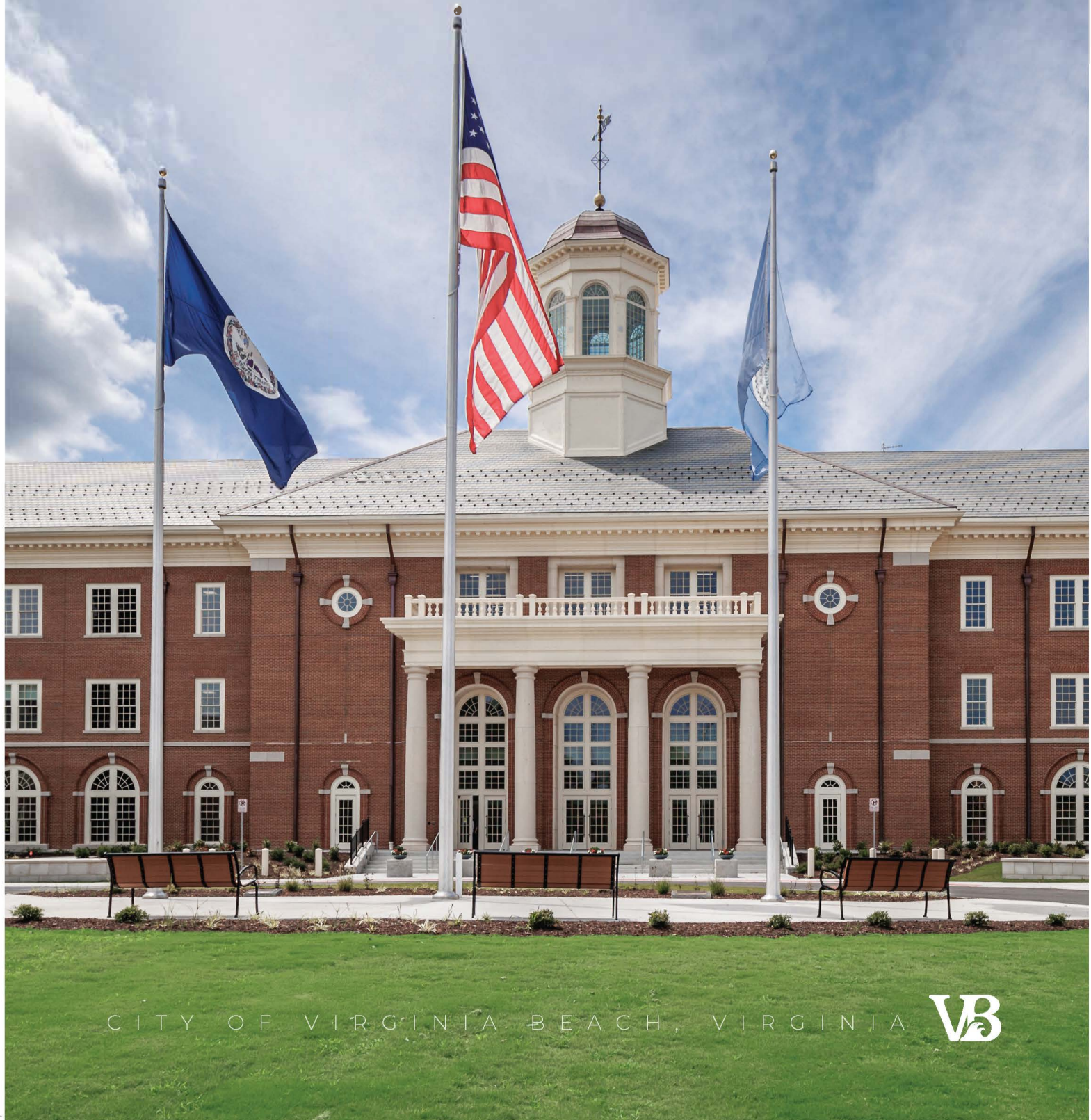


# Annual Comprehensive Financial Report

For Fiscal Year Ended June 30, 2022



CITY OF VIRGINIA BEACH, VIRGINIA





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

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022**

**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.

## **ACFR PREPARATION TEAM**

(in alphabetical order)

