\$ 113,230,158</u>	<u>\$ 11,229,863</u>

Note: Total General Fund Charges reclassified as Other Charges.

Depreciation is not included in the Budgeted Operating Expenses. The City does not budget for depreciation.

**CITY OF VIRGINIA BEACH, VIRGINIA
WATER AND SEWER FUND CAPITAL PROJECTS
WATER CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025**

Project Number	Project Name	Budget to Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
100124	CLEVELAND STREET IMPROVEMENTS	\$ 600,000	\$ -	\$ 575,020	\$ 575,020	\$ 16,275	\$ 8,705
100158	ELBOW ROAD EXT - PHASE I & II	2,154,663	-	424,345	3,526	1,545,240	185,078
100185	FIRST COLONIAL RD-VB BLVD INTERSECTION - WATER	1,920,000	127,990	889,171	889,171	782,089	248,740
100196	GREAT NECK WATER TANK REPLACEMENT	9,285,000	5,365,041	7,376,448	7,183,094	1,833,340	75,212
100216	INDIAN RIVER ROAD - WATER	68,548	-	61,696	3,472	-	6,852
100230	LAKE GASTON RAW WATER TRANSMISSION SYSTEM	12,442,000	427,211	11,220,114	4,225,575	309,966	911,920
100238	LANDSTOWN YARD IMPROVEMENTS IV – WATER	8,837,000	1,448,793	5,931,528	3,312,629	1,226,257	1,679,215
100303	PEMBROKE MEADOWS NEIGHBORHOOD WATER REHAB	12,650,000	4,613,705	10,929,501	10,929,501	875,800	844,699
100337	RESORT AREA NEIGHBORHOOD REVITALIZATION - WATER	7,896,636	1,645,208	7,464,630	11,881	205,572	226,434
100341	ROSEMONT ROAD - PHASE V - WATER	448,582	4,469	125,127	125,127	33,675	289,780
100369	SERVICE ORDER AUTOMATION SOLUTION PHASE II WATER	348,193	37,179	243,860	-	-	104,333
100387	SHORE DRIVE WATER LINE IMPROVEMENTS - PHASE V	9,314,564	320,170	463,030	463,030	8,017,743	833,791
100408	SYSTEM EXP COST PARTICIPATION AGREE - PHASE II WATER	640,000	-	151,825	825	-	488,175
100432	UTILITIES TECHNOLOGY SUPPORT PROGRAM – WATER	1,400,000	105,660	405,693	405,693	222,376	771,931
100451	VAR ROADWAY STORM WATER - PHASE VI	6,990,000	877,518	3,464,801	-	543,003	2,982,196
100460	VIBE DISTRICT WATER IMPROVEMENTS	4,500,000	123,154	520,214	520,214	2,554,624	1,425,162
100464	VIRGINIA BEACH BLVD WATER SYSTEM IMPROVE	350,000	-	-	-	-	350,000
100470	WATER LINE EXT, REPLACE, REHAB PROGRAM II	6,980,727	2,872,088	4,504,103	313,213	1,263,432	1,213,192
100471	WATER PUMP REPAIRS AND REPLACEMENTS	820,000	-	91,219	-	461,250	267,531
100478	WATER TAP INSTALLATION PROGRAM - PHASE II	3,839,754	626,463	3,309,940	-	406,837	122,977
100479	WATER TRANSMISSION SYSTEM UPGRADE PRG - PHASE II	12,247,250	453,748	3,145,779	-	5,114,649	3,986,822
100518	ROYAL PALM ARCH WATER SYSTEM REHAB	4,518,188	1,967,480	2,611,555	2,611,555	508,599	1,398,034
100530	LASKIN ROAD PHASE I – WATER	3,310,458	-	2,413,964	2,258,359	14,210	882,284
100561	PRINCESS ANNE PLAZA WINDSOR WOODS & LAKES	1,945,000	450,540	1,172,957	1,172,957	238,468	533,575
100562	ATLANTIC AVENUE METER VAULT REPLACEMENTS	3,930,000	816,634	1,839,775	-	76,910	2,013,315
100612	GREEN GARDEN WATER SYSTEM IMPROVEMENTS	7,891,418	5,207,687	5,219,737	5,219,737	2,131,551	540,130
100640	STUMPY LAKE DAM IMPROVEMENTS	630,000	126,285	126,285	126,285	-	503,715
100685	WATER METER REPLACEMENT	2,000,000	9,930	9,930	-	1,812,343	177,727
100701	PRINCESS ANNE ROAD WATER TRANSMISSION MAIN	349,751	-	-	-	-	349,751
TOTAL WATER CAPITAL PROJECT EXPENDITURES		<u>\$ 128,307,732</u>	<u>\$ 27,626,952</u>	<u>\$ 74,692,247</u>	<u>\$ 40,350,864</u>	<u>\$ 30,194,209</u>	<u>\$ 23,421,276</u>
CLOSED WATER CAPITAL PROJECTS EXPENDITURES			<u>13,700</u>				
TOTAL CURRENT YEAR CAPITAL PROJECT EXPENDITURES			<u>\$ 27,640,652</u>				

**CITY OF VIRGINIA BEACH, VIRGINIA
WATER AND SEWER FUND CAPITAL PROJECTS
SEWER CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025**

Project Number	Project Name	Budget to Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
100021	ARROWHEAD SUSQEHANNA SS REHAB PHASE III	\$ 250,000	\$ -	\$ 205,713	\$ 205,713	\$ -	\$ 44,287
100186	FIRST COLONIAL RD-VB BLVD INTERSECTION - SEWER	2,985,000	155,427	1,004,727	1,004,727	1,446,595	533,678
100215	INDIAN RIVER ROAD - SEWER	381,717	-	13,245	13,245	-	368,472
100302	PEMBROKE MEADOWS NEIGHBORHOOD SS REHAB	3,270,000	546,314	2,590,453	2,590,453	278,693	400,854
100327	PUMP STATION PROGRAM - PHASE VI	49,169,398	8,161,830	28,597,444	309,053	13,837,018	6,734,936
100342	ROYAL PALM ARCH SANITARY SEWER REHAB	20,625,677	7,645,205	13,011,678	13,011,678	1,533,946	6,080,053
100361	SANITARY SEWER REVITALIZATION PROGRAM III	31,011,271	8,605,704	21,181,013	584,235	7,902,651	1,927,607
100371	SEWER PUMP REPAIRS AND REPLACEMENTS	5,595,000	1,000,110	5,138,906	-	297,962	158,132
100374	SEWER TAP INSTALLATION PROGRAM - PHASE II	5,336,811	567,745	4,298,550	-	523,316	514,945
100409	SYSTEM EXP COST PARTICIPATION AGREE - PHASE III - SEWER	2,620,000	-	2,169,873	-	-	450,127
100440	VACUUM VALVE MONITORING SYSTEM	3,745,000	726,361	2,400,846	974,310	640,968	703,186
100448	VAR HRSD COORDINATION	4,994,586	-	927,390	-	3,697,450	369,746
100452	VAR ROADWAY-STRM WTR COORDINATION - PHASE VI	5,825,000	219	3,028,362	-	1,216,657	1,579,981
100458	VIBE DISTRICT SEWER IMPROVEMENTS	3,400,000	26,144	917,740	917,740	1,427,084	1,055,176
100519	SANITARY SEWER FORCE MAIN REHAB I	14,055,000	5,453,821	8,693,978	8,688,219	4,631,635	729,387
100523	CLEVELAND STREET IMPROVEMENTS – SEWER	1,138,000	-	255,756	255,756	59,615	822,629
100525	LANDSTOWN YARD IMPROVEMENTS IV – SEWER	8,021,000	1,424,031	5,394,453	159,194	1,212,407	1,414,140
100526	UTILITIES TECHNOLOGY SUPPORT PROGRAM – SEWER	1,896,955	156,960	373,885	373,885	222,376	1,300,694
100528	RESORT AREA NEIGHBORHOOD REVITALIZATION – SEWER	17,773,000	1,909,795	16,873,341	450,203	131,133	768,526
100531	LASKIN ROAD PHASE I – SEWER	3,950,264	-	2,014,279	2,014,249	14,210	1,921,775
100563	PRINCESS ANNE PLAZA WINDSOR WOODS & LAKES SEWER	2,477,000	1,026,727	1,695,812	1,695,812	440,475	340,713
100610	ARAGONA VILLAGE SANITARY SEWER IMPROV	3,530,000	-	-	-	-	3,530,000
TOTAL SEWER CAPITAL PROJECT EXPENDITURES		<u>\$ 192,050,679</u>	<u>\$ 37,406,393</u>	<u>\$ 120,787,444</u>	<u>\$ 33,248,471</u>	<u>\$ 39,514,191</u>	<u>\$ 31,749,044</u>
CLOSED SEWER CAPITAL PROJECT EXPENDITURES			<u>\$ 37,179</u>				
TOTAL CURRENT YEAR WATER CAPITAL PROJECTS EXPENDITURES			<u>\$ 27,640,652</u>				
WATER AND SEWER CAPITAL PROJECTS		<u>\$ 320,358,411</u>	<u>\$ 65,084,224</u>	<u>\$ 195,479,691</u>	<u>\$ 73,599,335</u>	<u>\$ 69,708,400</u>	<u>\$ 55,170,320</u>
TOTAL WATER AND SEWER CAPITAL PROJECTS REVENUES				\$ 217,205,054			
TOTAL WATER AND SEWER CAPITAL PROJECTS EXPENDITURES				(195,479,691)			
WATER AND SEWER CASH RESTRICTED FOR CAPITAL PROJECTS				<u>\$ 21,725,363</u>			

**CITY OF VIRGINIA BEACH, VIRGINIA
WATER AND SEWER FUND CAPITAL PROJECTS
BUDGETED AND ACTUAL REVENUES
FOR THE YEAR ENDED JUNE 30, 2025**

	Budget Revenues	Actual Revenues		
		Prior Years	Current Year	Total
FEDERAL FUNDING	\$ 299,786	\$ -	\$ -	-
STATE FUNDING	16,655	-	16,655	16,655
LOCAL FUNDING	320,041,970	197,702,213	19,486,186	217,188,399
TOTAL WATER AND SEWER CAPITAL PROJECTS REVENUES	<u>\$ 320,358,411</u>	<u>\$ 197,702,213</u>	<u>\$ 19,502,841</u>	<u>\$ 217,205,054</u>



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STORM WATER
ENTERPRISE FUND

STORM WATER ENTERPRISE FUND

The Storm Water Enterprise Fund accounts for revenues and expenditures generated by the storm water utility fee for operational and capital needs for storm water management in the city. The storm water CIP is designed to create an effective drainage and storm water management system, protect natural resources, enhance quality of land and waterways, maintain the city's utility systems, encourage development only in accordance with principles of natural environment protection, and provide adequate resources to maintain existing infrastructure.

CITY OF VIRGINIA BEACH, VIRGINIA
STORM WATER ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS

Current Assets:

Cash and Investments	\$ 29,069,600
Accounts Receivable - Net of Estimated Uncollectibles	5,796,391
Prepaid Assets	151,960
Total Current Assets	<u>35,017,951</u>

Non-current Assets:

Cash and Investments - Restricted	123,882,447
Capital Assets:	
Land	134,087,267
Buildings	664,899
Utility System	529,373,701
Machinery and Equipment	23,757,185
Construction in Progress	59,772,283
Less: Accumulated Depreciation	<u>(136,311,874)</u>
Total Capital Assets	<u>611,343,461</u>
Total Non-current Assets	<u>735,225,908</u>
Total Assets	<u>770,243,859</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows for Pensions	2,150,915
Deferred Outflows for OPEB	<u>146,074</u>
Total Deferred Outflows of Resources	<u>2,296,989</u>

LIABILITIES

Current Liabilities:

Vouchers and Accounts Payable	822,412
Accrued Interest Payable	970,188
Construction Contracts Payable	3,524,652
Current Portion of Long-term Liabilities	<u>7,802,275</u>
Total Current Liabilities	<u>13,119,527</u>

Long-Term Liabilities:

Compensated Absences	682,617
Bond and Notes Payable	204,330,790
Net OPEB Liability	462,536
Net Pension Liability	<u>5,383,372</u>
Total Long-term Liabilities	<u>210,859,315</u>
Total Liabilities	<u>223,978,842</u>

DEFERRED INFLOWS OF RESOURCES

Debt Refundings Resulting in Gain Transactions	352,750
Deferred Inflows for Pensions	841,316
Deferred Inflows for OPEB	<u>189,255</u>
Total Deferred Inflows of Resources	<u>1,383,321</u>

NET POSITION

Net Investment in Capital Assets	445,849,898
Restricted for Capital Projects	35,790,005
Restricted for Future Debt Services	14,446,488
Unrestricted	<u>51,092,294</u>
Total Net Position	<u>\$ 547,178,685</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
STORM WATER ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

<u>OPERATING REVENUES</u>	
Service Charges	\$ 46,777,889
Total Operating Revenues	<u>46,777,889</u>
<u>OPERATING EXPENSES</u>	
Personal Services	8,829,959
Contractual Services	1,627,253
Internal Services	2,049,153
Other Charges	6,554,731
Depreciation	11,408,009
Total Operating Expenses	<u>30,469,105</u>
<u>OPERATING INCOME</u>	16,308,784
<u>NONOPERATING REVENUES (EXPENSES)</u>	
From Commonwealth	257,350
Interest Income	3,045,794
Gain From Sale of Assets	16,114
Interest and Fiscal Charges	(4,080,268)
Total Nonoperating Revenues (Expenses), net	<u>(761,010)</u>
<u>INCOME BEFORE TRANSFERS AND CONTRIBUTIONS</u>	15,547,774
Capital Contributions	321,287
Capital Contributions - Federal Government	2,014,775
Capital Contributions - Transfers In	38,970,472
Total Transfers and Contributions	<u>41,306,534</u>
<u>CHANGE IN NET POSITION</u>	56,854,308
<u>TOTAL NET POSITION - BEGINNING</u>	<u>490,324,377</u>
<u>TOTAL NET POSITION - ENDING</u>	<u>\$ 547,178,685</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
STORM WATER ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from Customers and Users	\$ 46,386,508
Cash Payments to Suppliers of Goods and Services	(10,220,895)
Cash Payments to Employees for Services	(9,055,560)
Net Cash Provided By Operating Activities	<u>27,110,053</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Intergovernmental Receipts	<u>257,350</u>
Net Cash Provided By Noncapital Financing Activities	<u>257,350</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Receipts of Capital Contributions	41,306,534
Interest on Long-term Debt	(5,046,482)
Acquisition and Construction of Capital Assets	(49,127,322)
Proceeds from Sale of Bonds	80,000,000
Proceeds from Sale of Salvage	16,113
Principal Paid on Capital Debt	(4,955,000)
Net Cash Provided By Capital and Related Financing Activities	<u>62,193,843</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest and Dividends Received	<u>3,045,794</u>
Net Increase in Cash and Investments	92,607,040
Cash and Investments, July 1	<u>60,345,007</u>
Cash and Investments, June 30	<u>\$ 152,952,047</u>

RECONCILIATION OF OPERATING INCOME**TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating Income	\$ 16,308,784
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:	
Depreciation	11,408,009
Net changes in assets and liabilities:	
Accounts Receivable	(391,381)
Inventory	(151,960)
Deposits Payable	(654)
Deferred Outflow of Resources	(131,878)
Vouchers and Accounts Payable	162,856
Deferred Inflow of Resources	78,458
Accrued Compensated Leave	(33,230)
Net Pension Liability	(27,392)
Net OPEB Liability	<u>(111,559)</u>
Net Cash Provided By (Used in) Operating Activities	<u>\$ 27,110,053</u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Amortization of Bond Premiums	\$ 1,336,864
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CITY OF VIRGINIA BEACH, VIRGINIA
STORM WATER ENTERPRISE FUND
SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Operational Management</u>			
Personal Services	\$ 5,859,432	\$ 5,704,773	\$ 154,659
Fringe Benefits	1,796,532	1,881,864	(85,332)
Contractual Services	4,622,116	1,626,510	2,995,606
Internal Services	2,322,067	1,988,874	333,193
Other Charges	625,021	487,611	137,410
Total Infrastructure Maintenance	<u>15,225,168</u>	<u>11,689,632</u>	<u>3,535,536</u>
<u>Infrastructure Maintenance</u>			
Personal Services	1,241,526	944,612	296,914
Fringe Benefits	429,684	380,661	49,023
Contractual Services	750	743	7
Internal Services	57,157	60,280	(3,123)
Other Charges	26,089	20,591	5,498
Total Operational Management	<u>1,755,206</u>	<u>1,406,887</u>	<u>348,319</u>
<u>General Fund Charges</u>			
Direct Cost	53,691	53,691	-
Indirect Cost	1,280,394	691,378	589,016
Landscape Services	116,342	116,342	-
Occupational Health	10,650	10,650	-
Regulations	142,324	142,324	-
Total General Fund Charges	<u>1,603,401</u>	<u>1,014,385</u>	<u>589,016</u>
<u>Other Charges</u>			
Retiree Health Insurance	73,333	110,418	(37,085)
CIP Annual Expenditures	-	3,637,894	(3,637,894)
Water and Sewer Account Management Charges	271,461	271,461	-
Water and Sewer Billing System Charges	1,122,790	1,122,790	-
Net Deferred OPEB Contributions	-	(141,572)	141,572
Net Deferred Pension Contributions	-	(50,799)	50,799
Total Other Charges	<u>1,467,584</u>	<u>4,950,192</u>	<u>(3,482,608)</u>
 Total Budgeted Operating Expenses	 <u>\$ 20,051,359</u>	 <u>\$ 19,061,096</u>	 <u>\$ 990,263</u>

Note: Total General Fund Charges reclassified as Other Charges.

Depreciation is not included in the Budgeted Operating Expenses. The City does not budget for depreciation.