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## **STAFF SUPPORT**

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## **COVER**

Photographer: Craig McClure, Will Smith Layout: Anna Kristina Alfaro

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, 2022**

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# **INTRODUCTORY SECTION**



# CITY OF VIRGINIA BEACH, VIRGINIA

## PRINCIPAL OFFICIALS

### AS OF JUNE 30, 2022

#### CITY COUNCIL

Robert M. Dyer ..... Mayor  
 Rosemary Wilson, Vice Mayor ..... At-Large  
 Norman D. Holcomb ..... Kempsville District  
 Sabrina Wooten ..... Centerville District  
 Michael Berlucchi ..... Rose Hall District  
 Guy King Tower ..... Beach District  
 Barbara M. Henley ..... Princess Anne District  
 Louis R. Jones ..... Bayside District  
 Linwood Branch ..... Lynnhaven District  
 John D. Moss ..... At-Large  
 Aaron R. Rouse ..... At-Large

#### CONSTITUTIONAL OFFICERS

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

#### APPOINTED OFFICERS

Patrick A. Duhaney ..... City Manager  
 Mark D. Stiles ..... City Attorney  
 Amanda Barnes ..... City Clerk  
 Ronald Agnor ..... Real Estate Assessor  
 Lyndon S. Remias ..... City Auditor

#### CITY LEADERS

Taylor Adams ..... Deputy City Manager  
 Kenneth L. Chandler ..... Deputy City Manager  
 Monica Croskey Chaparro ..... Deputy City Manager

#### SCHOOL BOARD

Carolyn T. Rye, Chair ..... Lynnhaven District  
 Kimberly A. Melnyk, Vice Chair ..... Princess Anne District  
 Trenace B. Riggs ..... Centerville District  
 Jennifer Franklin ..... Kempsville District  
 Carolyn D. Weems ..... Bayside District  
 Beverly M. Anderson ..... At-Large  
 Sharon R. Felton ..... Beach District  
 Jessica L. Owens ..... Rose Hall District  
 Dorothy M. Holtz ..... At-Large  
 Laura K. Hughes ..... At-Large  
 Victoria C. Manning ..... At-Large

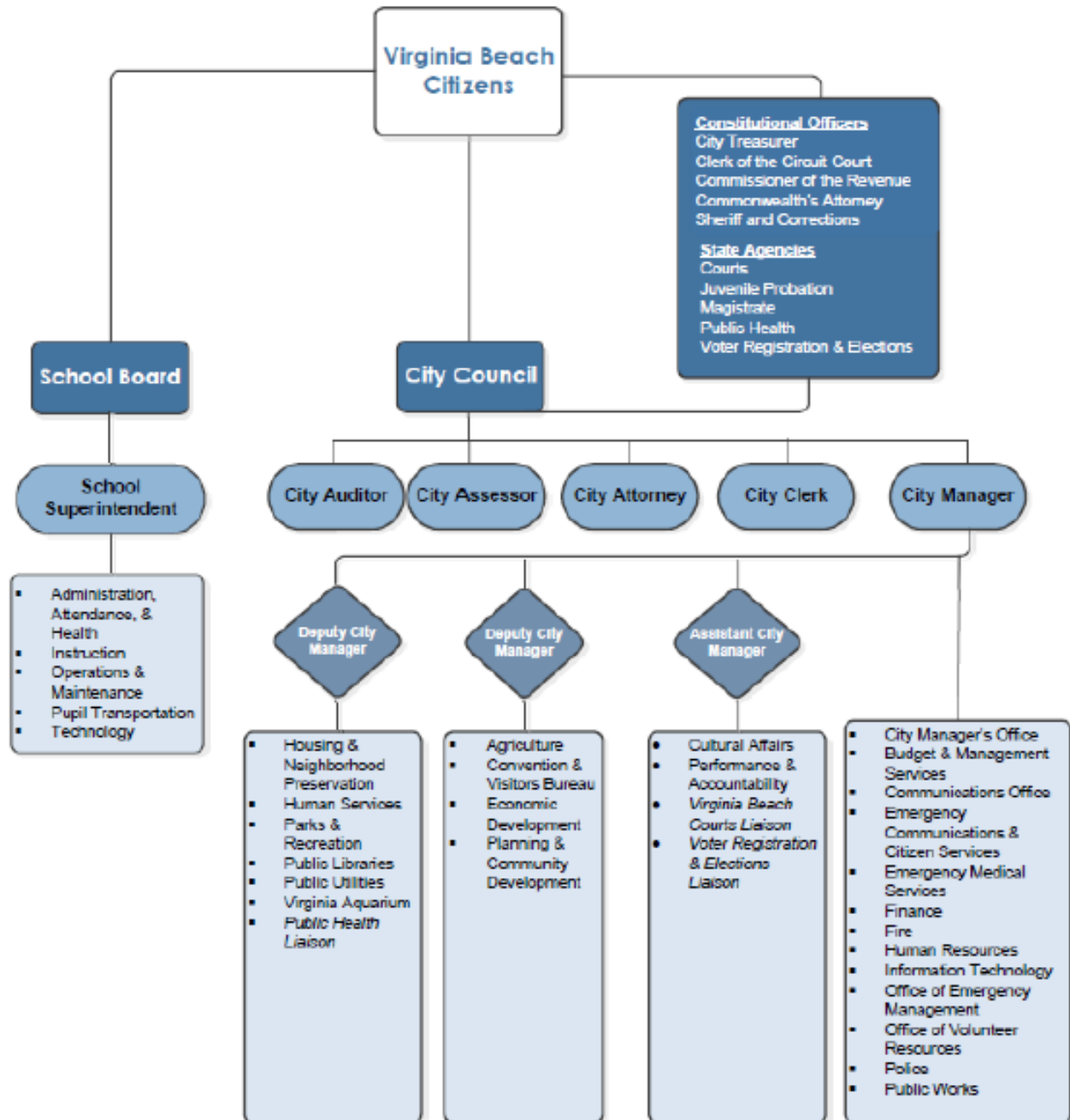
#### VIRGINIA BEACH DEVELOPMENT AUTHORITY

Lisa M. Murphy ..... Chair  
 Joseph E. Strange ..... Vice Chair  
 David L. Bernd ..... Secretary  
 William Brunke ..... Treasurer  
 W. Taylor Franklin ..... Assistant Secretary  
 Dr. William Brown ..... Commissioner  
 Nneka Chiazor ..... Commissioner  
 Penny Morgan ..... Commissioner  
 Michael J. Standing ..... Commissioner  
 Guenter H. Weissenseel ..... Commissioner  
 Penny Morgan ..... Commissioner

#### VIRGINIA BEACH COMMUNITY DEVELOPMENT CORPORATION

Frank McKinney ..... Chair  
 Dr. Audrey Douglas-Cooke ..... Vice Chair  
 R. Worth Remick ..... Secretary/Treasurer  
 Robert Ewell ..... Director  
 Andrew Friedman ..... Director  
 Brandon Hutchins ..... Director  
 Jeremy C. Johnson ..... Director  
 Courtney Lalonde ..... Director  
 Tim McCarthy ..... Director  
 J. David Crain Jr ..... Director

# City Organization





# City of Virginia Beach

[VBgov.com](http://VBgov.com)

DEPARTMENT OF FINANCE  
(757) 385-4681  
FAX (757) 385-4302

MUNICIPAL CENTER  
BUILDING 1  
2401 COURTHOUSE DRIVE  
VIRGINIA BEACH, VA 23456

**December 12, 2022**

The Honorable Robert M. Dyer, Mayor  
Members of the Virginia Beach City Council  
Municipal Center  
Virginia Beach, Virginia 23456

## **Subject: Annual Comprehensive Financial Report**

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

The Annual Comprehensive Financial Report of the City of Virginia Beach, Virginia, for the fiscal year ended June 30, 2022, is hereby submitted. The City is required by the Code of the Commonwealth of Virginia and by the City Charter to publish at the close of each fiscal year a complete set of financial statements presented 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 has been prepared by the Department of Finance and complies with state law and guidelines of the Auditor of Public Accounts of the Commonwealth of Virginia. It includes all financial activities 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 Economic Development Authority and Community Development Corporation.