**CITY OF VIRGINIA BEACH, VIRGINIA
STORM WATER CAPITAL PROJECTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025**

Project Number	Project Name	Budget to Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
100010	42ND STREET PUMP STATION OUTFALLS	4,476,522	8,925	525,814	38,548	1,448,136	\$ 2,502,573
100022	ASHVILLE PARK DRAINAGE IMPROVEMENTS	10,900,000	324,418	10,434,522	-	165,844	299,634
100032	BAYVILLE LAKE WATER QUALITY IMPROVEMENT	1,800,000	47,239	330,201	330,201	38,444	1,431,355
100043	BMP MAINTENANCE PROGRAM PHASE I	5,300,000	786,300	2,738,144	-	407,450	2,154,406
100053	CANAL MANAGEMENT PHASE I	5,000,000	250,281	961,707	-	1,239,101	2,799,192
100126	COLLEGE PARK DRAINAGE IMPROVEMENTS	3,121,000	525,815	2,744,507	-	-	376,493
100150	EASTERN SHORE DRIVE - LYNNHAVEN DRIVE PUMP	14,371,504	96,280	2,052,544	2,052,544	34,636	12,284,324
100153	EASTERN SHORE DRIVE - CAPE HENRY CANAL PHASE I	12,238,019	32,312	2,960,710	2,960,510	92,917	9,184,392
100154	EASTERN SHORE DRIVE DRAINAGE	17,060,510	1,582,981	14,726,901	-	243,304	2,090,305
100161	ELIZABETH RIVER WATER QUALITY	7,571,527	1,162,843	6,912,276	-	328,006	331,245
100167	LYNNHAVEN COLONY PARK PUMP STATION	15,967,480	144,102	297,306	297,306	39,231	15,630,943
100229	LAKE CHUBB/BRADFORD LAKE	6,000,500	264,696	4,650,715	-	327,017	1,022,768
100232	LAKE MANAGEMENT - PHASE II	57,473,569	1,366,190	42,684,404	168,180	7,440,565	7,348,600
100263	LYNNHAVEN RIVER BASIN ECOSYSTEM RESTORATION	13,200,000	252,579	9,396,375	-	6,025	3,797,600
100264	LYNNHAVEN RIVER WATER QUALITY II	2,971,367	731,404	2,442,926	-	131,338	397,103
100273	NEIGHBORHOOD STORMWATER INF IMP - PHASE II	6,232,911	1,018,196	5,223,753	203,289	917,213	91,944
100275	CENTRAL RESORT DISTRICT-21ST & BALTIC DRAINAGE	1,800,000	-	313,940	115,681	-	1,486,060
100280	NORTH LAKE HOLLY WATERSHED	26,151,135	733,232	21,437,597	-	496,850	4,216,688
100287	OCEANFRONT STORM WATER FACILITIES MAINT	14,630,740	1,264,662	10,242,500	-	431,103	3,957,137
100314	PRIMARY SYSTEM INFRASTRUCTURE IMP - PHASE II	21,990,000	135,030	19,561,732	-	663,734	1,764,534
100315	PRINCESS ANNE PLAZA DRAINAGE AREA	5,070,148	19,675	4,855,345	-	214,803	-
100335	RESIDENTIAL DRAINAGE COST PART PRGM - PHASE II	600,000	10,317	296,088	-	11,556	292,356
100353	ATLANTIC OCEAN WATER QUALITY	2,132,000	553,302	2,032,102	-	46,139	53,759
100365	SEA LEVEL RISE/RECURRENT FLOODING ANALYS	5,383,245	23,387	4,544,999	-	13,187	825,058
100378	SHERWOOD LAKES DRAINAGE	3,400,000	3,284	3,147,624	15,334	11,858	240,519
100380	CAVE-IN REPAIR PROGRAM	9,896,950	822,247	8,451,743	111,539	1,266,960	178,247
100388	SOUTH LAKE HOLLY WATERSHED	16,009,587	105,179	15,701,626	-	28,884	279,077
100390	SOUTHERN CANAL-LEAD DITCH & CULVERT IMP	18,080,000	595,500	8,523,184	-	1,440,344	8,116,472
100391	SOUTHERN RIVERS WATER QUALITY	4,010,750	538,132	1,864,242	335,919	1,080,776	1,065,732
100395	STORM WATER PUMP STATION MODIFICATIONS	13,775,229	291,599	9,422,217	-	36,277	4,316,735
100397	STORM WATER QUALITY ENHANCEMENTS - PHASE II	11,648,497	1,089,132	10,041,624	-	915,375	691,498
100404	SURFACE WATER REGULATORY COMPLIANCE PRGM	14,345,565	1,299,429	12,239,961	-	1,118,377	987,227
100405	SW INFRASTRUCTURE REHAB & IMPROV-PHASE II	70,606,982	4,523,905	55,752,257	500,916	2,668,693	12,186,032
100406	SWM MSTR PLANNING, ANALYSIS & INVENTORY	19,572,766	577,670	16,787,310	-	1,446,592	1,338,864
100417	THE LAKES DRAINAGE IMPROVEMENTS	1,839,942	-	1,771,557	-	68,385	-
100472	WATER QUALITY & RESTORE PARTICIPATION	796,773	160,000	480,000	480,000	-	316,773
100486	WINDSOR WOODS DRAINAGE	34,687,150	5,605,953	27,411,038	27,411,038	3,044,605	4,231,507
100488	WINDSOR WOODS TIDE GATE	21,209,000	4,702,167	17,583,987	17,583,987	2,352,637	1,272,376
100504	PARCEL LEVEL FLOOD MITIGATION PROGRAM	2,500,000	1,700	169,413	169,413	-	2,330,587
100512	USACE REGIONAL COASTAL STORM STUDY	2,550,000	1,553,567	2,527,189	-	10,180	12,631
100515	ENHANCED NEIGHBORHOOD REHABILITATION	6,096,453	-	721,403	721,403	-	5,375,050
100520	SOUTHERN RIVERS WATERSHED STORMWATER PRGM	500,001	1,899	352,904	352,903	3,115	143,982
100521	THE LAKES-SOUTH LONDON BRIDGE CREEK	2,700,000	437,474	768,532	768,532	419,796	1,511,672
100543	LAKE EDWARD WATER QUALITY IMPR PROJECT	100,000	-	-	-	-	100,000
100549	ROADSIDE DITCH PROGRAM	5,821,750	-	419,648	419,648	-	5,402,102
100566	CHATAM HALL LAKE WATER QUALITY IMPROVEMENT	3,190,000	12,088	277,215	277,215	1,231,394	1,681,391
100567	KEMPS LAKE WATER QUALITY IMPROVEMENT	15,853,750	2,498,411	2,941,880	2,941,880	11,921,133	990,737
100582	SW INFRA COST PARTICIPATION	6,000,000	532,567	773,775	773,775	80,641	5,145,585
100585	ENHANCED NEIGHBORHOOD REHABILITATION ARPA	30,579,988	12,044,764	29,558,132	150,242	1,021,436	420
100586	LAKE MANAGEMENT ARPA	14,300,000	3,902,561	6,522,700	252,054	7,777,300	-
100642	PROVIDENCE PARK WET POND	700,000	146,534	146,534	146,534	178,204	375,262
100662	LAKEVIEW DR CHANNEL IMPROVEMENTS	2,000,000	50	50	50	-	1,999,950
100669	OCEANA GARDENS CONSTRUCTED WETLANDS	2,010,000	78,300	78,300	78,300	106,199	1,825,501
100671	BRIGADOON PARK WATER QUALITY IMPROVEMENT	2,750,000	115,342	115,342	115,342	-	2,634,659
TOTAL STORM WATER EXPENDITURES		\$ 598,973,310	\$ 52,973,619	\$ 406,918,494	\$ 59,772,283	\$ 52,965,759	\$ 139,089,057
CLOSED STORM WATER CAPITAL PROJECT EXPENDITURES			\$ -				
STORM WATER CAPITAL PROJECTS		<u>\$ 598,973,310</u>	<u>\$ 52,973,619</u>	<u>\$ 406,918,494</u>	<u>\$ 59,772,283</u>	<u>\$ 52,965,759</u>	<u>\$ 139,089,057</u>
TOTAL STORM WATER CAPITAL PROJECTS REVENUES				\$ 516,354,453			
TOTAL STORM WATER CAPITAL PROJECTS EXPENDITURES				(406,918,494)			
STORM WATER CASH RESTRICTED FOR CAPITAL PROJECTS				<u>\$ 109,435,959</u>			

CITY OF VIRGINIA BEACH, VIRGINIA
STORM WATER CAPITAL PROJECTS BUDGETED AND ACTUAL REVENUES
FOR THE YEAR ENDED JUNE 30, 2025

Funding Sources	Budget Revenues	Actual Revenues		
		Prior Years	Current Year	Total
FEDERAL FUNDING	\$ 29,062,691	\$ 6,211,706	\$ 13,512	\$ 6,225,218
STATE FUNDING	12,444,353	411,821	256,950	\$ 668,771
LOCAL FUNDING	557,466,266	371,634,117	137,826,347	509,460,464
TOTAL STORM WATER UTILITY CAPITAL PROJECTS	<u>\$ 598,973,310</u>	<u>\$ 378,257,644</u>	<u>\$ 138,096,809</u>	<u>\$ 516,354,453</u>



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WASTE MANAGEMENT

ENTERPRISE FUND

WASTE MANAGEMENT ENTERPRISE FUND

The Waste Management Enterprise Fund provides citywide residential automated, manual and special solid waste collections, providing containers for residents to dispose of large quantities of yard debris, centralizing the City's recycling effort, operating a city landfill, and serving as a conduit between the City and the Southeastern Public Service Authority, which is the agency responsible for the regional waste disposal program.

CITY OF VIRGINIA BEACH, VIRGINIA
WASTE MANAGEMENT ENTERPRISE FUND
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS

Current Assets:

Cash and Investments	\$ 10,993,571
Accounts Receivable - Net of Estimated Uncollectibles	5,230,337
Total Current Assets	<u>16,223,908</u>

Non-current Assets:

Capital Assets:

Machinery and Equipment	29,728,408
General Site Improvements Other Than Buildings	410,325
Buildings	8,730
Less: Accumulated Depreciation	<u>(23,587,763)</u>
Total Capital Assets	<u>6,559,700</u>
Total Non-current Assets	<u>6,559,700</u>
Total Assets	<u>22,783,608</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows for Pensions	2,588,094
Deferred Outflows for OPEB	233,719
Total Deferred Outflows of Resources	<u>2,821,813</u>

LIABILITIES

Current Liabilities:

Vouchers and Accounts Payable	2,162,849
Current Portion of Long-term Liabilities	424,695
Total Current Liabilities	<u>2,587,544</u>

Long-Term Liabilities:

Net OPEB Liability	740,057
Net Pension Liability	6,477,553
Accrued Compensated Leave	1,246,653
Total Long-Term Liabilities	<u>8,464,263</u>
Total Liabilities	<u>11,051,807</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows for Pensions	1,012,315
Deferred Inflows for OPEB	302,808
Total Deferred Inflows of Resources	<u>1,315,123</u>

NET POSITION

Net Investment in Capital Assets	6,559,700
Unrestricted	<u>6,678,791</u>
Total Net Position	<u>\$ 13,238,491</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
WASTE MANAGEMENT ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

<u>OPERATING REVENUES</u>	
Service Charges	\$ 45,937,561
Miscellaneous	887,176
Total Operating Revenues	<u>46,824,737</u>
<u>OPERATING EXPENSES</u>	
Cost of Goods Sold	408,448
Personal Services	12,723,860
Contractual Services	19,930,403
Internal Services	7,552,697
Other Charges	3,091,480
Depreciation	3,325,920
Total Operating Expenses	<u>47,032,808</u>
<u>OPERATING INCOME (LOSS)</u>	<u>(208,071)</u>
<u>NONOPERATING REVENUES</u>	
From Commonwealth	83,681
Interest Income	511,613
Gain From Sale of Assets	27,105
Total Nonoperating Revenues, net	<u>622,399</u>
<u>CHANGE IN NET POSITION</u>	414,328
<u>TOTAL NET POSITION - BEGINNING</u>	<u>12,824,163</u>
<u>TOTAL NET POSITION - ENDING</u>	<u><u>\$ 13,238,491</u></u>

**CITY OF VIRGINIA BEACH, VIRGINIA
WASTE MANAGEMENT ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from Customers and Users	\$ 45,421,265
Other Operating Cash Receipts	887,176
Cash Payments to Suppliers of Goods and Services	(30,374,491)
Cash Payments to Employees for Services	(13,167,061)
Net Cash Provided By Operating Activities	<u>2,766,889</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Intergovernmental Receipts	<u>83,681</u>
Net Cash Provided By Noncapital Financing Activities	<u>83,681</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition and Construction of Capital Assets	(4,591,824)
Gain from Sale of Salvage	27,105
Net Cash Used in Capital and Related Financing Activities	<u>(4,564,719)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest and Dividends Received	<u>511,613</u>
Net Increase (Decrease) in Cash and Investments	(1,202,536)
Cash and Investments, July 1	<u>12,196,107</u>
Cash and Investments, June 30	<u>\$ 10,993,571</u>

**RECONCILIATION OF OPERATING INCOME (LOSS)
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating Income (Loss)	\$ (208,071)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities:	
Depreciation	3,325,920
Net changes in assets and liabilities:	
Accounts Receivable	(516,296)
Deferred Outflows of Resources	(5,248)
Vouchers and Accounts Payable	608,537
Deferred Inflows of Resources	19,784
Accrued Compensated Leave	141,666
Net Pension Liability	(416,808)
Net OPEB Liability	(182,595)
Net Cash Provided By Operating Activities	<u>\$ 2,766,889</u>

CITY OF VIRGINIA BEACH, VIRGINIA
WASTE MANAGEMENT ENTERPRISE FUND
SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budget	Actual	Variance Positive (Negative)
<u>Support Services</u>			
Personal Services	\$ 968,509	\$ 501,307	\$ 467,202
Fringe Benefits	371,420	197,016	174,404
Contractual Services	27,000	20,390	6,610
Internal Services	102,021	105,408	(3,387)
Other Charges	20,876	68,907	(48,031)
Total Support Services	1,489,826	893,028	596,798
<u>Waste Management</u>			
Personal Services	226,157	806,384	(580,227)
Fringe Benefits	74,530	183,269	(108,739)
Contractual Services	146,702	(1,600)	148,302
Internal Services	11,882	62,024	(50,142)
Other Charges	97,750	2,401	95,349
Total Bureau of Waste Management	557,021	1,052,478	(495,457)
<u>Landfill and RRC Division</u>			
Personal Services	1,293,177	1,338,844	(45,667)
Fringe Benefits	373,568	345,787	27,781
Contractual Services	643,950	678,551	(34,601)
Internal Services	777,141	739,397	37,744
Other Charges	268,167	300,068	(31,901)
Total Landfill and RRC Division	3,356,003	3,402,647	(46,644)
<u>Curbside Services</u>			
Personal Services	7,548,903	7,111,763	437,140
Fringe Benefits	2,898,739	2,509,499	389,240
Contractual Services	21,778,663	19,233,064	2,545,599
Internal Services	7,210,378	6,645,867	564,511
Other Charges	713,474	505,104	208,370
Total Curbside Services	40,150,157	36,005,297	4,144,860
<u>General Fund Charges</u>			
Direct Costs Allocation	151,729	151,729	-
Indirect Costs Allocation	1,480,672	1,480,672	-
Occupational Health	19,650	19,650	-
Total General Fund Charges	1,652,051	1,652,051	-
<u>Other Charges</u>			
Retiree Health Insurance	173,929	314,871	(140,942)
Water and Sewer Billing System Charges	971,383	971,383	-
Net Deferred Retirement Contributions	-	(353,728)	353,728
Net Deferred OPEB Contributions	-	(231,139)	231,139
Total Other Charges	1,145,312	701,387	443,925
Total Budgeted Operating Expenses	\$ 46,850,048	\$ 43,706,888	\$ 4,643,482

Note: Total General Fund Charges reclassified as Other Charges.

Depreciation is not included in the Budgeted Operating Expenses, as the City does not budget for depreciation.



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DEVELOPMENT AUTHORITY
ENTERPRISE FUND

DEVELOPMENT AUTHORITY ENTERPRISE FUND

The Development Authority Enterprise Fund (Authority) was established for the specific purpose of attracting new industries and the expansion of existing industries. The Authority's Commissioners are appointed by the City Council. The Authority is authorized to issue industrial development bonds after approval by the City Council and to purchase land to improve and sell for development. In addition, the Authority facilitates economic development projects as approved by City Council. The Development Authority is presented as a blended component unit and is included in the City's reporting entity. The City has responsibility through support agreements for debt payments on outstanding Public Facility Revenue Bonds which are recorded on the Authority's financial records.

**CITY OF VIRGINIA BEACH, VIRGINIA
DEVELOPMENT AUTHORITY ENTERPRISE FUND
STATEMENT OF NET POSITION
June 30, 2025**

ASSETS

Current Assets:	
Cash and Investments	\$ 5,795,702
Accounts Receivable - Net	803,595
Due From Other Funds	11,739,371
Lease Receivable	802,032
Total Current Assets	<u>19,140,700</u>
Non-current Assets:	
Cash and Investments - Restricted	9,510,229
Lease Receivable	25,732,152
Due from Other Funds - Non-current	107,448,814
Land Held for Resale	26,391,857
Capital Assets:	
Land	53,639,356
Buildings	241,771,804
Construction in Progress	2,344,215
Machinery and Equipment	1,567,655
Less: Accumulated Depreciation	<u>(61,298,869)</u>
Total Capital Assets	<u>238,024,161</u>
Total Non-current Assets	<u>407,107,213</u>
Total Assets	<u>426,247,913</u>

DEFERRED OUTFLOWS OF RESOURCES

Debt Refundings Resulting in Loss Transactions	<u>17,037</u>
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LIABILITIES

Current Liabilities:	
Vouchers and Accounts Payable	15,735,404
Accrued Interest Payable	5,706,626
Due To Other Funds	149,270
Current Portion of Long-term Bonds	<u>8,405,740</u>
Total Current Liabilities	<u>29,997,040</u>
Long-Term Liabilities:	
Public Facility Revenue Bonds	110,600,208
Premium on Revenue Bonds	1,782,003
Total Long-Term Liabilities	<u>112,382,211</u>
Total Liabilities	<u>142,379,251</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows from Leases	25,538,206
Debt Refundings Resulting in Gain Transactions	<u>976,609</u>
Total Deferred Inflows of Resources	<u>26,514,815</u>

NET POSITION

Net Investment in Capital Assets	116,276,638
Restricted for Debt Service	118,261,051
Unrestricted	<u>22,833,195</u>
Total Net Position	<u><u>\$ 257,370,884</u></u>

**CITY OF VIRGINIA BEACH, VIRGINIA
DEVELOPMENT AUTHORITY ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

OPERATING REVENUES

Industrial Revenue Bond Fees	688,494
Lease Income	3,340,402
City of Virginia Beach	3,751,936
Miscellaneous	60,000
Total Operating Revenues	<u>7,840,832</u>

OPERATING EXPENSES

General and Other Expenses	751,928
Payments to City of Virginia Beach	2,631,939
Depreciation	3,999,367
Garage Operations	3,341,799
Total Operating Expenses	<u>10,725,033</u>

OPERATING INCOME (LOSS)(2,884,201)**NONOPERATING REVENUES (EXPENSES)**

Interest Income	698,243
Payment Under Support Agreement	14,663,081
Net Charity Golf Proceeds	(4,376)
Loss on Retirement of Asset	(206,862)
Interest and Fiscal Charges	(13,496,374)
Total Nonoperating Revenues (Expenses), net	<u>1,653,712</u>

OTHER FINANCING SOURCES (USES)

Capital Contributions from City	28,739,155
Capital Contributions from Atlantic Park CDA	8,589,424
Capital Contribution to Developers	(25,261,416)
Total Other Financing Sources, net	<u>12,067,163</u>

CHANGE IN NET POSITION

10,836,674

TOTAL NET POSITION - BEGINNING246,534,210**TOTAL NET POSITION - ENDING**\$ 257,370,884

**CITY OF VIRGINIA BEACH, VIRGINIA
DEVELOPMENT AUTHORITY ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from Customers and Users	\$ 20,449,762
Cash Payments to Suppliers of Goods and Services	(19,833,891)
Net EDIP activities	(1,050,270)
Net Cash Provided By (Used in) Operating Activities	<u>(434,399)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Capital Contributions, Net	908,371
Acquisition of Capital Assets	(31,589,786)
Charity Golf Outing Proceeds, Net	(2,488)
Net Cash Provided By (Used in) Capital and Related Financing Activities	<u>(30,683,903)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest and Dividends Received	583,553
Net Cash Provided By Investing Activities	<u>583,553</u>
Net Increase (Decrease) in Cash and Investments	(30,534,749)
Cash and Investments, July 1	<u>45,840,680</u>
Cash and Investments, June 30	<u>\$ 15,305,931</u>

**RECONCILIATION (INDIRECT METHOD) OF OPERATING INCOME (LOSS)
TO NET CASH USED IN OPERATING ACTIVITIES:**

Operating (Loss)	\$ (2,884,201)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:	
Depreciation Expense	3,999,367
Net changes in assets and liabilities:	
Accounts Receivable	1,030,953
Lease Receivables	(809,130)
Vouchers and Accounts Payable	(660,427)
Unearned Revenues	(50,693)
Deferred Inflow from Leases	(1,060,268)
Net Cash Provided By (Used in) Operating Activities	<u>\$ (434,399)</u>

Noncash Transactions:

Capital Contributions, Net	10,506,590
Principal Repayment on Long Term Debt	(38,615,000)
Amortization of Bond Premiums	(4,256,489)
Interest Paid on Long-Term Debt	(14,981,238)
Loss on Retirement of Capital Asset	(206,862)
Non-Operating Revenues from City of Virginia Beach	14,615,439
EDIP Appropriations	860,989

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost reimbursement basis. The City has established Internal Service Funds for the following activities:

City Garage - provides vehicle repairs, parts, fuel and related services to City departments.

Risk Management - provides insurance, claims handling, risk identification, and consulting services to City departments.

School Site Landscaping - provides for landscaping services for City and Schools.

Telecommunications – provides maintenance, support, contract administration, cable management, billing, dial tone provision, service coordination, moves, adds, and changes for the City's telephone system.

Information Technology - provides the cost of information technology services across all funds and departments within the City.