Responsibility for the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the 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.

## **REPORT CONTENTS**

The Annual Comprehensive Financial Report consists of three sections: Introductory, Financial, and Statistical. In addition, the Single Audit and Continuing Disclosure sections are included at the end of the document. The Single Audit section presents the City's federal expenditures by grantor agency in accordance with Subpart F of 2 CFR 200. The Continuing Disclosure section provides certain annual financial information and material event notices as required by Rule 15c2-

12 of the Securities and Exchange Commission. GAAP requires that management provide a narrative explanation of the financial statements and other statistical data, which will enhance a 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.

## 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 of the area from the Chesapeake Bay to the North Carolina border. The latest estimated population estimate from University of Virginia Weldon Cooper Center for Public Service as of July 1, 2021, for the City of Virginia Beach is 458,028, which makes the City the most populated city in Virginia and third most populated locality behind Fairfax County and Prince William County.

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. During FY 2022, the City's election district system was changed by a combination of a ruling by the Eastern District of Virginia Federal Court and the 2021 General Assembly's passage of HB2198. The election system changed from its historic 7-4 hybrid system wherein all 11 members are elected at-large, and 7 members must reside in a residence district to a 10-1 election district system. The 10-1 system divides the City into ten districts of approximately equal voting-age population. Under this system, each voter is able to vote for only the Mayor and the representative for their ward district. The City Council elects a Vice-Mayor from among its members for a two-year term at its biennial organizational meeting. The 4<sup>th</sup> Federal Circuit Court of Appeals has overruled the district court, and the case has been remanded back to the district court. However, this ruling occurred after the date for submission of candidate petitions for the November 2022 election cycle, so the November 2022 elections will be held using the 10-1 system imposed by the federal district court. It is not known at this time how the elections after the November 2022 election will be prosecuted.



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 November 2022 election for School Board will utilize the 10-1 system imposed by the federal district court. It is not known at this time how the elections after the November 2022 election will be prosecuted. The School Board exercises all of the powers conferred and performs all of 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, and 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 and community development services, agricultural services, housing services, correctional facilities and judicial services.

The City budget appropriates all funds including City, state and federal pass-through funds for education, social service, 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, citizens 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 – COVID-19, MAJOR INDUSTRIES, ECONOMIC CONDITIONS AND OUTLOOK**

### **COVID-19, Economic Conditions and Outlook**

The COVID-19 pandemic profoundly impacted the City, causing business closures, job losses, and workers to seek unemployment benefits and other assistance. In March 2021, the federal government enacted the American Rescue Plan Act (ARPA), which gave local governments with much needed fiscal relief to help mitigate the ongoing fiscal and economic impact of the COVID-19 pandemic. The ARPA provided \$136.4 million federal Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to the City to mitigate the fiscal impacts on communities, residents, and businesses stemming from the COVID-19 public health emergency. In an effort to allocate funds quickly to meet the pressing public health and economic needs brought on by the COVID-19 Pandemic, the City invested SLFRF funds to address the negative economic impacts of the pandemic on households, individuals, and businesses, and to maintain critical government services that otherwise would have been negatively impacted by revenue declines. City Staff identified five primary areas of eligible uses: 1. Public Health (\$13.0 million); 2. Negative Economic Impacts



(\$36.4 million); 3. Premium Pay (\$5.1 million); 4. Revenue Replacement (\$53.7 million); and 5. Water, Sewer and Broadband Infrastructure (\$28.3 million).

## **Hampton Roads Region**

Old Dominion University's 23<sup>rd</sup> annual State of the Region Report provides a mixed assessment of the state of the regional economy. The real (inflation-adjusted) regional GDP grew by an estimated 3% from 2020 to 2021 with projected growth of 2.4% from 2021 to 2022. This growth was driven by "increased federal spending, continued growth in traffic through the Port of Virginia, and increases in the hotel and tourism sector". However, the report cautions that the regional economic recovery has been slower than the Commonwealth of Virginia and U.S. and may take 18 to 24 months to recover all lost jobs. It is constrained by a smaller civilian labor force having 45,000 fewer persons in May 2022 versus February 2020 due in part to competition for workers from other faster growing regions; inflation in the cost of goods and services; and supply chain shocks due to the impacts of COVID-19 as well as the geopolitical conflict/war between Russia and Ukraine. Through FY 2023, the regional economy is anticipated to benefit from continuing growth with region-wide defense-related spending, improvements in tourism, and increased trade volume at the Port of Virginia, but the growth could be tempered by continued inflation and the increased risk of economic recession. The report stresses the need for continued economic diversification and mentions leveraging the region's strengths in four industry sectors that are currently the focus of economic development including shipbuilding and ship repair, renewable energy, health care and biomedical research, and data collection and analytics. Also, it recommends the region must continue regional collaboration in economic development initiatives and consider consolidating the provision of city and county services to increase efficiencies, eliminate duplicative administrative structures and reduce costs to taxpayers.

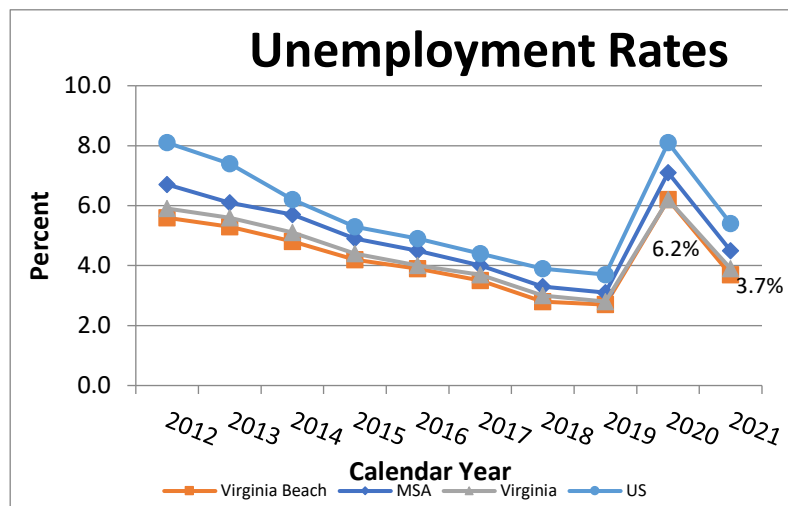
## **Virginia Beach**

The Virginia Beach economy rebounded quickly from the COVID-19 pandemic. Increased real estate and personal property assessments, outperformed consumer-driven revenues such as general sales, and positive trends in the hospitality sector signal a strong recovery in 2022. There are also continued recovery trends in the areas of job growth, tourism, and building activity. However, the City, like the region, state, and nation, has been experiencing a decline in the size of the civilian labor force since the pandemic. In the City of Virginia Beach, the average labor force reduction was -2.9% through June 2022 (i.e., a reduction in average labor force from 233,596 in 2021 to 224,805 for the first six months of 2022). The decrease is due to a variety of reasons according to data from the U.S. Department of Labor, Bureau of Labor Statistics (BLS): people stopped seeking employment, left the job market, or moved to other labor markets in other cities or states. As noted in the local news coverage with anecdotal information from industry representatives and by the ODU State of the Region Report, this labor shortage has affected the leisure and hospitality sector, limiting economic recovery. According to the latest available data from the Virginia Employment Commission, employers in the City, excluding the military, provided jobs for 149,380 persons through the first quarter (January through March not seasonally adjusted) of calendar year 2022 (176,878 including the military), compared with 165,638 in the first quarter of 2021 (193,136 including the military). This resulted in a decrease of 16,258 jobs or -9.8% over this period, which most likely reflects the combination of lingering impact of the Covid-19 pandemic and the reduced labor force. The largest employment sectors in Virginia Beach are the Service sector (primarily Health Care, Social Assistance, Accommodation, and Food Services), Military, and Local