CITY OF VIRGINIA BEACH, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>City Garage</u>	<u>Risk Management</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Investments	\$ 6,246,410	\$ 56,482,049
Inventory	3,367,880	-
Total Current Assets	<u>9,614,290</u>	<u>56,482,049</u>
Noncurrent Assets:		
Capital Assets:		
Site Improvements	265,782	-
Machinery and Equipment	5,720,057	150,174
Less: Accumulated Depreciation	<u>(5,300,537)</u>	<u>(79,324)</u>
Total Capital Asset, net of Depreciation	<u>685,302</u>	<u>70,850</u>
Total Assets	<u>10,299,592</u>	<u>56,552,899</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Outflows for Pensions	2,045,992	174,871
Deferred Outflows for OPEB	123,118	10,433
Total Deferred Outflows of Resources	<u>2,169,110</u>	<u>185,304</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Vouchers and Accounts Payable	580,414	273,711
Accrued Interest Payable	-	730
Current Portion of Long-term Liabilities	239,029	9,151,301
Total Current Liabilities	<u>819,443</u>	<u>9,425,742</u>
Noncurrent Liabilities:		
Compensated Absences	627,605	11,319
Claims and Contingencies	-	35,079,900
Subscriptions Payable	-	40,684
Net Pension Liability	5,120,768	437,673
Net OPEB Liability	<u>389,852</u>	<u>33,038</u>
Total Noncurrent Liabilities	<u>6,138,225</u>	<u>35,602,614</u>
Total Liabilities	<u>6,957,668</u>	<u>45,028,356</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Inflows for Pensions	800,275	68,400
Deferred Inflows for OPEB	159,514	13,519
Total Deferred Inflows of Resources	<u>959,789</u>	<u>81,919</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	685,302	-
Unrestricted	3,865,943	11,627,928
Total Net Position	<u>\$ 4,551,245</u>	<u>\$ 11,627,928</u>

CITY OF VIRGINIA BEACH, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025

School Site Landscaping	Telecommunications	Information Technology	Totals
\$ 2,110,654	\$ 1,390,269	\$ 1,939,622	\$ 68,169,004
-	-	-	3,367,880
2,110,654	1,390,269	1,939,622	71,536,884
-	-	-	265,782
4,090,611	-	18,744,359	28,705,201
(2,791,738)	-	(5,218,411)	(13,390,010)
1,298,873	-	13,525,948	15,580,973
3,409,527	1,390,269	15,465,570	87,117,857
996,765	349,743	384,717	3,952,088
91,817	13,564	23,997	262,929
1,088,582	363,307	408,714	4,215,017
345,715	-	242,708	1,442,548
-	-	158,774	159,504
91,488	34,878	5,005,061	14,521,757
437,203	34,878	5,406,543	16,123,809
7,655	138,188	73,936	858,703
-	-	-	35,079,900
-	-	8,132,614	8,173,298
2,494,733	875,345	962,880	9,891,399
290,737	42,949	75,988	832,564
2,793,125	1,056,482	9,245,418	54,835,864
3,230,328	1,091,360	14,651,961	70,959,673
389,878	136,800	150,479	1,545,832
118,959	17,575	31,092	340,659
508,837	154,375	181,571	1,886,491
1,298,873	-	430,778	2,414,953
(539,929)	507,841	609,974	16,071,757
\$ 758,944	\$ 507,841	\$ 1,040,752	\$ 18,486,710

CITY OF VIRGINIA BEACH, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	<u>City Garage</u>	<u>Risk Management</u>
<u>OPERATING REVENUES</u>		
Billings to Departments	\$ 25,625,456	\$ 20,586,158
Insurance Recovery	75,523	500
Total Operating Revenues	<u>25,700,979</u>	<u>20,586,658</u>
<u>OPERATING EXPENSES</u>		
Cost of Goods Sold	8,257,483	-
Personal Services	7,256,588	603,449
Contractual Services	7,553,738	334,892
Internal Services	667,025	26,006
Other Charges	408,828	17,310,871
Depreciation/Amortization	625,982	50,012
Total Operating Expenses	<u>24,769,644</u>	<u>18,325,230</u>
<u>OPERATING INCOME (LOSS)</u>	<u>931,335</u>	<u>2,261,428</u>
<u>NONOPERATING REVENUES (EXPENSES) AND TRANSFERS</u>		
Interest Income	742,845	3,418,930
Gain (Loss) on Disposition of Assets	100,340	-
Interest and Fiscal Agent Fees	-	(2,539)
Total Nonoperating Revenues (Expenses)	<u>843,185</u>	<u>3,416,391</u>
<u>CHANGE IN NET POSITION</u>	1,774,520	5,677,819
<u>Net Position - Beginning</u>	<u>2,776,725</u>	<u>5,950,109</u>
<u>Net Position - Ending</u>	<u>\$ 4,551,245</u>	<u>\$ 11,627,928</u>

CITY OF VIRGINIA BEACH, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

School Site Landscaping	Telecommunications	Information Technology	Totals
\$ 5,444,060	\$ 3,492,633	\$ 22,268,745	\$ 77,417,052
-	-	-	76,023
5,444,060	3,492,633	22,268,745	77,493,075
-	-	-	8,257,483
3,824,128	1,100,353	2,384,806	15,169,324
488,667	793,800	11,581,917	20,753,014
795,725	101,826	31,407	1,621,989
524,008	995,085	2,310,652	21,549,444
157,695	-	4,726,531	5,560,220
5,790,223	2,991,064	21,035,313	72,911,474
(346,163)	501,569	1,233,432	4,581,601
113,938	64,946	-	4,340,659
24,774	-	-	125,114
-	-	(192,680)	(195,219)
138,712	64,946	(192,680)	4,270,554
(207,451)	566,515	1,040,752	8,852,155
966,395	(58,674)	-	9,634,555
\$ 758,944	\$ 507,841	\$ 1,040,752	\$ 18,486,710

CITY OF VIRGINIA BEACH, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>City Garage</u>	<u>Risk Management</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Receipts from Customers and Users	\$ 25,700,979	\$ 20,586,658
Cash Payments to Suppliers of Goods and Services	(16,836,458)	(17,038,715)
Cash Payments to Employees for Services	(7,604,978)	(614,508)
Net Cash Provided By (Used in) Operating Activities	<u>1,259,543</u>	<u>2,933,435</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Acquisition and Construction of Capital Assets	(166,519)	-
Subscription Principal Payments	-	(35,676)
Subscription Interest Payments	-	(2,869)
Proceeds from Sale of Salvage	100,340	-
Net Cash Used in Capital and Related Financing Activities	<u>(66,179)</u>	<u>(38,545)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest and Dividends Received	<u>742,845</u>	<u>3,418,930</u>
Net Increase (Decrease) in Cash and Temporary Investments	1,936,209	6,313,820
Cash and Temporary Investments, July 1	<u>4,310,201</u>	<u>50,168,229</u>
Cash and Temporary Investments, June 30	<u><u>6,246,410</u></u>	<u><u>56,482,049</u></u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	931,335	2,261,428
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:		
Depreciation Expense	625,982	50,012
Net Changes in assets and liabilities:		
Inventory	14,303	-
Deferred Outflow of Resources	(78,221)	(12,298)
Vouchers and Accounts Payable	36,313	97,364
Net Pension Liability	(159,091)	1,321
Net OPEB Liability	(98,129)	(7,968)
Deferred Inflow of Resources	61,759	7,409
Estimated Claims and Judgments	-	535,690
Accrued Compensated Leave	(74,708)	477
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,259,543</u>	<u>\$ 2,933,435</u>
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>		
Right-to-use Assets Acquired through Subscription Contracts	-	-
Subscription Liabilities Incurred from Acquiring Right-to-use Assets	-	-

CITY OF VIRGINIA BEACH, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

School Site Landscaping	Telecommunications	Information Technology	Totals
\$ 5,444,060	\$ 3,492,633	\$ 22,268,745	\$ 77,493,075
(1,532,176)	(2,011,003)	(13,681,268)	(51,099,620)
(3,962,553)	(1,217,749)	(1,456,640)	(14,856,428)
(50,669)	263,881	7,130,837	11,537,027
(1,021,985)	-	-	(1,188,504)
-	-	(5,157,309)	(5,192,985)
-	-	(33,906)	(36,775)
24,774	-	-	125,114
(997,211)	-	(5,191,215)	(6,293,150)
113,938	64,946	-	4,340,659
(933,942)	328,827	1,939,622	9,584,536
3,044,596	1,061,442	-	58,584,468
2,110,654	1,390,269	1,939,622	68,169,004
(346,163)	501,569	1,233,432	4,581,601
157,695	-	4,726,531	5,560,220
-	-	-	14,303
(52,853)	(9,913)	(408,714)	(561,999)
276,224	(120,292)	242,708	532,317
7,527	(40,995)	962,880	771,642
(107,028)	(10,360)	75,988	(147,497)
13,630	12,006	181,571	276,375
-	-	-	535,690
299	(68,134)	116,441	(25,625)
\$ (50,669)	\$ 263,881	\$ 7,130,837	\$ 11,537,027
-	-	18,744,359	18,744,359
-	-	(18,216,803)	(18,216,803)



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CUSTODIAL FUNDS

CUSTODIAL FUNDS

Custodial Funds are used to account for the assets held by a governmental unit as an agent for individuals, private organizations, other governmental units, and/or other funds. Custodial Funds do not involve the measurement of results of operations, as they are custodial in nature (assets = liabilities).

The City has the following Custodial Funds:

Escheat Property – funds held on behalf of others payable to the Commonwealth of Virginia.

Special Welfare - is established under the authority of Section 63.1-51, Code of Virginia, as amended. This fund accounts for Social Security or Veteran's Administration benefits for specific individuals for which the City is acting as the custodian. It also accounts for donations and the provision for emergency assistance to indigent citizens.

Sheriff's Inmate Fund - funds are held on behalf of the inmates to cover charges while they are in jail. Funds are returned directly to the inmates upon their removal from jail.

**CITY OF VIRGINIA BEACH, VIRGINIA
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025**

	<u>Escheat Property</u>	<u>Special Welfare</u>	<u>Sheriff's Inmate Fund</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and Investments	\$ 7,300	\$ 318,222	\$ 120,023	\$ 445,545
<u>LIABILITIES</u>				
Due to Commonwealth	7,300	-	-	7,300
<u>NET POSITION</u>				
Restricted for Individuals, Organizations & Others	\$ -	\$ 318,222	\$ 120,023	\$ 438,245

**CITY OF VIRGINIA BEACH, VIRGINIA
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Escheat Property</u>	<u>Special Welfare</u>	<u>Sheriff's Inmate Accounts</u>	<u>Total</u>
<u>ADDITIONS</u>				
State Receipts for Other Individuals	\$ -	\$ 339,947	\$ -	\$ 339,947
Deposits on Accounts	-	-	1,199,512	1,199,512
Unclaimed Property Transfers from City and School Funds	565,922	-	-	565,922
Total Additions	<u>565,922</u>	<u>339,947</u>	<u>1,199,512</u>	<u>2,105,381</u>
<u>DEDUCTIONS</u>				
Payments to Other Individuals	-	281,059	1,226,058	1,507,117
Unclaimed Property Remittance to State	565,922	-	-	565,922
Total Deductions	<u>565,922</u>	<u>281,059</u>	<u>1,226,058</u>	<u>2,073,039</u>
 <u>CHANGE IN NET POSITION</u>	 <u>-</u>	 <u>58,888</u>	 <u>(26,546)</u>	 <u>32,342</u>
 <u>NET POSITION - BEGINNING</u>	 <u>-</u>	 <u>259,334</u>	 <u>146,569</u>	 <u>405,903</u>
<u>NET POSITION - ENDING</u>	<u>\$ -</u>	<u>\$ 318,222</u>	<u>\$ 120,023</u>	<u>\$ 438,245</u>



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SCHOOL BOARD

COMPONENT UNIT

DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT

Major Governmental Funds:

School Operating Fund - is the general operating fund of the School Board which is used to account for all of the financial resources, except those required to be accounted for in another fund.

School Grants Special Revenue Fund - accounts for certain private, Commonwealth of Virginia, and Federal grants (with matching local funds, if required).

School Cafeterias - accounts for the revenues (e.g., Commonwealth of Virginia, Federal Government) and expenditures associated with the food services operations of the school division.

School Capital Projects Fund - accounts for all revenues and expenditures related to the construction of the School's capital assets and infrastructure.

Nonmajor Governmental Funds:

School Textbooks Special Revenue Fund - accounts for the financing (e.g., Commonwealth of Virginia) and acquisition of textbooks and related materials used in the school division.

School Communication Towers/Technology - accounts for the rent receipts (long-term contracts with telecommunication companies) relating to the communication towers constructed on School Board property and technology related expenditures.

School Vending Operations - accounts for the receipts (long-term exclusive contract with a vending company) relating to the bottled drinks vending operations of the school division and expenditures (including school-level allocations).

School Equipment Replacement - accounts for the financing (e.g., local government) and acquisition of various replacement equipment.

School Activity Fund - accounts for receipts and expenditures relating to activities conducted at individual school sites in connection with student athletics, classes, clubs, and various fundraising and private donor activities.

Internal Service Funds:

School Risk Management - provides insurance and the administration thereof for the School Board.

School Health Insurance - provides health insurance and the administration thereof for the School Board and City employees.

Fiduciary Funds:

Other Postemployment Benefits Trust Fund - accounts for assets held by the School Board in a trustee capacity for others

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
<u>ASSETS</u>	
Current Assets:	
Cash and Temporary Investments	\$ 345,773,873
Accounts Receivable	734,844
Due from Commonwealth	13,782,880
Due from Federal Government	15,454,171
Lease Receivable	529,904
Inventories	659,483
Prepaid Items	1,368,082
Total Current Assets	<u>378,303,237</u>
Noncurrent Assets:	
Net OPEB Asset	324,924
Lease Receivable, Non-Current	447,812
Capital Assets:	
Land	38,951,043
Buildings, Improvements, Equipment and Vehicles (net of accumulated depreciation)	612,385,601
Construction in Progress	14,831,573
Total Noncurrent Assets	<u>666,940,953</u>
Total Assets	<u>1,045,244,190</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Outflows from Pensions	184,301,045
Deferred Outflows from OPEB	39,267,236
Total Deferred Outflows of Resources	<u>223,568,281</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Salaries Payable	93,862,580
Vouchers and Accounts Payable	17,504,469
Accrued Interest Payable	18,105
Deposits Payable	65,000
Due to Commonwealth	12,264
Due to Federal Government	89,443
Unearned Revenue	26,028,776
Long-term Liabilities (due within one year)	44,719,789
Total Current Liabilities	<u>182,300,426</u>
Noncurrent Liabilities:	
Net Pension Liability	462,420,828
Net OPEB Liability	144,267,445
Long-term Liabilities (due in more than one year)	99,893,641
Total Noncurrent Liabilities	<u>706,581,914</u>
Total Liabilities	<u>888,882,340</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Inflows from Pensions	98,040,444
Deferred Inflows from OPEB	24,805,711
Deferred Inflows from Leases	938,719
Total Deferred Inflows of Resources	<u>123,784,874</u>
<u>NET POSITION</u>	
Investment in Capital Assets	658,207,863
Restricted	34,878,493
Unrestricted	(436,941,099)
Total Net Position (Deficit)	<u>\$ 256,145,257</u>

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenues		Net (Expenses)
		Charges for	Operating	Revenues and
	Expenses	Services	Grants and	Change In
			Contributions	Net Position
<u>GOVERNMENTAL ACTIVITIES</u>				
Instruction	\$ 726,222,904	\$ 2,884,486	\$ 213,113,051	\$ (510,225,367)
Admin, Attendance, & Health	45,616,715	382	4,869,971	(40,746,362)
Pupil Transportation	56,742,646	629,829	-	(56,112,817)
Operations and Maintenance	129,895,020	306,281	4,053,295	(125,535,444)
Cafeterias	42,623,348	9,009,213	29,533,340	(4,080,795)
Technology	56,432,322	1,410,630	14,620,759	(40,400,933)
Total Governmental Activities	<u>\$ 1,057,532,955</u>	<u>\$ 14,240,821</u>	<u>\$ 266,190,416</u>	<u>(777,101,718)</u>
<u>General Revenues:</u>				
Local Sources:				
				466,036,878
				7,653,791
				7,122,188
Federal and State Aid not Restricted to Specific Purposes:				
				231,430,357
				91,643,485
				14,616,783
Interest Earnings				3,717,772
Total General Revenues				822,221,254
Change in Net Position				45,119,536
Net Position - Beginning - Restated (see Note 1)				211,025,721
Net Position - Ending				\$ 256,145,257

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	School Operating	School Grants	School Cafeterias	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash and Investments	\$ 93,066,330	\$ 10,639,617	\$ 10,392,727	\$ 116,665,870	\$ 24,381,802	\$ 255,146,346
Accounts Receivable	636,160	75,571	20,323	-	-	732,054
Due from Commonwealth	10,438,528	3,320,815	23,537	-	-	13,782,880
Due from Federal Government	108,411	11,112,255	4,233,505	-	-	15,454,171
Lease Receivable	-	-	-	-	977,716	977,716
Inventories	-	-	659,483	-	-	659,483
Prepaid Items	992,828	-	5,681	-	2,000	1,000,509
Total Assets	<u>105,242,257</u>	<u>25,148,258</u>	<u>15,335,256</u>	<u>116,665,870</u>	<u>25,361,518</u>	<u>287,753,159</u>
<u>LIABILITIES</u>						
Salaries Payable	88,123,602	4,121,845	1,572,179	42,469	1,127	93,861,222
Vouchers and Accounts Payable	5,845,843	823,061	394,221	5,863,857	4,241	12,931,223
Deposits Payable	-	-	-	-	65,000	65,000
Due to Commonwealth	12,189	75	-	-	-	12,264
Due to Federal Government	1,529	-	-	87,914	-	89,443
Unearned Revenues	548,682	14,722,637	632,865	-	-	15,904,184
Total Liabilities	<u>94,531,845</u>	<u>19,667,618</u>	<u>2,599,265</u>	<u>5,994,240</u>	<u>70,368</u>	<u>122,863,336</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Leases	-	-	-	-	938,719	938,719
<u>FUND BALANCES</u>						
Nonspendable	992,828	-	665,164	-	2,000	1,659,992
Restricted	-	5,480,640	12,070,827	-	16,677,178	34,228,645
Committed	-	-	-	110,671,630	7,673,253	118,344,883
Assigned	9,717,584	-	-	-	-	9,717,584
Total Fund Balances	<u>10,710,412</u>	<u>5,480,640</u>	<u>12,735,991</u>	<u>110,671,630</u>	<u>24,352,431</u>	<u>163,951,104</u>
Total Liabilities and Fund Balances	<u>\$ 105,242,257</u>	<u>\$ 25,148,258</u>	<u>\$ 15,335,256</u>	<u>\$ 116,665,870</u>	<u>\$ 25,361,518</u>	<u>\$ 287,753,159</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Amounts reported for governmental activities in the Statement of Net Position in Exhibit A-1 are different from amounts reported for governmental funds in this exhibit because:

Total Fund Balances - Governmental Funds (this exhibit)	\$	163,951,104
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Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Cost of Capital Assets	1,282,343,833	
Less: Accumulated Depreciation	616,175,616	666,168,217

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of the following:

Compensated Absences	(124,843,998)	
Subscription Liability and Equipment Liability	(2,096,497)	
Accrued Interest on Long Term Debt	(18,105)	(126,958,600)

Internal Service Funds are used to account for the risk management and health insurance programs; and related charges to the various governmental funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.

Total Assets	90,997,890	
Less: Total Liabilities	32,372,131	
Total Net Position		58,625,759

GAAP accounting for Pensions was implemented in Fiscal Year 2015. Pensions are not reported in the governmental funds.

Net Pension Liability	(462,420,828)	
Deferred Outflows of Resources	176,761,151	
Deferred Inflows of Resources	(90,500,550)	(376,160,227)

GAAP accounting for OPEB was implemented in Fiscal Year 2018. OPEB is not reported in the governmental funds.