Government. As shown in the following table, comparison of the first quarter 2021 with the first quarter 2022, job losses occurred primarily in the Wholesale and Retail Trade, Information, Federal Government, and Financial, Insurance, and Real estate sectors. Whereas, small job gains occurred primarily in the Services, Manufacturing, Transportation and Warehousing, and Agriculture sectors. According to data from BLS, the City's labor market tends to be seasonal with employment and labor force peaking in July (e.g., July 2022 employment of 222,863 and labor force of 229,261 compared with average labor force of 224,009 for 2022 Q1). The latest data (Federal Fiscal Year 2020) from the Department of the Navy shows active-duty military employment totaling 27,498 at NAS Oceana/Dam Neck Annex/NALF Fentress and Joint Expeditionary Base Little Creek-Fort Story. Updated military employment data was not available by the end of November, so no changes in military employment are reflected in the following table (*Sources: Bureau of Labor Statistics, Virginia Employment Commission (VEC), Navy Region Mid-Atlantic FFY 2020 Economic Impact Report*).

<b>City of Virginia Beach</b> <b>Average Employment by Industry Sector*</b> <b>As of First Quarter 2022 and 2021</b>					
<b>Industry Sector</b>	<b>2021</b>	<b>2022</b>	<b>Change in Jobs</b>	<b>% Change</b>	<b>% of Total Employment for 2022</b>
<b><u>Private</u></b>					
Services	80,514	81,852	1,338	1.7	46.3
Wholesale and Retail Trade	24,887	10,419	(14,468)	(58.1)	5.9
Construction	10,231	10,071	(160)	(1.6)	5.7
Financial, Insurance and Real Estate	12,046	10,890	(1,156)	(9.6)	6.1
Manufacturing	5,859	6,331	472	8.1	3.6
Transportation and Warehousing	2,295	2,670	375	16.3	1.5
Information	2,568	1,030	(1,538)	(59.9)	0.6
Agriculture, Forestry, Fishing and Mining	73	81	8	11.0	0.1
<b>Total Private*</b>	<b>138,473</b>	<b>123,344</b>	<b>(15,129)</b>	<b>(10.9)</b>	<b>69.8</b>
<b><u>Public – Civilian</u></b>					
State Government	1,559	1,493	(66)	(4.2)	0.8
Local Government	19,050	19,225	175	0.9	10.9
Federal Government	6,556	5,318	(1,238)	(18.9)	3.0
<b>Total Public – Civilian</b>	<b>27,165</b>	<b>26,036</b>	<b>(1,129)</b>	<b>(4.2)</b>	<b>14.7</b>
<b>Total Civilian Employment</b>	<b>165,638</b>	<b>149,380</b>	<b>(16,258)</b>	<b>(9.8)</b>	<b>84.5</b>
<b>Military</b>	<b>27,498</b>	<b>27,498</b>	<b>-</b>	<b>0.0</b>	<b>15.5</b>
<b>Total Employment</b>	<b>193,136</b>	<b>176,878</b>	<b>(16,258)</b>	<b>(8.4)</b>	<b>100.0</b>
<b>Sources:</b> - Virginia Employment Commission, Economic Information Services Division, Quarterly Census of Employment and Wages Report (QCEW) excluding unclassified jobs; latest data available - U.S. Department of the Navy, NRMA (Navy Region Mid-Atlantic) Integrated Shore Requirements Office (N5), Navy Region Mid-Atlantic FFY 2020 Economic Impact Report (February 1, 2022); based on latest data available * Per the VEC, excludes unclassified businesses, and immaterial amounts have been suppressed in certain industry sub-categories, which are included in the total amounts.					

Annual average **unemployment rates** for 2021 were 3.7% for Virginia Beach, 4.5% for the Virginia Beach-Norfolk-Newport News, VA-NC Metropolitan Statistical Area (MSA), 3.9% for Commonwealth of Virginia, and 5.4% for the U.S. Unemployment rates have decreased in 2021 compared with 2020 for the City, MSA, Commonwealth and nation as the recovery continues from the impacts of COVID-19 pandemic; however, the rates are still higher

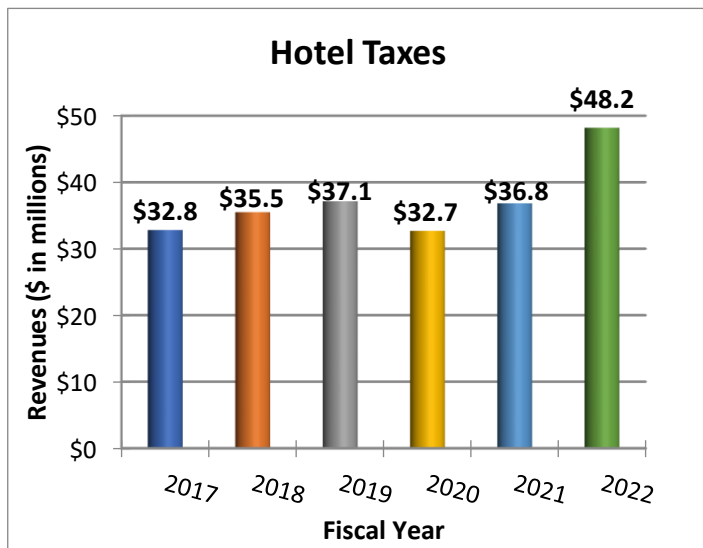


than they were pre-pandemic in 2019. There has been a steady decline in the unemployment rate in Virginia Beach from 2012 through 2019. The shock of COVID-19 caused unemployment to increase in Virginia Beach to 12.3% in April 2020 with gradual decline to 2.5% in September 2022 as the economy continued recovering. Likewise, for the MSA, the unemployment rate rose to 12.2% in April 2020 and declined to 3.0% in September 2022. For the Commonwealth, the unemployment rate was 10.9% in April 2020 and decreased to 2.6% in September 2022. For the U.S., the unemployment rate was 14.4% in April 2020 and decreased to 3.3% in September 2022. (Source: U.S. Department of Labor, Bureau of Labor Statistics (BLS))

The average number of Virginia Beach residents employed per month in 2021 was 215,879 from an average monthly labor force of 224,178. This reflects a decrease from 2020 in average monthly employment (216,547) and average monthly labor force (230,879) of -0.3% and -2.9%, respectively. (Source: BLS)

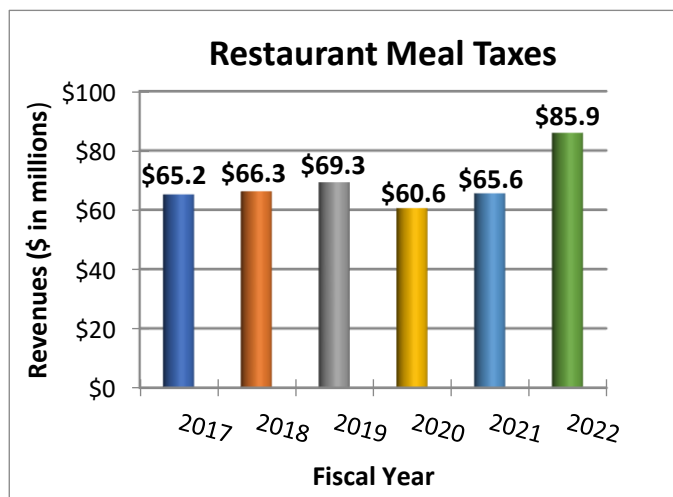
Based on the most recent data available, the **per capita personal income** for 2021 was \$63,942 for Virginia Beach, \$56,716 for the MSA, \$66,305 for Virginia, and \$64,143 for the U.S. Over the 5-year period from 2016 to 2021, the per capita personal income for Virginia Beach has increased an average of 3.7% per year. (Source: U.S. Department of Commerce, Bureau of Economic Analysis (BEA)) Also, based on the latest data available, the **median household income** continues to increase for Virginia Beach in 2021 to \$81,634 compared with \$79,054 in 2019 (data was not released for 2020). Median household income for the City has increased an average of 2.8% per year since 2016. (Source: US Census Bureau, 2021 American Community Survey)