Net OPEB Liability	(144,267,445)	
Net OPEB Asset	324,924	
Deferred Outflows of Resources	39,267,236	
Deferred Inflows of Resources	(24,805,711)	(129,480,996)

Total Net Position - Governmental Activities (Exhibit 40)	\$	256,145,257
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CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	School Operating	School Grants	School Cafeterias	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>						
From Use of Money and Property	\$ 365,117	\$ -	\$ 776,761	\$ 192,165	\$ 1,612,198	\$ 2,946,241
Charges for Services	1,120,957	-	8,314,815	-	198,568	9,634,340
Miscellaneous	5,123,219	1,946,940	731,179	-	7,177,404	14,978,742
From Local Government	442,005,354	-	-	24,031,524	-	466,036,878
From Commonwealth	479,581,219	20,398,050	1,403,675	-	5,879,387	507,262,331
From Federal Government	17,257,339	49,342,972	28,071,459	-	-	94,671,770
Total Revenues	<u>945,453,205</u>	<u>71,687,962</u>	<u>39,297,889</u>	<u>24,223,689</u>	<u>14,867,557</u>	<u>1,095,530,302</u>
<u>EXPENDITURES</u>						
Current:						
Instruction	687,258,784	61,307,951	-	68,491	7,750,474	756,385,700
Admin, Attendance, & Health	43,829,089	1,813,096	-	-	-	45,642,185
Pupil Transportation	52,122,304	146,051	-	-	-	52,268,355
Operations and Maintenance	113,231,445	5,425,672	-	9,594,340	-	128,251,457
Cafeterias	-	66,707	44,085,611	-	-	44,152,318
Technology	44,084,971	8,337,510	239,074	33,246	2,818,293	55,513,094
Capital Outlay	1,971,342	-	-	25,745,832	-	27,717,174
Debt Service:						
Principal	493,629	-	-	-	159,774	653,403
Interest	82,673	-	-	-	14,296	96,969
Total Expenditures	<u>943,074,237</u>	<u>77,096,987</u>	<u>44,324,685</u>	<u>35,441,909</u>	<u>10,742,837</u>	<u>1,110,680,655</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>2,378,968</u>	<u>(5,409,025)</u>	<u>(5,026,796)</u>	<u>(11,218,220)</u>	<u>4,124,720</u>	<u>(15,150,353)</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers In	-	6,094,054	-	-	-	6,094,054
Transfers Out	(6,094,054)	-	-	-	-	(6,094,054)
Sale of Capital Assets	81,456	-	-	7,040,732	-	7,122,188
Lease Asset	1,971,342	-	-	-	-	1,971,342
Total Other Financing Sources (Uses), net	<u>(4,041,256)</u>	<u>6,094,054</u>	<u>-</u>	<u>7,040,732</u>	<u>-</u>	<u>9,093,530</u>
<u>NET CHANGES IN FUND BALANCES</u>	<u>(1,662,288)</u>	<u>685,029</u>	<u>(5,026,796)</u>	<u>(4,177,488)</u>	<u>4,124,720</u>	<u>(6,056,823)</u>
<u>FUND BALANCES - JULY 1</u>	<u>12,372,700</u>	<u>4,795,611</u>	<u>17,762,787</u>	<u>114,849,118</u>	<u>20,227,711</u>	<u>170,007,927</u>
<u>FUND BALANCES - JUNE 30</u>	<u>\$ 10,710,412</u>	<u>\$ 5,480,640</u>	<u>\$ 12,735,991</u>	<u>\$ 110,671,630</u>	<u>\$ 24,352,431</u>	<u>\$ 163,951,104</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Amounts reported for governmental activities in the Statement of Activities (Exhibit 41)
are different from amounts reported for governmental funds in this exhibit because:

Net Change in Fund Balances - Governmental Funds (this exhibit)	\$	(6,056,823)
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlay exceeded depreciation expense (including other transactions (e.g., loss on disposals)) for the fiscal year.		2,995,203
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Compensated absences (annual, sick, and personal leave) are reported in governmental funds as expenditures, which are measured by the amount of financial resources used (essentially, the amounts actually paid). However, for governmental activities, those costs are shown and measured by the net of the amounts of leave used and earned for the fiscal year in the Statement of Activities.		(3,305,511)
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Internal Service Funds are used to account for the risk management and health insurance programs, and related charges to the various governmental funds. The change in net position for the Internal Service Funds for the fiscal year is reported with governmental activities in the Statement of Activities.

Risk Management	726,988	
Health Insurance	(13,067,769)	(12,340,781)

Section 15.2-1800.1 of the Code of Virginia, as amended, affects the reporting of local School Board capital assets and related debt for financial reporting purposes. Under this legislation, the City has a "tenancy in common" with the School Board whenever the City incurs "on-behalf" of debt for any school property owned by the School Board which is payable over more than one year. For financial reporting purposes, the City will report the Net Book Value of School Board property (the School Board incurs the depreciation expense) equal to the total outstanding principal balance of the applicable "on-behalf" of debt at June 30, 2025. This amount is the applicable Net Book Value change and depreciation expense for the fiscal year.		24,279,133
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Principal and interest on equipment and subscription liabilities are reported as expenditures in governmental funds. However, the principal payments reduce the liabilities in the Statement of Net Position and does not result in expenses in the Statement of Activities and Interest is expensed as it accrues in the Statement of Activities.

Subscription Lease	457,491	
Equipment Lease	166,382	623,873

Other financing sources recorded at the inception of equipment liabilities increase fund balance of the governmental funds. In government-wide statements, new debt increases non-current liabilities in the Statement of Net Position and does not affect the Statement of Activities		(1,938,563)
--	--	-------------

Per GAAP, this amount is the Pension Expense, Deferred Outflows and Deferred Inflows (pension contributions paid) for the fiscal year.

Pension Expense	22,295,179	
Deferred Inflows	(16,153,769)	
Deferred Outflows	27,989,560	34,130,970

Per GAAP, this amount is the OPEB Expense, Deferred Outflows and Deferred Inflows (OPEB contributions paid) for the fiscal year.

OPEB Expense	8,245,672	
Deferred Inflows	5,729,366	
Deferred Outflows	(7,243,003)	6,732,035

Change in Net Position of governmental activities in the Statement of Activities (Exhibit 41)	\$	45,119,536
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CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	School Textbooks	School Communication Towers/ Technology	School Vending Operations	School Equipment Replacement	School Activity	Totals
<u>ASSETS</u>						
Cash and Investments	\$ 10,904,008	\$ 7,005,659	\$ 400,012	\$ 297,826	\$ 5,774,297	\$ 24,381,802
Lease Receivable	-	977,716	-	-	-	977,716
Prepaid Items	2,000	-	-	-	-	2,000
Total Assets	<u>10,906,008</u>	<u>7,983,375</u>	<u>400,012</u>	<u>297,826</u>	<u>5,774,297</u>	<u>25,361,518</u>
<u>LIABILITIES</u>						
Liabilities:						
Salaries Payable	1,127	-	-	-	-	1,127
Vouchers and Accounts Payable	-	-	-	4,241	-	4,241
Deposits Payable	-	65,000	-	-	-	65,000
Unearned Revenue	-	-	-	-	-	-
Total Liabilities	<u>1,127</u>	<u>65,000</u>	<u>-</u>	<u>4,241</u>	<u>-</u>	<u>70,368</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Leases	-	938,719	-	-	-	938,719
<u>FUND BALANCE</u>						
Nonspendable	2,000	-	-	-	-	2,000
Restricted	10,902,881	-	-	-	5,774,297	16,677,178
Committed	-	6,979,656	400,012	293,585	-	7,673,253
Total Fund Balances	<u>10,904,881</u>	<u>6,979,656</u>	<u>400,012</u>	<u>293,585</u>	<u>5,774,297</u>	<u>24,352,431</u>
Total Liabilities and Fund Balances	<u>\$ 10,906,008</u>	<u>\$ 7,983,375</u>	<u>\$ 400,012</u>	<u>\$ 297,826</u>	<u>\$ 5,774,297</u>	<u>\$ 25,361,518</u>

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	School Textbooks	School Communication Towers/ Technology	School Vending Operations	School Equipment Replacement	School Activity	Totals
<u>REVENUES</u>						
From Use of Money and Property	\$ 452,106	\$ 1,075,890	\$ 57,603	\$ 18,791	\$ 7,808	\$ 1,612,198
Charges for Services	-	-	198,568	-	-	198,568
Miscellaneous	13,051	-	-	-	7,164,353	7,177,404
From Commonwealth	5,879,387	-	-	-	-	5,879,387
Total Revenues	<u>6,344,544</u>	<u>1,075,890</u>	<u>256,171</u>	<u>18,791</u>	<u>7,172,161</u>	<u>14,867,557</u>
<u>EXPENDITURES</u>						
Instruction	694,717	-	142,181	-	6,913,576	7,750,474
Technology	2,651,591	-	-	166,702	-	2,818,293
Debt Service:						
Principal	159,774	-	-	-	-	159,774
Interest	14,296	-	-	-	-	14,296
Total Expenditures	<u>3,520,378</u>	<u>-</u>	<u>142,181</u>	<u>166,702</u>	<u>6,913,576</u>	<u>10,742,837</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	2,824,166	1,075,890	113,990	(147,911)	258,585	4,124,720
<u>FUND BALANCES - JULY 1</u>	<u>8,080,715</u>	<u>5,903,766</u>	<u>286,022</u>	<u>441,496</u>	<u>5,515,712</u>	<u>20,227,711</u>
<u>FUND BALANCES - JUNE 30</u>	<u>\$ 10,904,881</u>	<u>\$ 6,979,656</u>	<u>\$ 400,012</u>	<u>\$ 293,585</u>	<u>\$ 5,774,297</u>	<u>\$ 24,352,431</u>

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2025

	School Risk Management	School Health Insurance	Totals
<u>ASSETS</u>			
Cash and Investments	\$ 21,636,972	\$ 68,990,555	\$ 90,627,527
Accounts Receivable	2,102	688	2,790
Prepaid Items	367,573	-	367,573
Total Assets	<u>22,006,647</u>	<u>68,991,243</u>	<u>90,997,890</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Salaries Payable	1,343	15	1,358
Vouchers and Accounts Payable	576,426	3,996,820	4,573,246
Unearned Revenues	-	10,124,592	10,124,592
Estimated Claims and Judgments (due within one year)	6,912,701	6,342,000	13,254,701
Total Current Liabilities	<u>7,490,470</u>	<u>20,463,427</u>	<u>27,953,897</u>
Noncurrent Liabilities:			
Estimated Claims and Judgments (due in more than one year)	2,304,234	2,114,000	4,418,234
Total Liabilities	<u>9,794,704</u>	<u>22,577,427</u>	<u>32,372,131</u>
<u>NET POSITION</u>			
Unrestricted	<u>\$ 12,211,943</u>	<u>\$ 46,413,816</u>	<u>\$ 58,625,759</u>

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	School Risk Management	School Health Insurance	Totals
<u>OPERATING REVENUES</u>			
Charges for Services	\$ 8,995,919	\$ 173,053,448	\$ 182,049,367
Miscellaneous Revenues	21,047	-	21,047
Total Operating Revenues	<u>9,016,966</u>	<u>173,053,448</u>	<u>182,070,414</u>
<u>OPERATING EXPENSES</u>			
Personnel Services	425,965	628,025	1,053,990
Fringe Benefits	139,967	236,828	376,795
Purchased Services	509,923	1,936,911	2,446,834
Other Charges	8,481,794	186,728,104	195,209,898
Total Operating Expenses	<u>9,557,649</u>	<u>189,529,868</u>	<u>199,087,517</u>
<u>OPERATING INCOME (LOSS)</u>	<u>(540,683)</u>	<u>(16,476,420)</u>	<u>(17,017,103)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest Income	1,267,671	3,408,651	4,676,322
Total Nonoperating Revenues (Expenses)	<u>1,267,671</u>	<u>3,408,651</u>	<u>4,676,322</u>
<u>CHANGE IN NET POSITION</u>	726,988	(13,067,769)	(12,340,781)
<u>TOTAL NET POSITION - JULY 1</u>	<u>11,484,955</u>	<u>59,481,585</u>	<u>70,966,540</u>
<u>TOTAL NET POSITION - JUNE 30</u>	<u>\$ 12,211,943</u>	<u>\$ 46,413,816</u>	<u>\$ 58,625,759</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	School Risk Management	School Health Insurance	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Receipts from Customers and Users	\$ 9,015,295	\$ 179,540,870	\$ 188,556,165
Payments to Vendors for Goods and Services	(8,801,273)	(191,917,989)	(200,719,262)
Payments to Employees for Services	(567,014)	(864,838)	(1,431,852)
Net Cash Provided (Used) By Operating Activities	<u>(352,992)</u>	<u>(13,241,957)</u>	<u>(13,594,949)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Interest Received on Investments	<u>1,267,671</u>	<u>3,408,651</u>	<u>4,676,322</u>
Net Increase (Decrease) in Cash and Investments	914,679	(9,833,306)	(8,918,627)
Cash and Temporary Investments, July 1	<u>20,722,293</u>	<u>78,823,861</u>	<u>99,546,154</u>
Cash and Temporary Investments, June 30	<u>\$ 21,636,972</u>	<u>\$ 68,990,555</u>	<u>\$ 90,627,527</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</u>			
Operating Income (Loss)	\$ (540,683)	\$ (16,476,420)	\$ (17,017,103)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:			
Net Changes in Assets and Liabilities:			
Accounts Receivable	(1,671)	5,309,763	5,308,092
Prepaid Items	(80,430)	-	(80,430)
Salaries Payable	(1,082)	15	(1,067)
Vouchers and Accounts Payable	199,918	(4,062,974)	(3,863,056)
Unearned Revenue	-	1,177,659	1,177,659
Estimated Claims and Judgments	70,956	810,000	880,956
Total Adjustments	<u>187,691</u>	<u>3,234,463</u>	<u>3,422,154</u>
Net Cash Provided By Operating Activities	<u>\$ (352,992)</u>	<u>\$ (13,241,957)</u>	<u>\$ (13,594,949)</u>

CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

	Other Postemployment Benefits Trust Fund
<hr/>	
<u>ASSETS</u>	
Fixed Income	\$ 10,184,009
Stocks	24,950,822
Real Estate	7,638,007
Alternative Investments	8,147,208
Total Assets	<u>50,920,046</u>
<u>NET POSITION</u>	
Restricted for Postemployment Benefits Other than Pensions	<u>\$ 50,920,046</u>

**CITY OF VIRGINIA BEACH, VIRGINIA
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

	Other Postemployment Benefits Trust Fund
<u>ADDITIONS</u>	
Contributions:	
Employer	\$ 8,445,375
Investment Earnings:	
Increase in Fair Value of Investments	4,138,117
Total Additions	<u>12,583,492</u>
<u>DEDUCTIONS</u>	
Benefits	8,445,375
Administrative Expenses	28,909
Total Deductions	<u>8,474,284</u>
<u>CHANGE IN NET POSITION</u>	4,109,208
<u>NET POSITION AT BEGINNING OF YEAR</u>	<u>46,810,838</u>
<u>NET POSITION AT END OF YEAR</u>	<u>\$ 50,920,046</u>

OTHER COMPONENT UNITS

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF NET POSITION
OTHER COMPONENT UNIT FUNDS
JUNE 30, 2025

	Community Development Corporation	Atlantic Park Community Development Authority	Totals
<u>ASSETS</u>			
Cash and Investments	\$ 1,437,315	\$ -	\$ 1,437,315
Cash and Investments - Restricted	-	11,677,829	11,677,829
Accounts Receivable - Net	1,396,145	-	1,396,145
Due from City of Virginia Beach	-	116,542	116,542
Due from Commonwealth	575,408	-	575,408
Prepaid Items	37,747	-	37,747
Notes Receivable	4,207,984	-	4,207,984
Interest Receivable	-	87,358	87,358
Replacement Reserves and escrows	1,345,670	-	1,345,670
Property, Net	23,884,600	-	23,884,600
Total Assets	<u>32,884,869</u>	<u>11,881,729</u>	<u>44,766,598</u>
<u>LIABILITIES</u>			
Accounts Payable	294,658	14,374	309,032
Deposits Payable	262,183	-	262,183
Accrued Interest Payable	139,783	1,389,714	1,529,497
Bonds and Notes Payable	19,087,343	68,311,752	87,399,095
Accrued Liabilities	115,884	405,708	521,592
Due to Other Governments	-	99,357	99,357
Total Liabilities	<u>19,899,851</u>	<u>70,220,905</u>	<u>90,120,756</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	5,957,300	-	5,957,300
Restricted	-	11,677,829	11,677,829
Unrestricted (Deficit)	7,027,718	(70,017,005)	(62,989,287)
Total Net Position	<u>\$ 12,985,018</u>	<u>\$ (58,339,176)</u>	<u>\$ (45,354,158)</u>

The accompanying notes are an integral part of the financial statements.

CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
OTHER COMPONENT UNIT FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Community Development Corporation	Atlantic Park Community Development Authority	Totals
<u>OPERATING REVENUES</u>			
Grants and Contracts	\$ 2,432,526	\$ -	\$ 2,432,526
Contributions	2,060	-	2,060
Rental/program fee income	5,186,521	-	5,186,521
Other income	75,263	-	75,263
Management fees	82,964	564,735	647,699
Development fee	180,000	-	180,000
Total Operating Revenues	<u>7,959,334</u>	<u>564,735</u>	<u>8,524,069</u>
<u>OPERATING EXPENSES</u>			
Operating Expenses	9,018,222	3,586,135	12,604,357
Total Operating Expenses	<u>9,018,222</u>	<u>3,586,135</u>	<u>12,604,357</u>
<u>OPERATING INCOME (LOSS)</u>	<u>(1,058,888)</u>	<u>(3,021,400)</u>	<u>(4,080,288)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest Income	95,669	797,436	893,105
Gain (Loss) on disposal of property and equipment	(32,683)	-	(32,683)
Total Nonoperating Revenues (Expenses), net	<u>62,986</u>	<u>797,436</u>	<u>860,422</u>
<u>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</u>	<u>(995,902)</u>	<u>(2,223,964)</u>	<u>(3,219,866)</u>
Contributions to VBDA	<u>-</u>	<u>(8,589,424)</u>	<u>(8,589,424)</u>
<u>CHANGE IN NET POSITION</u>	<u>(995,902)</u>	<u>(10,813,388)</u>	<u>(11,809,290)</u>
Net Position - Beginning	13,980,920	(47,525,788)	(33,544,868)
Net Position - Ending	<u>\$ 12,985,018</u>	<u>\$ (58,339,176)</u>	<u>\$ (45,354,158)</u>

The accompanying notes are an integral part of the financial statements.

STATISTICAL SECTION

Statistical Section

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	259
These schedules contain trend information to help the reader understand how the City's financial performance has changed over time.	
Revenue Capacity	266
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	271
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	276
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	279
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	
Schedule of the Treasurer's Cash Accountability	281
This schedule contains information about the City's deposits and investments.	

Sources: Unless otherwise noted, the information in these schedules is derived from the ACFR for the relevant year.



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Table 1

**CITY OF VIRGINIA BEACH, VIRGINIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>Governmental Activities</u>										
Net Investment in Capital Assets	\$ 2,286,145,556	\$ 2,324,672,499	\$ 2,382,782,109	\$ 2,382,782,109	\$ 2,304,432,557	\$ 2,394,262,385	\$ 2,462,107,866	\$ 2,602,704,864	\$ 2,510,191,811	\$ 2,649,345,787
Restricted	362,820,736	347,382,648	67,047,985	68,166,411	71,573,421	77,885,069	68,601,719	62,571,732	77,976,053	174,723,578
Unrestricted	(122,670,333)	(84,470,897)	147,877,239	146,768,813	271,559,081	254,195,122	303,191,590	258,404,644	433,773,877	308,588,638
Total Governmental Activities Net Position	<u>2,526,295,959</u>	<u>2,587,584,250</u>	<u>2,597,707,333</u>	<u>2,597,717,333</u>	<u>2,647,565,059</u>	<u>2,726,342,576</u>	<u>2,833,901,175</u>	<u>2,923,681,240</u>	<u>3,021,941,741</u>	<u>3,132,658,003</u>
<u>Business-type Activities</u>										
Net Investment in Capital Assets	760,003,698	813,703,550	920,273,999	920,273,999	966,433,599	873,636,000	972,531,666	1,026,281,613	1,014,373,482	1,153,543,710
Restricted	259,716,984	246,364,646	25,178,718	25,178,718	25,757,255	28,120,678	36,385,148	73,779,139	179,911,873	189,923,430
Unrestricted	31,289,060	33,551,935	251,112,602	251,112,602	240,256,063	373,022,454	367,697,502	332,297,432	277,023,577	216,104,366
Total Business-type Activities Net Position	<u>1,051,009,742</u>	<u>1,093,620,131</u>	<u>1,196,565,319</u>	<u>1,196,565,319</u>	<u>1,232,446,917</u>	<u>1,274,779,132</u>	<u>1,376,614,316</u>	<u>1,432,358,184</u>	<u>1,471,308,932</u>	<u>1,559,571,506</u>
<u>Primary Government</u>										
Net Investment in Capital Assets	3,046,149,254	3,138,376,049	3,303,056,108	3,303,056,108	3,270,866,156	3,267,898,385	3,389,639,532	3,628,986,477	3,524,565,293	3,802,889,497
Restricted	622,537,720	593,747,294	92,226,703	93,345,129	97,330,676	106,005,747	104,986,867	136,350,871	257,887,926	364,647,008
Unrestricted	(91,381,273)	(50,918,962)	398,999,841	397,881,415	511,815,144	627,217,576	670,889,092	590,702,076	710,797,454	524,693,004
Total Primary Government Net Position	<u>\$ 3,577,305,701</u>	<u>\$ 3,681,204,381</u>	<u>\$ 3,794,282,652</u>	<u>\$ 3,794,282,652</u>	<u>\$ 3,880,011,976</u>	<u>\$ 4,001,121,708</u>	<u>\$ 4,165,515,491</u>	<u>\$ 4,356,039,424</u>	<u>\$ 4,493,250,673</u>	<u>\$ 4,692,229,509</u>

Source: City Department of Finance

Table 2

CITY OF VIRGINIA BEACH, VIRGINIA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental Activities:										
Legislative	\$ 1,199,261	\$ 1,181,030	\$ 1,197,802	\$ 1,137,306	\$ 1,186,759	\$ 1,150,487	\$ 1,144,853	\$ 1,270,590	\$ 1,468,324	\$ 1,563,990
Executive	3,788,704	4,185,699	4,291,911	4,989,525	5,148,732	5,061,684	5,813,525	11,164,998	5,599,555	9,352,785
Law	3,763,766	3,978,553	4,407,207	4,398,166	4,646,337	4,700,230	4,925,401	5,649,595	5,937,605	6,266,460
Finance	17,077,306	18,382,696	18,914,577	19,369,244	19,589,053	23,525,882	22,481,818	21,494,055	24,949,196	29,031,880
Human Resources	11,750,627	11,264,020	11,839,137	12,409,897	12,303,650	4,714,497	5,308,423	5,904,595	7,423,352	9,311,354
Judicial	56,308,364	61,622,028	61,571,616	63,543,647	67,317,493	70,800,824	73,890,025	82,081,133	88,066,515	91,306,100
Health	3,179,240	3,391,817	3,438,812	3,702,796	3,690,540	3,987,416	7,097,764	4,014,844	4,178,357	4,364,768
Police	93,988,335	101,644,605	99,016,027	97,153,874	90,164,472	111,032,033	115,206,986	122,888,250	129,670,014	137,898,276
Human Services	109,133,450	116,434,440	114,896,878	121,506,719	125,692,508	126,378,186	124,058,301	137,187,024	144,222,177	152,125,008
Public Works	175,477,790	173,634,278	182,099,702	221,572,129	184,476,409	180,759,392	179,266,059	202,890,102	194,087,984	199,149,108
Parks and Recreation	45,082,490	47,512,722	52,804,501	53,773,326	53,769,232	47,365,473	52,636,040	58,488,037	64,072,630	68,298,849
Library	17,001,977	18,354,780	17,605,034	16,876,449	18,321,890	17,775,399	17,952,609	19,107,761	21,092,444	22,170,934
Planning	9,689,950	11,162,446	19,392,297	18,951,218	19,600,411	10,136,563	15,879,782	1,481,207	492,585	3,736,983
Agriculture	1,427,900	4,605,108	3,327,833	3,429,550	3,505,824	989,561	5,450,992	15,006,254	3,791,376	6,148,767
Economic Development	2,076,114	1,562,948	4,463,692	2,460,004	130,286	10,270,726	16,525,448	71,265,585	17,178,244	15,273,810
Convention and Visitor Development	25,836,560	28,761,957	29,398,089	30,880,566	25,952,164	25,827,302	30,301,295	36,847,213	47,610,791	43,931,408
Cultural Affairs	-	-	-	-	3,156,488	2,030,069	1,613,615	2,081,568	1,867,395	-
Information Technology	33,641,832	38,964,868	43,482,116	38,010,079	37,031,425	40,478,404	46,447,924	53,390,404	53,920,241	53,154,700
Emergency Communications and Citizen Services	8,140,536	8,970,142	9,050,582	8,883,445	7,651,383	8,810,286	9,521,408	10,538,164	11,664,241	13,090,103
Boards and Commissions	30,230,164	34,738,707	26,461,340	28,038,995	23,022,240	-	-	-	-	-
Fire	50,306,088	57,104,376	58,983,144	59,205,902	52,187,797	66,743,662	72,063,215	81,434,129	84,978,151	94,665,983
Budget and Management Services	1,415,041	1,365,506	1,341,640	1,263,505	1,304,787	1,199,201	1,239,155	1,274,471	1,588,453	-
Education	398,127,741	396,304,003	423,487,979	430,808,133	444,640,435	393,805,472	519,790,190	470,150,749	472,040,260	465,301,341
Housing and Neighborhood Preservation	26,300,165	28,325,394	28,485,380	31,587,077	33,526,690	38,434,839	39,516,778	43,390,491	43,957,570	48,616,821
Museums	10,841,342	11,113,741	10,775,551	11,115,822	10,318,444	10,524,870	11,696,711	12,946,911	14,253,604	14,996,483
Emergency Medical Services	10,201,025	12,532,240	12,591,888	13,018,124	11,506,086	16,191,211	14,653,727	18,241,153	24,293,971	28,404,853
Strategic Growth Area	638,519	-	-	-	-	-	-	-	-	-
General Government	1,826,647	20,905,051	3,705,291	8,269,691	55,756,467	151,934,189	5,130,488	46,326,095	182,488,336	175,073,354
Interest on Long-term Debt	33,580,400	29,622,762	24,905,558	24,541,657	24,527,747	26,720,618	12,491,959	-	16,655,698	-
Total Governmental Activities Expenses	\$ 1,182,031,334	\$ 1,247,625,917	\$ 1,271,935,584	\$ 1,330,896,846	\$ 1,340,125,749	\$ 1,401,348,476	\$ 1,412,019,651	\$ 1,531,212,109	\$ 1,650,226,439	\$ 1,713,345,664
Business-Type Activities:										
Water and Sewer	\$ 109,232,931	\$ 107,922,521	\$ 115,336,137	\$ 139,843,870	\$ 122,936,900	\$ 128,355,819	\$ 123,082,346	\$ 129,355,105	\$ 147,847,890	\$ 145,340,888
Storm Water	23,288,944	34,666,545	33,518,183	38,120,181	33,328,873	28,399,383	27,277,527	28,806,275	37,616,424	34,414,120
Development Authority	9,920,441	39,724,605	17,545,543	12,383,812	11,848,737	14,201,332	11,483,345	16,170,202	23,186,966	24,432,645
Waste Management	39,965,302	12,582,903	37,051,532	34,569,612	34,898,954	39,922,657	39,623,039	40,531,439	43,957,570	46,534,297
Parking	3,770,402	3,383,691	3,984,236	4,211,205	3,279,464	3,554,852	4,012,896	6,814,732	6,560,663	5,457,672
Total Business-Type Activities Expenses	\$ 186,178,020	\$ 198,280,265	\$ 207,435,631	\$ 229,128,680	\$ 206,292,928	\$ 214,434,043	\$ 205,479,153	\$ 221,677,753	\$ 259,169,513	\$ 256,179,622
Total Primary Government Expenses	\$ 1,368,209,354	\$ 1,445,906,182	\$ 1,479,371,215	\$ 1,560,025,526	\$ 1,546,418,677	\$ 1,615,782,519	\$ 1,617,498,804	\$ 1,752,889,862	\$ 1,909,395,952	\$ 1,969,525,286
Program Revenues										
Governmental Activities:										
Charges for services:										
Judicial	\$ 3,549,429	\$ 4,907,694	\$ 5,409,133	\$ 5,439,707	\$ 4,970,675	\$ 4,952,035	\$ 4,593,372	\$ 4,452,638	\$ 4,596,972	\$ 4,185,728
Police	3,965,201	3,308,747	2,967,178	2,897,398	2,895,919	1,465,641	1,213,588	1,362,460	2,867,944	1,337,119
Human Services	24,956,662	25,167,062	25,755,690	26,226,827	24,294,428	23,856,142	24,423,403	30,848,325	31,515,249	24,909,868
Public Works	3,564,521	4,058,165	2,193,888	4,244,989	2,178,507	7,386,964	245,172	2,587,647	3,792,590	7,376,212
Parks and Recreation	15,569,444	15,021,272	16,988,062	17,445,906	12,115,841	6,879,205	12,933,902	15,426,715	17,571,505	18,886,145
Library	726,001	671,348	557,576	446,146	200,103	234,847	234,847	5,285,528	252,516	347,226
Planning	5,020,717	5,097,944	5,431,804	5,051,831	5,313,031	4,552,407	5,347,196	6,543,851	7,228,825	6,856,260
Agriculture	62,171	86,449	115,176	135,819	97,087	57,515	2,299,988	7,030,591	1,575,034	2,540,432
Economic Development	367,208	-	-	16,500	163,000	239,772	252,693	582,110	495,502	603,610
Convention and Visitor Development	5,904,184	6,620,853	5,174,206	5,334,377	3,142,035	843,577	2,364,093	3,203,148	4,783,769	3,390,565
Fire	413,115	665,923	717,111	480,369	422,241	323,464	446,095	1,000,780	1,160,969	532,475
Housing and Neighborhood Preservation	2,427,410	2,841,867	182,387	247,121	438,279	3,576,731	2,946,890	2,005,982	1,879,292	2,134,559

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Museums	\$ 9,171,646	\$ 9,679,208	\$ 9,856,700	\$ 10,181,856	\$ 6,366,013	\$ 9,514,580	\$ 17,789,880	\$ 13,076,280	\$ 14,607,889	\$ 14,062,842
General Government	6,690,903	6,795,827	11,561,559	17,187,437	22,781,929	10,590,920	36,543,669	32,849,143	47,486,406	7,877,511
Other Activities	3,867,123	3,726,144	3,644,173	3,675,786	5,154,383	9,097,237	3,150,439	1,178,652	9,008,180	4,520,528
Operating grants and contributions	176,554,087	180,792,670	182,245,742	189,379,234	230,763,053	233,977,314	213,595,601	231,324,331	269,443,398	321,618,650
Capital grants and contributions	49,358,726	30,380,171	32,129,238	22,413,389	9,443,815	1,425,123	7,645,253	3,465,260	7,711,469	23,424,179
Total Governmental Activities	\$ 312,168,549	\$ 299,790,140	\$ 305,043,395	\$ 242,837,702	\$ 274,509,193	\$ 264,605,174	\$ 278,724,842	\$ 281,893,666	\$ 348,257,342	\$ 444,603,909
Business-type Activities:										
Charges for services:										
Water and Sewer	\$ 124,303,922	\$ 125,124,505	\$ 127,939,734	\$ 127,220,550	\$ 130,615,326	\$ 130,577,433	\$ 130,311,714	\$ 131,686,568	\$ 137,900,937	\$ 146,110,395
Storm Water	39,522,703	40,164,454	41,715,744	42,192,454	44,779,183	46,283,817	45,987,477	46,221,163	46,378,291	46,777,235
Development Authority	4,999,007	2,859,707	7,721,739	6,115,757	3,374,565	1,061,751	2,347,657	66,886,214	63,408	3,003,553
Waste Management	37,766,169	35,390,065	34,225,087	34,050,587	37,369,824	37,841,799	37,863,158	37,711,858	41,674,317	46,168,486
Parking	3,824,504	5,235,807	6,014,164	5,408,631	4,701,165	5,271,225	6,438,914	5,518,809	5,853,769	5,431,503
Operating grants and contributions	72,740	319,888	42,871	45,382	35,658	40,955	58,254	1,453,097	91,331	357,686
Capital grants and contributions	8,175,896	6,611,382	28,258,904	27,124,075	5,013,019	3,143,542	3,899,017	3,270,306	37,247,303	18,297,760
Total Business-type Activities	\$ 218,664,941	\$ 215,705,808	\$ 245,918,243	\$ 242,157,436	\$ 225,888,740	\$ 224,220,522	\$ 226,906,191	\$ 292,748,015	\$ 269,209,356	\$ 266,146,618
Total Primary Government Program Revenues	\$ 530,833,490	\$ 515,495,948	\$ 550,961,638	\$ 484,995,138	\$ 500,397,933	\$ 488,825,696	\$ 505,631,033	\$ 574,641,681	\$ 617,466,698	\$ 710,750,527
Net (Expenses) Revenues										
Governmental Activities	\$ (869,862,786)	\$ (947,835,777)	\$ (966,892,189)	\$ (1,019,980,724)	\$ (1,009,109,367)	\$ (1,009,109,367)	\$ (1,070,721,070)	\$ (1,186,528,732)	\$ (1,186,528,732)	\$ (1,268,741,755)
Business-type Activities	32,486,921	17,425,543	38,482,612	13,028,756	19,595,722	9,786,479	21,427,038	71,070,262	10,039,843	9,966,996
Total Primary Government Net Expenses	\$ (837,375,865)	\$ (930,410,234)	\$ (928,409,577)	\$ (1,006,951,968)	\$ (989,513,645)	\$ (999,322,888)	\$ (1,049,294,032)	\$ (1,115,458,470)	\$ (1,176,488,889)	\$ (1,258,774,759)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
General Property Taxes -										
Real Estate & Personal Property	\$ 622,389,162	\$ 645,972,461	\$ 673,006,832	\$ 696,206,555	\$ 705,605,610	\$ 779,250,961	\$ 769,713,599	\$ 833,480,162	\$ 896,475,052	\$ 936,925,905
Sales	61,409,466	66,262,790	63,647,610	65,946,655	68,531,053	79,932,540	87,057,030	90,129,727	92,967,694	95,287,238
Utility	40,961,377	48,275,048	48,908,305	47,636,484	44,798,145	45,595,676	42,558,346	40,428,732	44,171,572	43,394,890
Business Licenses	44,956,510	47,143,398	48,777,766	49,129,284	53,879,101	53,804,526	55,604,297	59,007,924	61,224,225	67,346,186
Meal	63,558,427	68,900,065	66,608,924	69,540,210	54,489,832	72,458,074	86,795,057	92,398,321	93,612,453	98,516,633
Lodging	29,999,408	32,385,074	36,467,582	37,085,103	30,962,264	39,580,825	48,073,978	52,095,548	52,773,365	52,182,677
Amusement	6,953,928	7,032,632	6,485,738	7,295,403	5,196,698	4,074,079	7,779,671	9,055,008	10,991,889	9,721,124
City Tax on Deeds and Wills	7,299,045	7,858,406	7,565,471	7,809,055	8,554,150	13,988,672	13,146,819	7,870,701	8,023,726	8,268,280
Cigarette	10,950,799	12,060,433	11,447,553	10,309,971	10,477,789	9,651,125	8,534,975	8,241,038	7,083,047	6,227,791
Automobile Licenses	10,867,860	11,762,967	11,147,509	11,232,389	10,014,639	11,075,156	10,523,967	10,596,831	10,208,977	10,404,290
Other Taxes	13,480,842	10,937,880	5,783,324	3,607,656	3,348,538	3,696,076	4,367,291	4,183,698	4,264,945	4,530,666
Grants and contributions not restricted	53,412,868	53,412,868	53,412,868	53,412,868	53,412,868	53,412,868	53,412,868	53,412,868	53,412,868	53,412,868
Investment Earnings	7,172,459	2,255,088	6,488,405	15,272,598	14,404,603	4,679,808	4,243,769	18,884,519	28,488,637	40,156,153
Miscellaneous	14,369,406	17,446,147	16,752,791	17,464,961	6,526,999	15,415,264	18,413,330	14,380,430	14,235,275	14,237,511
Transfers	(15,898,147)	(22,611,189)	(23,409,462)	(22,248,564)	(11,245,196)	(25,433,254)	(31,945,328)	(17,856,710)	(11,277,298)	(61,154,195)
Total Governmental Activities	\$ 971,883,410	\$ 1,009,094,068	\$ 1,033,091,216	\$ 1,059,700,628	\$ 1,058,957,093	\$ 1,161,182,396	\$ 1,178,279,669	\$ 1,276,308,797	\$ 1,366,656,427	\$ 1,379,458,017
Business-type Activities:										
Investment Earnings	\$ 814,880	\$ 2,573,657	\$ 4,196,130	\$ 5,046,919	\$ 4,234,320	\$ 1,911,998	\$ 1,743,049	\$ 5,830,296	\$ 13,253,124	\$ 15,567,952
Miscellaneous	-	-	1,115,089	997,384	806,360	5,200,484	1,719,769	5,986,600	6,727,123	1,573,431
Transfers	15,898,147	22,611,189	23,409,462	22,248,564	11,245,196	25,433,254	31,945,328	17,856,710	11,277,298	61,154,195
Total Business-type Activities	\$ 16,713,027	\$ 25,184,846	\$ 28,720,681	\$ 28,292,867	\$ 16,285,876	\$ 32,545,736	\$ 35,408,146	\$ 29,673,606	\$ 31,257,545	\$ 78,295,578
Total Primary Government	\$ 988,596,437	\$ 1,034,278,914	\$ 1,061,811,897	\$ 1,087,993,495	\$ 1,075,242,969	\$ 1,193,728,132	\$ 1,213,687,815	\$ 1,305,982,403	\$ 1,397,913,972	\$ 1,457,753,595
Change in Net Position										
Governmental Activities	\$ 102,020,624	\$ 61,258,291	\$ 66,199,027	\$ 39,719,904	\$ 49,847,726	\$ 152,073,029	\$ 107,558,599	\$ 89,780,065	\$ 180,127,695	\$ 110,716,262
Business-type Activities	49,199,948	42,610,389	67,203,293	41,321,623	35,881,598	42,332,215	56,835,184	100,743,868	41,297,388	88,262,574
Total Primary Government	\$ 151,220,572	\$ 103,868,680	\$ 133,402,320	\$ 81,041,527	\$ 85,729,324	\$ 194,405,244	\$ 164,393,783	\$ 190,523,933	\$ 221,425,083	\$ 198,978,836

Source: City Department of Finance

Note: Strategic Growth Area merged with Planning in 2018

Table 3

CITY OF VIRGINIA BEACH, VIRGINIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 10,937,946	\$ 10,647,511	\$ 11,088,350	\$ 10,934,636	\$ 11,259,961	\$ 10,382,347	\$ 8,737,296	\$ 9,450,411	\$ 9,123,751	\$ 10,747,311
Restricted	675,616	2,047,751	2,201,965	2,901,470	1,460,287	4,701,470	2,901,470	1,922,110	6,795,589	8,721,767
Committed	12,299,308	17,299,308	17,299,308	17,299,308	16,549,308	16,249,308	15,914,944	15,247,762	14,914,171	104,453,006
Assigned	54,485,191	69,793,355	85,216,602	78,139,398	123,695,484	207,158,449	120,959,370	119,364,503	151,052,977	139,917,919
Unassigned	107,119,381	118,396,300	114,298,452	121,304,984	152,842,932	110,999,710	180,383,159	196,086,564	186,216,609	178,441,259
Total General Fund	<u>\$ 185,517,442</u>	<u>\$ 218,184,225</u>	<u>\$ 230,104,677</u>	<u>\$ 230,579,796</u>	<u>\$ 305,807,972</u>	<u>\$ 349,491,284</u>	<u>\$ 328,896,239</u>	<u>\$ 342,071,350</u>	<u>\$ 368,103,097</u>	<u>\$ 442,281,262</u>
All Other Governmental Funds										
Nonspendable*	\$ 6,488,666	\$ -	\$ -	\$ 47,307	\$ 141,784	\$ 162,681	\$ 195,777	\$ 816,641	\$ 755,003	\$ 6,033,716
Restricted	43,568,700	49,567,841	49,242,719	54,282,998	58,853,173	63,673,930	59,796,132	53,293,554	61,301,710	148,592,313
Committed	357,531,393	336,873,103	387,589,280	311,654,234	391,054,880	318,040,698	358,706,696	275,736,319	575,073,211	188,052,969
Assigned	6,154,607	2,273,180	1,052,730	2,361,660	2,464,037	11,867,831	11,539,720	11,795,387	2,414,395	138,097,663
Unassigned	-	-	-	(1,118,426)	(3,538,892)	(973,056)	(3,555,225)	(5,655,979)	(4,674,541)	(4,800,206)
Total All Other Governmental Funds	<u>\$ 413,743,366</u>	<u>\$ 388,714,124</u>	<u>\$ 437,884,729</u>	<u>\$ 367,227,773</u>	<u>\$ 448,974,982</u>	<u>\$ 392,772,084</u>	<u>\$ 426,683,100</u>	<u>\$ 335,985,922</u>	<u>\$ 634,869,778</u>	<u>\$ 475,976,455</u>

Source: City Department of Finance

* 2020, 2021, and 2022 were reported as unassigned.



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Table 4

CITY OF VIRGINIA BEACH, VIRGINIA
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES										
Real Estate Taxes	\$ 526,451,909	\$ 544,302,460	\$ 567,573,017	\$ 586,407,784	\$ 603,119,216	\$ 631,547,267	\$ 633,156,847	\$ 683,138,841	\$ 743,640,555	\$ 778,019,980
Personal Property Taxes	95,930,682	100,075,205	108,123,397	106,029,083	112,728,082	122,853,013	136,544,911	140,251,330	154,504,542	165,520,091
Total General Property Taxes	622,382,591	644,377,665	675,696,414	692,436,867	715,847,298	754,400,280	769,701,758	823,390,171	898,145,097	943,540,071
Other Local Taxes:										
General Sales	61,099,407	62,614,614	63,511,403	65,851,817	67,855,536	78,732,948	87,383,198	89,501,992	92,229,969	95,412,089
Utility	42,658,906	44,829,994	49,832,408	47,636,484	45,584,479	45,536,508	45,707,678	40,543,327	42,706,572	42,933,656
Business Licenses	45,301,911	47,009,925	48,676,655	49,141,505	52,759,292	54,766,642	55,489,629	59,030,932	62,099,209	67,346,186
Franchise Taxes-Cox Communications	8,115,171	5,163,159	-	-	-	-	-	-	-	-
Automobile Licenses	10,862,073	11,189,995	10,961,726	11,260,550	10,112,035	11,009,970	10,474,573	10,753,542	10,041,597	10,410,277
Bank Stock	3,023,394	3,100,922	3,469,803	3,607,656	3,348,538	3,696,076	4,367,291	4,183,698	4,264,945	4,530,666
City Tax on Deeds	7,222,757	7,755,788	7,475,502	7,708,985	8,494,352	13,867,356	13,006,544	7,767,037	7,898,238	8,141,576
City Tax on Wills	76,288	102,618	89,969	99,895	59,798	121,316	140,275	103,664	125,488	126,704
Cigarette	10,164,199	11,906,282	11,406,153	10,568,721	10,353,589	9,702,875	8,804,084	8,479,917	6,875,209	6,104,985
Amusement	7,034,792	6,811,740	6,349,234	6,762,346	6,300,510	3,407,997	7,568,665	9,236,340	9,500,100	10,856,416
Hotel Taxes	29,780,108	29,196,087	35,494,796	37,127,745	32,682,467	36,821,128	48,186,507	51,768,589	52,060,030	52,166,674
Restaurant Meals	63,437,485	65,207,699	66,264,685	69,278,652	60,561,741	65,572,967	85,941,096	92,035,336	94,093,300	97,865,339
Transient Occupancy Taxes	815,025	3,609,510	-	-	-	-	-	-	-	-
Total Other Local Taxes	289,591,516	298,498,333	303,532,334	309,044,356	298,112,337	323,235,783	367,069,540	373,404,374	381,894,657	395,894,568
Fines and Forfeitures	6,417,007	5,507,315	5,749,252	5,784,450	3,841,464	-	-	1,326,584	1,918,689	1,757,797
Permits, Privilege Fees, and Regulatory Licenses	4,922,398	5,250,146	5,260,171	4,948,973	5,291,220	6,924,448	8,145,586	9,464,416	10,149,624	9,805,101
From Use of Money and Property	15,856,367	8,910,323	15,589,069	20,766,143	18,434,539	5,253,590	5,561,694	25,192,831	35,213,620	52,419,850
Charges for Services	70,998,949	71,800,886	72,356,349	74,794,925	64,290,614	63,777,821	72,122,243	75,166,201	80,610,001	77,809,680
Miscellaneous	11,148,714	13,723,105	12,917,055	13,245,098	12,503,197	12,657,547	15,872,678	9,216,775	32,232,852	11,459,882
From Other Local Governments	-	-	-	-	-	-	-	-	-	-
From Commonwealth	216,035,262	204,502,438	187,643,619	196,365,167	199,406,262	193,598,286	201,786,954	214,566,317	250,007,980	239,804,348
From Federal Government	57,728,271	56,119,173	77,856,895	62,086,134	94,757,533	103,770,533	108,672,400	95,360,973	109,973,850	156,582,395
Total Revenues	\$ 1,295,081,075	\$ 1,308,689,384	\$ 1,356,601,158	\$ 1,379,472,113	\$ 1,412,484,464	\$ 1,463,618,288	\$ 1,548,932,853	\$ 1,627,088,642	\$ 1,800,146,370	\$ 1,889,073,692
EXPENDITURES										
Legislative	\$ 1,233,934	\$ 1,173,001	\$ 1,248,240	\$ 1,144,252	\$ 180,302	\$ 1,148,867	\$ 1,136,896	\$ 1,267,998	\$ 1,457,483	\$ 1,572,755
Executive	3,998,371	4,093,880	4,488,041	5,013,472	5,150,430	5,350,574	5,814,781	6,669,856	7,661,418	9,536,999
Law	4,022,217	3,969,488	4,477,543	4,529,203	4,595,060	4,648,025	4,989,558	5,623,140	5,932,831	6,347,502
Finance	18,062,607	18,207,252	19,293,822	20,044,583	19,694,983	22,485,637	21,829,965	23,949,092	23,611,137	27,969,793
Human Resources	11,914,851	11,245,572	11,912,017	12,545,582	12,308,232	4,641,373	5,339,985	6,114,668	7,341,716	9,293,755
Judicial	58,516,561	61,187,703	63,333,087	65,909,658	67,994,838	70,898,766	74,191,658	81,468,470	87,429,499	92,921,532
Health	3,177,862	3,376,761	3,442,478	3,716,750	3,689,009	3,977,832	3,977,832	4,016,549	4,177,563	4,365,681

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police	\$ 95,179,158	\$ 97,550,859	\$ 99,210,134	\$ 99,395,675	\$ 87,195,246	\$ 104,706,083	\$ 109,936,071	\$ 120,472,141	\$ 125,191,064	\$ 133,525,193
Human Services	112,944,110	115,193,857	117,245,898	124,188,922	125,796,095	126,498,778	124,707,774	140,207,663	142,721,546	150,801,400
Public Works	66,744,291	73,368,698	71,637,743	72,246,833	78,688,736	84,766,606	87,568,991	96,027,726	106,926,855	110,270,415
Parks and Recreation	43,265,384	43,768,393	48,547,482	50,723,021	50,284,384	41,771,348	45,562,141	52,599,740	58,284,873	63,287,875
Library	17,368,746	17,615,908	18,018,356	17,274,298	18,190,701	17,792,956	17,976,360	19,312,737	20,893,256	22,443,135
Planning	9,741,864	10,993,105	19,193,976	19,296,051	19,507,678	18,144,394	19,455,733	12,285,540	14,012,701	15,936,392
Agriculture	1,468,560	4,607,650	969,705	1,043,558	1,056,388	985,928	1,030,830	1,102,779	1,270,312	1,253,513
Economic Development	3,949,271	3,749,275	4,242,488	5,577,029	2,936,165	10,261,721	9,247,887	7,556,960	8,843,131	7,625,540
Convention and Visitor Development	26,306,456	27,050,391	27,058,450	27,868,190	22,513,470	23,522,938	28,156,079	34,293,956	45,075,854	39,130,104
Cultural Affairs	-	-	-	-	3,156,488	4,066,520	3,489,894	3,886,382	4,132,622	6,741,201
Information Technology	20,463,895	22,132,288	24,774,178	25,707,312	25,166,518	29,152,624	25,819,118	25,013,855	26,872,859	27,540,597
Emergency Communications and Citizen Services	8,609,489	8,859,237	9,122,044	9,147,638	7,631,901	8,890,972	9,609,934	10,604,080	10,899,685	12,303,586
Boards and Commissions	35,367,590	60,714,680	33,601,257	36,875,467	25,951,685	-	-	-	-	-
Fire	51,237,605	55,117,288	58,151,454	59,007,138	48,921,561	66,959,752	72,785,714	81,754,940	85,066,735	94,859,353
Budget and Management Services	1,485,496	1,409,775	1,365,183	1,323,859	1,324,913	1,176,117	1,149,059	1,229,516	1,270,780	1,638,199
Development Authority	-	55,008	-	-	-	-	-	-	-	-
Education	388,092,326	407,548,658	436,811,968	401,945,731	527,340,170	415,985,447	519,866,042	456,472,085	483,231,129	465,301,341
Housing and Neighborhood Preservation	26,550,331	28,246,526	28,499,449	31,727,306	33,420,457	38,409,709	39,522,022	38,881,389	43,383,791	48,499,843
Museums	11,140,739	10,961,337	10,880,638	11,318,527	10,151,547	-	11,732,959	13,058,273	14,238,214	15,023,526
General Registrar	-	-	-	-	-	-	2,460,307	3,340,831	4,256,484	4,875,242
General Government	2,566,531	2,331,474	4,685,528	3,641,535	42,058,231	62,183,937	65,533,732	59,209,157	95,257,715	52,993,789
Emergency Medical Service	10,111,253	11,405,734	12,213,689	12,637,136	10,799,955	16,248,594	14,713,533	18,495,449	24,939,532	29,928,410
Strategic Growth Area	746,889	-	-	-	-	-	-	-	-	-
Capital Outlay	148,425,984	75,596,098	127,054,115	180,430,527	169,446,236	145,763,843	144,465,888	254,026,978	260,783,923	329,860,516
Lease Payments	-	-	-	-	-	-	-	4,133,722	7,043,387	6,348,514
Subscription Payments	-	-	-	-	-	-	-	5,400,148	2,941,970	1,787,870
Debt Service:										
Principal Retirement	86,698,132	88,609,860	87,908,194	91,689,035	93,299,097	90,767,130	101,672,131	106,318,292	94,733,577	97,081,292
Interest and Fiscal Charges	45,188,801	46,498,278	42,872,488	42,773,286	41,008,013	43,209,156	42,417,787	38,852,258	37,293,792	38,767,942
Total Expenditures	\$ 1,314,579,304	\$ 1,316,638,034	\$ 1,392,259,645	\$ 1,438,741,574	\$ 1,559,458,489	\$ 1,464,415,627	\$ 1,616,285,220	\$ 1,733,646,370	\$ 1,848,675,560	\$ 1,929,832,805
Excess (Deficiency) of Revenues over (under) Expenditures	\$ (19,498,229)	\$ (7,948,650)	\$ (35,658,487)	\$ (59,269,461)	\$ (146,974,025)	\$ (797,339)	\$ (67,352,367)	\$ (106,557,728)	\$ (221,586,918)	\$ (40,759,113)
OTHER FINANCING SOURCES (USES)										
Transfers In	\$ 151,503,513	\$ 153,805,994	\$ 160,358,211	\$ 161,180,542	\$ 175,293,404	\$ 156,191,300	\$ 218,986,295	\$ 228,976,155	\$ 256,560,950	\$ 187,572,090
Transfers Out	(156,245,123)	(166,095,354)	(170,748,899)	(172,092,918)	(173,201,224)	(154,381,924)	(233,981,737)	(229,507,259)	(256,349,550)	(230,314,562)
Capitalized Leases	-	-	-	-	-	-	-	6,123,168	-	686,277
Capitalized Subscriptions	-	-	-	-	-	-	-	9,173,502	-	5,468,566
Agriculture Reserve Agreement	565,264	3,728,464	-	-	-	-	-	-	-	-
Issuance of Debt	111,685,000	21,225,000	98,035,000	-	260,170,000	-	94,915,000	-	313,323,971	-
Premium on Bonds Sold	13,623,894	2,922,087	22,476,887	-	51,237,936	-	15,181,556	-	37,548,814	-
Proceeds of Refunding Bonds	-	-	71,530,000	-	80,329,587	-	-	-	-	-
Payment to Refunding Bonds Escrow Agent	(55,585,547)	-	(84,900,655)	-	(89,022,077)	(3,438,666)	-	-	(63,074,756)	-
Revenue from Support Agreement	-	-	-	-	-	-	-	-	-	(7,368,416.00)
Total Other Financing Sources (Uses)	\$ 65,547,001	\$ 15,586,191	\$ 96,750,544	\$ (10,912,376)	\$ 304,807,626	\$ (1,629,290)	\$ 95,101,114	\$ 14,765,566	\$ 288,009,429	\$ (43,956,045)
Net Change in Fund Balance	\$ 46,048,772	\$ 7,637,541	\$ 61,092,057	\$ (70,181,837)	\$ 157,833,601	\$ (2,426,629)	\$ 27,748,747	\$ (91,792,162)	\$ 66,422,511	\$ (84,715,158)
Debt Service as a Percentage of Noncapital Expenditures	11.3%	10.9%	10.3%	10.7%	9.7%	10.2%	9.8%	9.8%	8.3%	8.5%

Source: City Department of Finance

Note: Franchise Tax was combined with Utility Tax beginning in FY2018

Table 5

CITY OF VIRGINIA BEACH, VIRGINIA
GOVERNMENTAL FUNDS TAX REVENUE BY SOURCE
Last Ten Fiscal Years
(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
City Taxes										
Real Estate	\$ 526,451,909	\$ 544,302,460	\$ 567,573,017	\$ 586,407,784	\$ 603,119,216	\$ 631,547,267	\$ 633,156,847	\$ 683,138,841	\$ 743,640,555	\$ 778,019,980
Personal Property	95,930,682	100,075,205	108,123,397	106,029,083	112,728,082	122,853,013	136,544,911	140,251,330	154,504,541	165,520,091
General Sales	61,099,407	62,614,614	63,511,403	65,851,817	67,855,536	78,732,948	87,383,198	89,501,992	92,229,969	95,412,089
Utility	42,658,906	44,829,994	49,832,408	47,636,484	45,584,479	45,536,508	45,707,678	40,543,327	42,706,571	42,933,656
Business Licenses	45,301,911	47,009,925	48,676,655	49,141,505	52,759,292	54,766,642	55,489,629	59,030,932	62,099,209	67,346,186
Franchise Taxes	8,115,171	5,163,159	-	-	-	-	-	-	-	-
Automobile Licenses	10,862,073	11,189,995	10,961,726	11,260,550	10,112,035	11,009,970	10,474,573	10,753,542	10,041,597	10,410,277
Bank Stock	3,023,394	3,100,922	3,469,803	3,607,656	3,348,538	3,696,076	4,367,291	4,183,698	4,264,945	4,530,666
City Tax on Deeds	7,222,757	7,755,788	7,475,502	7,708,985	8,494,352	13,867,356	13,006,544	7,767,037	7,898,238	8,141,576
City Tax on Wills	76,288	102,618	89,969	99,895	59,798	121,316	140,275	103,664	125,488	126,704
Cigarette	10,164,199	11,906,282	11,406,153	10,568,721	10,353,589	9,702,875	8,804,084	8,479,917	6,875,209	6,104,985
Amusement	7,044,913	6,811,740	6,349,234	6,762,346	6,300,510	9,752,814	7,568,665	9,236,340	9,500,099	10,856,416
Hotel Taxes	30,595,133	32,805,597	35,493,796	37,127,745	32,682,467	36,821,128	48,186,507	51,768,589	52,060,029	52,166,674
Restaurant Meals	63,437,485	65,207,699	66,264,685	69,278,652	60,561,741	65,572,967	85,941,096	92,035,336	94,093,299	97,865,339
Total	<u>\$ 911,984,228</u>	<u>\$ 942,875,998</u>	<u>\$ 979,227,748</u>	<u>\$ 1,001,481,223</u>	<u>\$ 1,013,959,635</u>	<u>\$ 1,083,980,880</u>	<u>\$ 1,136,771,298</u>	<u>\$ 1,196,794,545</u>	<u>\$ 1,280,039,751</u>	<u>\$ 1,339,434,639</u>

Source: City Department of Finance

Note: Franchise Tax was combined with Utility Tax beginning in FY2018
Hotel Taxes include Transient Occupancy Taxes

Table 6

CITY OF VIRGINIA BEACH, VIRGINIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Real Property Assessed Value			Total Taxable Real Property Assessed Value	Direct Tax Rate	Personal Property Assessed Value			Total Taxable Personal Property Assessed Value	Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial	Public Service*			Residential	Commercial	Public Service				
2016	43,302,214,028	8,714,160,476	893,717,743	52,910,092,247	0.9900	3,552,544,174	1,029,515,444	1,762,202	4,583,821,820	4.0000	57,493,914,067	100.0%
2017	45,017,777,981	8,822,768,056	943,063,814	54,783,609,851	0.9900	3,612,948,282	1,079,435,074	2,030,566	4,694,413,922	4.0000	59,478,023,773	100.0%
2018	46,426,321,920	9,094,379,313	981,368,382	56,502,069,615	1.0025	3,662,270,285	1,124,495,564	2,239,486	4,789,005,335	4.0000	61,291,074,950	100.0%
2019	47,819,472,210	9,479,885,409	1,017,679,883	58,317,037,502	1.0025	4,465,618,146	1,181,448,770	2,499,889	5,649,566,805	4.0000	63,966,604,307	100.0%
2020	49,373,623,875	9,975,795,660	1,043,594,888	60,393,014,423	1.0175	4,570,825,950	1,025,877,871	3,326,909	5,600,030,730	4.0000	65,993,045,153	100.0%
2021	51,177,172,399	10,254,365,192	1,107,286,164	62,538,823,755	1.0175	5,151,658,034	744,898,436	4,468,203	5,901,024,673	4.0000	68,439,848,428	100.0%
2022	53,720,116,305	10,096,383,587	1,127,390,416	64,943,890,308	0.9900	5,484,917,057	1,665,362,748	3,706,449	7,153,986,254	4.0000	72,097,876,562	100.0%
2023	59,655,289,015	10,026,808,819	1,190,111,242	70,872,209,076	0.9900	5,721,976,158	1,186,640,535	3,885,008	6,912,501,701	4.0000	77,784,710,777	100.0%
2024	65,739,185,533	10,728,183,166	1,088,020,958	77,555,389,657	0.9900	6,345,543,767	1,433,336,249	3,377,047	7,782,257,063	4.0000	85,337,646,720	100.0%
2025	70,867,557,693	11,433,046,903	1,344,665,805	83,645,270,401	0.9700	6,393,149,626	1,279,504,736	3,836,846	7,676,491,208	4.0000	91,321,761,609	100.0%

Sources: Office of Real Estate Assessor
Commissioner of the Revenue

Notes: 1 - The City is the only entity with local taxing authority within its boundaries.
2 - See Table 7 for revenue rates
* The assessed value includes Public Service Personal Property taxed at the same rate as Real Estate

Table 7

CITY OF VIRGINIA BEACH, VIRGINIA
REVENUE RATES FOR REAL ESTATE AND FOR PERSONAL PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Base Real Property Tax Rate	Additional Real Property Tax Rate Sandbridge SSD	Additional Real Property Tax Rate Town Center SSD	Additional Real Property Tax Rate Old Donation SSD	Additional Real Property Tax Rate Bayville Creek SSD	Additional Real Property Tax Rate Shadowlawn SSD	Additional Real Property Tax Rate Chesapeake SSD	Additional Real Property Tax Rate Harbor Point SSD	Additional Real Property Tax Rate Gills Cove SSD	Additional Real Property Tax Rate Hurds Cove SSD	Additional Real Property Tax Rate Schilling Point	Personal Property Tax Rate
2016	0.9900	0.0600	0.4500	0.1840	0.3630	0.1594	0.2913	0.0790	0.0630	0.4380	-	4.000
2017	0.9900	0.0600	0.4500	0.1840	0.3630	0.1594	0.2913	0.0790	0.0630	0.4380	-	4.000
2018	1.0025	0.0600	0.4500	0.1840	0.5690	0.1594	0.2913	0.0790	0.0630	0.4380	-	4.000
2019	1.0025	0.0600	0.4500	0.1840	0.4720	0.1594	0.2913	0.1200	0.0630	0.4380	-	4.000
2020	1.0175	0.0400	0.4500	0.1840	0.4720	0.1594	0.2913	0.1200	0.0630	0.4380	0.4040	4.000
2021	1.0175	0.0400	0.4500	0.1840	0.4720	0.1594	0.2913	0.1200	0.0630	0.4380	0.4040	4.000
2022	0.9900	0.0400	0.4500	0.1840	0.4720	0.1594	0.2913	0.1200	0.0630	0.4380	0.4040	4.000
2023	0.9900	0.0200	0.4500	0.1840	0.4720	0.1594	0.2913	0.1200	0.0630	0.4380	0.4040	4.000
2024	0.9900	0.0100	0.4500	0.1840	0.4720	0.1594	0.2913	0.1200	0.0630	0.4380	0.4040	4.000
2025	0.9700	0.0200	0.4500	0.1840	0.4720	0.1594	0.2913	0.1200	0.1600	0.4380	0.5800	4.000
Real Property Total Direct Tax Rate												
Fiscal Year	Regular	Sandbridge SSD Residents	Town Center SSD Residents	Old Donation SSD Residents	Bayville Creek SSD Residents	Shadowlawn SSD Residents	Chesapeake SSD Residents	Harbor Point SSD Residents	Gills Cove SSD Residents	Hurds Cove SSD Residents	Schilling Point Residents	
2016	0.9900	1.0500	1.4400	1.1740	1.3530	1.1494	1.2813	1.0690	1.0530	1.4280	0.9900	
2017	0.9900	1.0500	1.4400	1.1740	1.3530	1.1494	1.2813	1.0690	1.0530	1.4280	0.9900	
2018	1.0025	1.0625	1.4525	1.1865	1.5715	1.1619	1.2938	1.0815	1.0655	1.4405	1.0025	
2019	1.0025	1.0625	1.4525	1.1865	1.4745	1.1619	1.2938	1.1225	1.0655	1.4405	1.0025	
2020	1.0175	1.0575	1.4675	1.2015	1.4895	1.1769	1.3088	1.1375	1.0805	1.4555	1.4215	
2021	1.0175	1.0575	1.4675	1.2015	1.4895	1.1769	1.3088	1.1375	1.0805	1.4555	1.4215	
2022	0.9900	1.0300	1.4400	1.1740	1.4620	1.1494	1.2813	1.1100	1.0530	1.4280	1.3940	
2023	0.9900	1.0100	1.4400	1.1740	1.4620	1.1494	1.2813	1.1100	1.0530	1.4280	1.3940	
2024	0.9900	1.0000	1.4400	1.1740	1.4620	1.1494	1.2813	1.1100	1.0530	1.4280	1.3940	
2025	0.9700	0.9900	1.4200	1.1540	1.4420	1.1294	1.2613	1.0900	1.1300	1.4080	1.5500	

Source: City Adopted Resource Management Plan

Notes: 1 - The City is the only entity with local taxing authority within its boundaries.
2 - Real Property Tax Rate is applied to Real Estate such as land and buildings.
3 - Personal Property Tax Rate is applied to personal property such as automobiles and equipment.
4 - The tax bases are mutually exclusive.

Table 8

**CITY OF VIRGINIA BEACH, VIRGINIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

	Real Property Assessed Value	Percent of Total Real Property Assessed Value	Rank		Real Property Assessed Value	Percent of Total Real Property Assessed Value	Rank
	2025				2016		
Armada Hoffer	\$ 776,838,800	0.93	% 1		\$ 348,578,500	0.55	% 2
Ramon W. Breeden, Jr.	772,061,400	0.92	2		345,708,500	0.55	3
Dominion Energy, Inc.*	580,253,063	0.69	3		350,475,577	0.55	1
A.D. & L.E. Fleder & J.M. & R.J. Caplan	572,043,000	0.68	4		257,436,900	0.41	6
E. C. & A. F. Ruffin & B. L. Thompson	378,311,200	0.45	5		266,804,000	0.42	5
Amazon.Com Services LLC	309,716,200	0.37	6		-	-	-
Constitution LLC	277,624,000	0.33	7		-	-	-
Lynnhaven Mall LLC	275,928,000	0.33	8		284,948,200	0.45	4
W.Taylor Franklin	275,782,900	0.33	9		-	-	-
Pembroke Square Associates	262,411,500	0.31	10		187,416,300	0.30	7
Watergate Treehouse Associate LP	-	-	-		113,616,200	0.18	13
Virginia Natural Gas, Inc.	-	-	-		92,538,234	0.15	17
Cheryl P. McLeskey	-	-	-		138,061,200	0.22	10
Christian Broadcasting Assoc./Net Inc.	-	-	-		148,392,200	0.23	9
Verizon Virginia, Inc.	-	-	-		170,066,425	0.27	8
Totals	<u>\$ 4,480,970,063</u>	<u>5.34</u>	<u>%</u>		<u>\$ 2,704,042,236</u>	<u>4.28</u>	<u>%</u>

* Formerly Virginia Electric & Power Company

Sources: Office of Real Estate Assessor
Commissioner of the Revenue

Table 9

**CITY OF VIRGINIA BEACH, VIRGINIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Total Real Estate Tax Levy ¹	Total Personal Property Tax Levy ¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2016	510,528,757	102,577,135	589,411,524	96.1	18,946,272	608,357,796	99.2
2017	528,410,384	106,583,082	609,085,906	95.9	21,453,935	630,539,841	99.3
2018	551,883,966	110,388,668	636,789,707	96.2	24,103,980	660,893,687	99.8
2019	570,105,091	117,968,242	638,348,095	92.8	28,217,169	666,565,264	96.9
2020	596,677,843	125,943,586	631,762,062	87.4	74,246,066	706,008,128	97.7
2021	616,188,945	111,473,579	687,116,605	94.4	54,177,469	741,294,074	101.9
2022	621,125,929	121,098,967	707,907,083	95.4	42,931,893	750,838,976	101.2
2023	673,307,081	125,826,181	755,199,729	94.5	43,913,518	799,113,247	100.0
2024	728,824,329	153,902,731	830,786,286	94.1	42,451,783	873,238,069	98.9
2025	764,045,536	154,960,691	867,095,870	94.4	-	867,095,870	94.4

Source: Comissioner of Revenue, Real Estate Assessor's Office and City Department of Finance

Note: Collections in subsequent years represents delinquent accounts collected during the course of the fiscal year for all prior fiscal years.

¹ Includes Public Service.

Table 10

CITY OF VIRGINIA BEACH, VIRGINIA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

Fiscal Year ¹	Governmental Activities						Business-Type Activities						Net Debt Per Capita ⁶	Ratio of Net Debt Per Capita to Per Capita Personal Income
	General Obligation Bonds	State Literary Fund Loans ²	Public Facility Revenue Bonds	Obligations Under Leases ³	Obligations Under Subscriptions ⁴	Agriculture Reserve Program	Virginia Beach Development Authority ⁵	Revenue Bonds	Obligations Under Leases ³	Obligations Under Subscriptions ⁴	Total Primary Government			
2015	\$ 716,612,342	\$ 2,875,000	\$ 320,169,585	\$ -	\$ -	\$ 41,808,934	\$ 85,183,901	\$ 246,792,383	\$ -	\$ -	\$ 1,413,442,145	\$ 2,258	4.4%	
2016	721,310,401	2,250,000	294,372,839	-	-	42,374,198	78,760,588	283,555,487	-	-	1,422,623,513	2,195	4.2%	
2017	655,854,925	1,875,000	288,582,663	-	-	46,102,662	71,945,485	272,759,201	-	-	1,337,119,936	2,040	3.7%	
2018	664,558,868	1,500,000	292,789,906	-	-	46,102,662	67,524,535	260,914,896	-	-	1,333,390,867	2,056	3.8%	
2019	600,663,013	1,125,000	261,569,221	-	-	47,710,144	60,053,224	279,691,851	-	-	1,250,812,453	1,856	3.3%	
2020	649,974,113	750,000	415,534,711	-	-	48,746,276	51,975,681	266,123,853	-	-	1,433,104,634	2,174	3.7%	
2021	585,872,515	375,000	383,908,895	-	-	51,440,318	45,220,011	391,227,645	-	-	1,458,044,384	1,975	3.1%	
2022	634,010,034	-	341,795,968	11,728,920	-	49,790,932	36,341,691	372,965,280	3,611,816	-	1,450,244,641	1,971	2.9%	
2023	570,888,217	-	301,711,830	21,516,168	4,812,596	44,146,562	27,446,807	350,808,924	3,401,759	574,363	1,325,307,226	1,763	2.4%	
2024	794,560,443	-	316,670,425	49,579,887	3,629,134	45,138,160	133,011,648	331,104,326	3,449,932	290,078	1,677,434,033	2,480	3.4%	
2025	719,820,538	-	286,019,279	44,475,328	18,035,191	47,339,200	120,787,951	390,366,327	3,646,867	5,416,081	1,635,906,762	-	-	

Source: City Department of Finance

- Notes:
- ¹ Fiscal Years 2015-2024 have been adjusted to reflect the related unamortized premiums.
 - ² The State Literary Fund Loan program is part of the Virginia Public School Authority (VPSA) pooled bond program and is not a loan. It is General Obligation debt for the City, which was paid-off in FY 2022.
 - ³ GASB Statement No. 87, Leases, was implemented in FY 2022.
 - ⁴ GASB Statement No. 96, Subscription-Based Information Technology Arrangements, was implemented in FY 2023.
 - ⁵ Includes balances of VBDA Note Payable secured by a surety agreement provided by Town Center Associates, L.L.C. for FY 2014. Note was paid off during FY 2015. For FY 2021, excludes \$700,000 in Notes Payable for the VBDA reflecting a loan due to the City. For FY 2022, excludes \$3,550,406 in Notes Payable for the VBDA, which reflects two loans due to the City (includes the loan noted for FY 2021). In addition, Net Debt Per Capita excludes Revenue Bonds, Agriculture Reserve, and the premiums included in this table presentation.
 - ⁶ For calculation of Net Debt Per Capita, the population is per Table 15. FY 2025 population is based on the latest estimate issued for July 1, 2024 of 452,965 from Weldon Cooper Center for Public Service. The FY2024 population is from the prior year Weldon Cooper Survey. FY 2022 population is based on the estimate for July 2, 2021 from Weldon Cooper Center for Public Service. FY 2021 and FY 2020 population estimates are based on the April 1, 2020 Decennial Census Count estimate. In addition, Net Debt Per Capita excludes Revenue Bonds, Agriculture Reserve, and the premiums included in this table presentation. The Bureau of Economic Analysis is not yet available for 2024, the 2022 amount of \$65,986 was used for year 2023.

FY 2025 Premium detail and reconciliation to Note 6A1 & 6A2:

	Governmental Activities						
	General Obligation Bonds	Other Direct Borrowings	Public Facility Revenue Bonds	Agriculture Reserve Program	Total Governmental Activity	Total Business Activity	Total Primary Government (1)
Principal	\$ 642,835,000	\$ 3,804,117	\$ 254,302,820	\$ 47,339,200	\$ 948,281,137	\$ 479,997,180	\$ 1,428,278,317
Premium	72,781,501	399,920	31,716,459	-	104,897,880	31,157,098	136,054,978
Total	<u>\$ 715,616,501</u>	<u>\$ 4,204,037</u>	<u>\$ 286,019,279</u>	<u>\$ 47,339,200</u>	<u>\$ 1,053,179,017</u>	<u>\$ 511,154,278</u>	<u>\$ 1,564,333,295</u>
Tax Supported Debt subtotal per 6A1							\$ 948,281,137
Premiums per 6A1							104,897,880
Self/Tax Supported Debt subtotal per 6A2							479,997,180
Premiums per 6A2							31,157,098
Total per Note 6A1 & 6A2							<u>\$ 1,564,333,295</u>

Table 11

CITY OF VIRGINIA BEACH, VIRGINIA
RATIOS OF OUTSTANDING GENERAL BONDED DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

Fiscal Year ¹	General Obligation Bonds ²	State Literary Fund Loans ²	Appropriation Backed Debt ³	Total	Percentage of Estimated Actual Full Value of Property ⁴	Net Debt Per Capita ⁵
2015	\$ 716,612,342	\$ 2,875,000	\$ 405,353,486	\$ 1,124,840,828	2.1	\$ 2,258
2016	721,310,401	2,250,000	373,133,427	1,096,693,828	1.9	2,195
2017	655,854,925	1,875,000	360,528,148	1,018,258,073	1.7	2,040
2018	664,558,868	1,500,000	360,314,441	1,026,373,309	1.7	2,056
2019	600,663,013	1,125,000	321,622,445	923,410,458	1.4	1,856
2020	649,974,113	750,000	467,510,392	1,118,234,505	1.7	2,174
2021	585,872,515	375,000	429,128,906 *	1,015,376,421	1.5*	1,975
2022	634,010,034	-	378,137,659	1,012,147,693	1.4	1,971
2023	570,888,217	-	329,158,637	900,046,854	1.2	1,971
2024	794,560,443	-	449,682,073	1,244,242,516	1.5	2,480
2025	719,820,538	-	406,807,230	1,126,627,768	1.2	-

¹ Fiscal Years 2015-2024 have been adjusted to reflect the related unamortized premiums.

² Per Table 10. The State Literary Fund Loan program is part of the Virginia Public School Authority (VPSA) pooled bond program and is not a loan. It is General Obligation debt for the City, which was paid-off in FY 2022.

³ Includes all Governmental Public Facility Revenue Bonds and Business Type Virginia Beach Development Authority Debt as per Table 10.

⁴ Actual Full Value of property is from Table 6.

⁵ Population is from Table 15. Computation of Net Debt Per Capita is net of premiums in the above numbers. BEA data is unavailable until late November 2025.

* Restated from FY 2021 Annual Comprehensive Financial Report to include Virginia Beach Development Authority appropriations backed debt.

Source: City Department of Finance

Table 12

CITY OF VIRGINIA BEACH, VIRGINIA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Unaudited)

	2016	2017	2018	2019	2020	2021	2022 ³	2023	2024	2025
Debt Limit	\$ 5,291,185,445	\$ 5,478,360,985	\$ 5,650,206,962	\$ 5,831,703,750	\$ 6,039,301,442	\$ 6,253,886,891	\$ 6,494,389,031	\$ 7,087,220,908	\$ 7,755,538,966	\$ 8,364,527,040
Total Net Debt applicable to limit ¹	697,520,721	641,749,326	646,061,132	590,409,579	629,730,209	575,052,122	613,872,302	552,965,034	758,247,394	690,174,200
Legal Debt Margin	<u>\$ 4,593,664,724</u>	<u>\$ 4,836,611,659</u>	<u>\$ 5,004,145,830</u>	<u>\$ 5,241,294,171</u>	<u>\$ 5,409,571,233</u>	<u>\$ 5,678,834,769</u>	<u>\$ 5,880,516,729</u>	<u>\$ 6,534,255,874</u>	<u>\$ 6,997,291,572</u>	<u>\$ 7,674,352,840</u>
Total Net Debt applicable to the limit as a percentage of debt limit	13.18%	11.71%	11.43%	10.12%	10.43%	9.20%	9.45%	7.80%	9.78%	8.25%

Legal Debt Margin Calculation For Fiscal Year 2025

Assessed Value of Real Property (Taxable) ² :	
Regular	\$ 82,300,604,596
Public Service (excluding vehicle assessments)	1,344,665,805
Total Assessed Value of Real Property	<u>83,645,270,401</u>
Debt limit (10% of Total Assessed Value)	8,364,527,040
Total Net Debt applicable to limit	690,174,200
Legal Debt Margin	<u>\$ 7,674,352,840</u>

Notes:

¹ Total net debt applicable to the limit is tax-supported debt, which includes General Obligation Bonds, State Literary Fund debt for Public Schools, and Agricultural Reserve Program installment purchase agreements. Under State law, the City's outstanding general obligation debt should not exceed 10% of total assessed property value. In addition, the City has established financial affordability indicators to restrict debt as follows:

- The total annual debt service for general government supported debt may not exceed 10% of general government expenditures (excluding interfund transfers).
- The City's overall net debt may not exceed 3.0% of the estimated full value of taxable property.
- The City's fixed costs (tax-supported debt plus annual costs for pension and OPEB) may not exceed 20% of general government expenditures.
- The City's ten-year pay-out of tax-supported debt shall be greater than 50%.

² Assessed value of real property based on data from Table 6; the assessed value is based on June 30th of each fiscal year including supplements and exonerations.

Sources: The following sources were used in compiling the above information:
City Department of Finance
Office of the Real Estate Assessor
Virginia State Corporation Commission, Public Service Corporations Report Real and Personal Property Assessment

CITY OF VIRGINIA BEACH, VIRGINIA
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Water and Sewer Revenue Bonds						Coverage
	Water and Sewer Charges and Other	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Total	
				Principal	Interest ²		
2016	128,045,227	73,930,294	54,114,933	9,371,805	8,202,712	17,574,517	3.08
2017	130,403,502	72,814,216	57,589,286	7,812,706	7,808,592	15,621,298	3.69
2018	130,905,466	79,514,710	51,390,756	8,820,728	8,160,477	16,981,205	3.03
2019	130,015,725	80,883,044	49,132,681	9,215,276	7,791,849	17,007,125	2.89
2020	136,972,800	84,039,313	52,933,487	9,625,000	7,398,916	17,023,916	3.11
2021	133,137,043	88,818,626	44,318,417	10,045,000	7,670,002	17,715,002	2.50
2022	134,675,235	82,747,472	51,927,763	10,800,000	8,037,626	18,837,626	2.76
2023	137,909,175	89,710,096	48,199,079	11,405,000	7,473,730	18,878,730	2.55
2024	148,651,643	110,510,132	38,141,511	12,045,000	6,895,744	18,940,744	2.01
2025	161,001,515	109,230,158	51,771,357	12,720,000	6,742,494	19,462,494	2.66

¹Operating expenses exclude depreciation and right of way utility cost, see Exhibit 21.

²Includes bank and fiscal charges and issuance costs. Interest amounts shown for 2016-2021 are net of federal subsidy. As such, the coverage ratios shown on this table may be different from the amounts shown on Continuing Disclosure Schedule 2-4 that are calculated based on gross interest. FY 2021 was the last year the subsidy was received due to the refunding of the outstanding Water and Sewer System Revenue Bonds, Series 2010A-2 (Taxable) and Water and Sewer System Refunding Revenue Bonds, Series 2010B&C (Tax Exempt) by the Series 2020B Bonds.

Note: Water and Sewer Revenue Bonds are obligations of the City, payable solely from pledged revenues of the System (Water and Sewer Fund), subject to the prior application thereof to the payment of Operating Expenses. The City will fix, charge, collect and revise its fees, rates and other charges for the use of and for the services furnished by the system so as to produce revenues sufficient to meet its cash requirements each fiscal year.

Coverage: The Master Water and Sewer Revenue Bond Resolution, Section 601, dated February 11, 1992, as amended and supplemented, states that the City shall fix, charge and collect such rates, fees, and other charges for the use of and for the services furnished by the system and and collect such rates, fees, and other charges for the use of and for the services furnished by the system and shall from time to time and as often as shall appear necessary, revise such rates, fees and other charges so as to meet two independent requirements.

Source: City Department of Finance

Table 14

CITY OF VIRGINIA BEACH, VIRGINIA
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)

Storm Water Utility Revenue Bonds							
Fiscal Year	Storm Water Charges and Other ¹	Less: Operating Expenses	Net Available Revenues	Debt Service			Coverage ³
				Principal	Interest ²	Total	
2016	39,648,163	18,385,165	21,262,998	1,660,000	1,733,570	3,393,570	6.27
2017	40,471,105	26,074,915	14,396,190	1,700,000	1,692,383	3,392,383	4.24
2018	42,158,382	26,051,322	16,107,060	1,740,000	1,647,563	3,387,563	4.75
2019	43,419,299	29,702,205 ⁴	13,717,094	1,795,000	1,745,480	3,540,480	3.87
2020	45,816,512	23,692,462 ⁴	22,124,050	2,525,000	2,402,590	4,927,590	4.49
2021	46,500,751	16,755,560 ⁴	29,745,191	2,620,000	4,039,434	6,659,434	4.47
2022	46,352,158	13,935,261 ⁴	32,416,897	4,265,000	5,053,793	9,318,793	3.48
2023	47,343,577	14,574,055 ⁴	32,769,522	4,470,000	4,855,481	9,325,481	3.51
2024	48,885,463	23,035,121 ⁴	25,850,342	4,700,000	4,645,397	9,345,397	2.77
2025	50,144,970	19,061,096 ⁴	31,083,874	4,955,000	5,046,482	10,001,482	3.11

¹Storm Water Charges and Other include interest income, see Exhibit 24.

²Interest amounts shown for 2016-2018 are at gross. Beginning in FY 2019, interest shown net of federal subsidy and includes bank and fiscal charges and issuance costs. FY 2021 was the last year the subsidy was received due to the refunding of a portion of the outstanding Storm Water Utility Revenue Bonds, Series 2010A-2 (Taxable) Bonds and Storm Water Utility Refunding Revenue Bonds, Series 2010B (Tax-Exempt), other than the Series 2010 Bonds maturing on November 15, 2020, by the Series 2020B Bonds.

³Revenue coverage ratios for debt service shown on this table may differ from amounts shown on the Continuing Disclosure Schedule 3-4 due to differences in the basis for the calculations regarding operating expenses and debt service. The calculation shown in this table reflects annual gross debt service, whereas the calculation in Schedule 3-4 reflects maximum annual debt service per bond issue.

⁴Beginning in FY 2019, operating expenses are based on Exhibit 26, which include annual Capital Improvement Program (CIP) expenditures. Operating expenses for prior fiscal years excluded annual CIP expenditures based on terms set forth in the Master Agreement of Trust.

Note: Storm Water Revenue Bonds are obligations of the City, payable solely from pledged revenues of the System (Storm Water Fund), subject to the prior application thereof to the payment of Operating Expenses. The City will fix, charge, collect and revise its fees, rates and other charges for the use of and for the services furnished by the system so as to produce revenues sufficient to meet its cash requirements each fiscal year.

Source: City Department of Finance

**CITY OF VIRGINIA BEACH, VIRGINIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Population¹	Personal Income*¹	Per Capita Personal Income*²	Median Age³	Number of City Employees⁴	Education Level In Years of Formal Schooling⁵	School Enrollment⁶	Unemployment Rate⁷
2016	455,382	24,061,240	52,697	35.9	7,370	13.9	67,890	3.8%
2017	457,057	24,883,158	54,531	36.4	7,087	13.9	67,152	3.8%
2018	457,763	24,944,147	54,558	36.4	7,255	13.9	67,091	2.8%
2019	458,804	25,808,743	56,315	36.4	7,332	13.9	66,593	2.7%
2020	459,470	27,311,315	59,413	36.9	7,410	14.0	66,714	8.2%
2021	458,028	29,627,862	64,609	36.6	7,388	14.2	63,452	4.2%
2022	455,385	30,833,545	67,756	37.1	7,419	14.2	63,579	3.7%
2023	453,605	32,704,161	72,091	36.7	7,480	14.2	65,183	2.8%
2024	452,965	**	**	38.2	7,591	14.2	63,452	2.4%
2025	454,808	**	**	38.7	7,649	14.3	64,127	3.3%

Sources: 1 2025 Estimate from Virginia Demographics by Cubit, Retrieved October 31, 2025.

https://www.virginia-demographics.com/cities_by_population

* 2016 - 2024 restated information from Weldon Cooper Center for Public Service.

2 U.S. Bureau of Economic Analysis, "CAINC1 County and MSA personal income summary: personal income, population, per capita personal income." (accessed Thursday, November 4, 2025). <https://www.bea.gov/itable/regional-gdp-and-personal-income>

3 United States Census Bureau. Median Age by Sex. Retrieved November 4, 2025.

https://data.census.gov/table?q=B01002:%20MEDIAN%20AGE%20BY%20SEX&g=010XX00US_040XX00US51_050XX00US51810&y=2024

4 City of Virginia Beach Budget and Management Services. FY26 Operating Budget. Retrieved November 4, 2025.

<https://budget.virginiabeach.gov/city-budget/budget-archives>

5 United States Census Bureau. Educational Attainment. Retrieved November 4, 2025.

https://data.census.gov/table?q=educational%20attainment&g=010XX00US_040XX00US51_050XX00US51810&y=2024

6 VBCPS Demographer provided information based on schools FY. 2025 information also include early childhood special education and pre-kindergarten students using the public school facilities.

7 US Department of Labor, Bureau of Labor Statistics (BLS). 2025 data consists of information from Jan - July.

Notes: *Figures updated to reflect the latest data released by the Bureau of Economic Analysis. FY24 information has not been released as of Nov 4, 2025.

**Information Unavailable

¹ In thousands of dollars

Table 16

**CITY OF VIRGINIA BEACH, VIRGINIA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

	Approximate Number of Employees	Percent of Total City Employment	Rank	Approximate Number of Employees	Percent of Total City Employment	Rank
	2025			2016		
City of Virginia Beach/Schools	18,411	8.23	1	16,998	7.40	1
Joint Expeditionary Base Little Creek/Ft. Story	5,020	2.25	2	6,000	2.61	2
Sentara Healthcare	4,900	2.19	3	5,189	2.26	3
Naval Air Station Oceana-Dam Neck	4,500	2.01	4	3,600	1.57	4
GEICO General Insurance Company	3,600	1.61	5	2,700	1.18	5
STIHL Inc	3,300	1.48	6	2,067	0.90	7
Gold Key/PHR Hotels and Resorts	2,365	1.06	7	1,000	0.44	10
Navy Exchange Service Command	1,550	0.69	8	1,550	0.67	9
Westminster-Canterbury on Chesapeake Bay	848	0.38	9	-	-	-
LoanCare Servicing Center Inc.	800	0.36	10	-	-	-
Lynnhaven Mall	-	-	-	2,600	1.13	6
Amerigroup	-	-	-	1,850	0.81	8
Totals	45,294	20.26		43,554	18.96	

Sources: City Department of Economic Development
City Department of Finance
City Department of Budget and Management Services

Table 17

CITY OF VIRGINIA BEACH, VIRGINIA
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

Department	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Agriculture	12.0	12.0	12.0	12.5	9.0	9.0	9.0	9.0	9.0	9.0
Budget and Management Services	15.0	15.0	14.0	14.0	14.0	13.0	13.0	13.0	13.0	13.0
City Attorney	39.6	39.6	40.6	42.6	42.6	43.6	43.0	39.6	39.6	39.6
City Auditor	6.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0	8.0	8.0
City Manager's Office	20.5	34.0	33.0	16.5	20.0	19.0	21.0	21.0	23.0	23.0
City Real Estate Assessor	34.3	34.3	34.0	34.0	34.0	35.0	35.0	35.0	35.0	35.0
City Treasurer	76.8	74.6	74.6	74.6	74.6	77.6	76.6	76.6	76.6	76.6
Commissioner of the Revenue	64.9	64.9	64.9	65.5	64.9	64.9	63.9	64.9	64.9	64.9
Commonwealth's Attorney	86.7	87.4	94.9	94.8	97.8	103.8	102.8	108.8	120.8	122.8
Communications Office ¹	-	-	-	18.5	20.5	20.5	22.0	25.0	27.0	33.0
Convention and Visitor Bureau	106.7	106.3	120.3	120.3	120.3	120.3	109.3	119.3	119.3	119.3
Courts and Courts' Support	75.0	75.0	75.0	75.0	75.0	74.0	73.5	74.5	74.5	74.5
Cultural Affairs	3.0	3.0	3.0	3.0	4.0	12.5	12.0	12.0	12.0	14.0
Department of Aquarium and Museums	161.0	164.5	156.8	153.6	151.2	131.0	127.0	128.9	125.6	125.6
Economic Development	18.0	18.0	18.0	19.0	20.0	21.0	32.0	33.0	34.0	16.0
Emergency Communications & Citizen Services	131.8	131.8	130.8	137.8	137.8	135.8	133.8	132.8	132.8	115.8
Emergency Medical Services	73.3	75.1	80.1	87.6	89.6	95.6	101.6	124.6	165.1	174.1
Finance	57.0	57.0	57.0	59.0	59.0	62.0	62.0	65.0	65.0	66.0
Fire	485.7	485.7	501.7	521.7	523.2	528.2	555.2	558.2	561.2	591.2
Health	9.1	9.1	9.1	9.0	9.1	7.4	11.4	11.4	8.0	7.0
Housing and Neighborhood Preservation	62.0	61.0	64.0	79.0	80.0	80.0	87.0	88.0	94.0	94.0
Human Resources	47.0	47.0	47.0	49.0	50.0	57.0	63.0	66.0	70.0	78.0
Human Services	1,115.2	1,094.9	1,099.0	1,148.7	1,177.7	1,188.7	1,193.2	1,182.6	1,187.6	1,182.3
Information Technology	183.5	168.0	175.0	184.0	193.0	252.5	189.0	198.0	199.0	199.0
Legislative ²	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	18.0	17.0
Library	255.0	253.5	251.5	251.5	253.0	252.5	241.5	241.5	245.5	240.5
Office of Emergency Management	-	-	4.0	5.0	6.0	8.0	8.0	10.0	13.0	13.0
Office of Performance and Accountability	-	-	4.0	6.0	6.0	6.0	8.0	8.0	8.0	8.0
Parks and Recreation	838.1	830.1	882.3	886.2	886.5	870.1	869.1	875.0	875.0	891.0
Planning	116.0	115.5	133.0	134.0	137.0	141.0	133.0	142.0	143.0	149.0
Police	1,015.8	1,015.8	1,028.8	1,040.8	1,048.5	1,048.5	1,048.8	1,050.9	1,068.2	1,068.2
Public Utilities	415.0	418.0	414.0	417.0	415.0	415.0	415.0	415.0	416.0	417.0
Public Works	893.9	902.9	902.9	925.9	938.9	950.9	975.9	976.9	988.9	1,012.9
Resort Management Office	-	-	-	-	-	10.0	10.0	-	-	-
Sheriff's Office	525.4	514.4	526.4	532.8	536.8	535.8	536.0	536.0	536.4	536.4
Strategic Growth Areas ³	18.0	20.0	-	-	-	-	-	-	-	-
Voter Registration & Elections	11.9	11.9	12.0	12.0	12.0	12.0	13.0	13.0	14.0	14.0
Total City Positions	6,990.2	6,964.3	7,087.7	7,254.9	7,332.0	7,427.2	7,419.6	7,480.5	7,591.0	7,648.7
Total School Positions	10,220.0	10,034.3	10,154.8	10,207.8	10,333.4	10,549.0	10,571.9	10,639.4	10,678.2	10,762.3
TOTAL POSITIONS	17,210.2	16,998.6	17,242.5	17,462.7	17,665.4	17,976.2	17,991.5	18,119.9	18,269.2	18,411.0

Source: City of Virginia Beach Resource Management Plans

¹ Communications Office was previously reported as part of the City Manager's Office.

² City Clerk and Council are reported in Legislative.

³ Strategic Growth Area was consolidated with Planning in 2017.

Table 18

**CITY OF VIRGINIA BEACH, VIRGINIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)**

FUNCTION	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Number of physical adult arrests	19,042	17,933	18,307	16,971	17,415	12,732	12,233	10,798	11,551	10,148
Number of calls for service	173,451	178,929	173,602	167,598	163,134	150,674	221,169	219,746	207,933	206,278
Number of traffic accidents	8,368	8,813	8,290	7,916	7,637	6,693	4,947	4,441	4,486	4,426
Fire										
Number of structure fire incidents	463	398	398	406	389	403	328	338	345	298
Number of non-structure fire incidents	543	542	543	379	449	447	521	432	422	420
Number of medical assisted incidents	27,786	27,854	27,257	27,141	22,989	26,614	29,640	27,820	28,453	27,121
Number of other incidents	16,309	17,031	14,597	13,688	14,552	15,475	15,971	15,574	15,779	15,974
Public Utilities										
Number of water connections	133,411	133,777	134,076	137,375	134,665	134,887	134,995	135,117	135,220	134,938
Number of sewer connections	130,599	130,926	131,186	131,464	131,747	131,933	134,336	132,135	132,224	134,733
Planning and Community Development										
Number of building permits issued	8,349	8,450	10,461	6,222	3,429	7,788	8,006	5,897	6,494	6,679
Storm Water										
Number of storm water service Accounts	***	***	***	132,176	134,261	134,471	134,627	134,771	134,964	135,124
Waste Management										
Number of homes receiving refuse collection	122,282	122,369	122,622	122,942	123,294	123,600	124,039	124,150	124,161	124,522
Number of tons of garbage collected	211,004	180,757	171,315	178,590	187,416	148,000	157,168	163,134	155,226	157,350
Public Libraries										
Number of items circulated	2,777,954	2,557,104	2,478,687	2,482,408	1,932,701	1,634,295	1,781,783	2,044,706	2,184,928	2,498,785
Number of visits to libraries	1,916,430	1,672,127	1,431,773	1,270,459	863,206	354,173	380,032	799,233	761,851	1,020,734
Culture and Recreation										
Number of visits to recreation centers	2,004,301	1,905,763	2,598,493	1,779,107	1,244,091	563,638	1,272,362	1,634,062	1,807,156	1,838,256
Number of recreation centers	7	7	7	7	7	7	7	7	7	7
Education										
Student enrollment	67,890	67,152	67,091	66,593	66,714	63,452	63,452	65,183	63,452	62,631
Number of elementary schools	55	55	55	55	55	55	55	55	55	55
Number of secondary schools	25	25	25	25	25	25	25	25	25	25
Number of specialty schools	7	7	7	7	7	7	7	7	7	7

Sources: Various City Departments

*** Information not available.

Table 19

**CITY OF VIRGINIA BEACH, VIRGINIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)**

FUNCTION	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Stations	4	4	4	4	4	4	6	6	6	6
Patrol Vehicles Units - Marked	230	206	227	222	222	228	317	317	317	317
Helicopter	2	2	2	2	2	2	2	2	2	2
Watercraft:										
Boats	9	8	9	9	9	9	9	9	9	9
Fire										
Stations	19	19	20	20	20	20	20	21	21	21
Fire Trucks	47	49	52	57	60	60	63	64	61	63
Public Works										
Miles of streets:										
Lane miles:										
Arterial	750	712	717	717	722	729	729	729	731	731
Collector/Local	2,726	2,701	2,704	2,705	2,710	2,721	2,721	2,727	2,736	2,738
Center Lane miles:										
Arterial	193	173	174	174	174	176	176	176	176	176
Collector/Local	1,330	1,322	1,324	1,324	1,327	1,333	1,333	1,336	1,338	1,339
Number of Street Lights	49,118	49,285	49,342	49,335	49,335	49,301	50,680	50,779	50,761	50,908
Collection Trucks	103	99	84	84	84	90	91	102	82	92
Public Library										
Number of Branches	10	10	10	10	10	10	10	10	10	10
Number of Physical Items	717,734	678,122	683,371	587,946	525,265	522,917	564,315	465,826	541,929	499,596
Number of Electronic Items	***	***	***	720,473	889,374	1,047,068	1,365,625	1,535,409	1,800,591	1,862,998
Culture and Recreation										
Number of Developed Metro Parks	8	8	8	8	8	8	6	6	6	6
Number of Developed Community Parks	13	13	13	13	11	11	12	12	12	12
Number of Developed Neighborhood Parks	169	167	167	167	167	166	176	176	178	178
Number of Natural Parks	5	5	5	5	6	6	6	6	6	6
Other Park Areas	48	48	48	50	83	89	89	89	89	89
Number of Acres in Developed Parks	3,664	3,685	3,685	3,927	3,676	2,668	3,924	3,924	3,635	3,635
Golf Courses (City Owned)	5	5	5	5	5	5	5	4	5	4
Recreation Centers	7	7	7	7	7	7	7	7	7	7
Water										
Miles of Water Lines	1,499	1,501	1,503	1,505	1,504	1,507	1,507	1,511	1,698	1,698
Water Pumping Stations	10	10	10	10	11	10	11	10	10	10
Sewer										
Miles of Sewer Lines	1,646	1,646	1,648	1,649	1,648	1,672	1,673	1,675	1,467	1,469
Sewer Pumping Stations	408	408	410	412	412	412	412	413	414	414
Storm Water*										
Miles of Pipe Lines	***	***	1,109	1,156	1,165	1,200	1,189	1,154	1,579	1,159
Miles of Ditches	***	***	717	657	755	719	780	783	819	786
Storm Water Pumping Stations	***	***	16	16	16	17	16	17	17	17

Source: Various City Departments

*** Information not available.

Note: Ambulances are not included in the above information as they are privately owned by the Volunteer Rescue Squads.

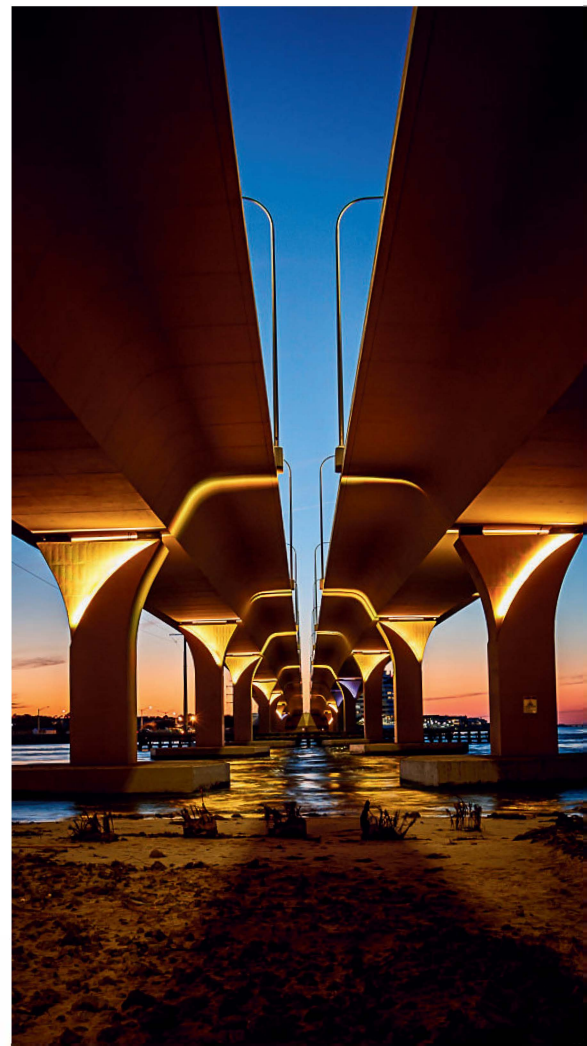
CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF THE TREASURER'S CASH ACCOUNTABILITY
JUNE 30, 2025
(UNAUDITED)

Table 20

Cash in Office		\$ 6,100
Cash With		
Bank of America:		
Regular	114,146,284	
Investments	8,000,000	
Welfare	3,294,810	
School Board Empl Salary Escrow	212,054	
Atlantic Union		
Investments	10,000,000	
Truist:		
School Payroll	6,003,087	
City Payroll	9,547,734	
Dollar Bank:		
Money Market	10,000,000	
Raymond James:		
Investments	778,833,956	
RBC Bank:		
Investments	69,686,489	
Towne Bank:		
Investments	55,000,000	
Retainage Escrow	1,449,657	
PNC:		
Money Market	11,234,308	
Treasurer of Virginia:		
Investment Pool	227,000,000	
VML/VACO:		
Virginia Investment Pool	11,845,594	
Virginia Investment Pool - Liquidity Pool	248,152,204	
Total Deposits and Investments		1,564,406,177
Cash with Trust Agents		
Cash With SNAP Program	121,902,702	
Cash With Trustee - Debt Service	35,872,376	
Cash With Trustee - Treasury Strips	29,106,832	
Total Cash with Trust Agents		186,881,910
Total Cash Accountability		1,751,294,187
Add:		
Commonwealth of Virginia - Deferred Debits	346,258	
Deposits in Transit	3,633,580	
		3,979,838
Deduct:		
Commonwealth of Virginia - Current Credits	-	
Treasurer Restitution	261,889	
Treasurer Court Costs & Fines	255,143	
Treasurer - Deferred Account	25,169	
Over and Short	-	
Outstanding Checks:		
Bank of America	13,357,157	
Bank of America - Welfare	1,050,937	
Truist - School Payroll	3,087	
Truist - City Payroll	100,885	
		(15,054,266)
Total Cash Accountability		1,740,219,759
Reconciliation of Cash Accountability to the government-wide financial statements at June 30, 2025 as reported in Note 9:		
Balance of City and School funds		1,740,219,759
Funds for which the Treasurer does not act as fiscal agent:		
City OPEB Trust Fund		68,602,722
School OPEB Trust Fund		50,920,046
School Activity Funds		5,774,297
Development Authority		15,305,931
Other		4,347,822
Total deposits and investments of the government-wide financial statements		\$ 1,885,170,577



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