**Hotel/Lodging** tax revenue (including taxes produced by non-hotels/short-term rental properties) collected in FY 2022 was \$48.2 million, an increase of \$11.4 million (30.9%) compared with \$36.8 million collected in FY 2021 and exceeding the pre-pandemic level of \$37.1 million in FY 2019. Over the longer term, hotel tax revenues rose 8.0% annually from 2017 to 2022 on average, which is indicative of the strength of the tourism industry in Virginia Beach. The citywide hotel tax rate remained at 8.0% plus the \$2.00/room night charge throughout FY 2022. However, there is an

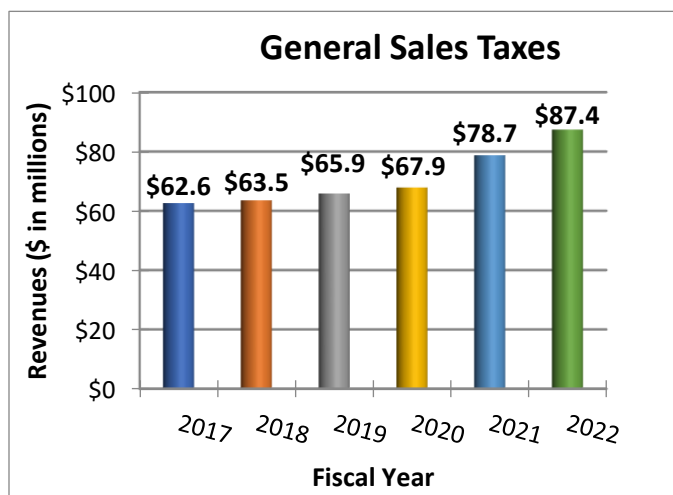


additional 1.5% tax assessed for short-term rentals in the Sandbridge Special Service District for use for beach replenishment and maintenance, for a total of 9.5%. Also, effective May 1, 2021, an additional 1% was added to the citywide rate per 2020 legislation from the General Assembly to be remitted to the Virginia Treasury and used by the transportation district within Hampton Roads; these pass-through amounts are not reflected in the previous chart.

**Restaurant** meals tax revenue collected in FY 2022 was \$85.9 million, an increase of \$20.4 million (31.1%) compared with \$65.6 million collected in FY 2021 and exceeding the pre-pandemic collections in FY 2019. Over the long term, restaurant meals tax revenue has been a consistent performer and has increased annually 5.7% on average over the last six years. The restaurant tax rate remained 5.5% throughout this period.



**General sales** tax revenue reflects the City's 1% share of the State sales tax. The amount collected in FY 2022 was \$87.4 million, an increase of \$8.7 million (11.0%) compared with \$78.7 million collected in FY 2021. This revenue stream has been increasing annually over the last six years by 6.9% on average.



Virginia Beach **real estate assessments** as of July 1 are projected to total \$69.7 billion in FY 2023, an increase of roughly 9.5% over FY 2022 (\$63.7 billion) following a 4.0% increase in FY 2022 over FY 2021 (\$61.2 billion). The City's tax base has

steadily grown from FY 2017 (\$53.8 billion) through FY 2023 (projected) with annual increases of 4.4% on average. *(Source: Real Estate Assessor's Office, Annual Report)*

Residential and commercial building activity has continued to grow. The number of building permits issued net of demolition permits as of Calendar 2021 totaled 7,961 valued at \$151.5 million compared with 7,173 and \$618.4 million for calendar 2020 and 6,631 permits totaling \$433.1 million for 2019. According to the Office of the Real Estate Assessor, for the second quarter of 2022, expansion in the tax base continued but at a slower pace with the value of new construction of \$190.3 million compared with \$249.6 million for the second quarter of 2021. New construction was primarily residential totaling \$143.0 million (75.2%) with \$47.3 million (24.8%) being commercial construction. *(Source: Department of Planning and Community Development, Office of the Real Estate Assessor, New Construction Report for the Quarter Ending June 30, 2022).*

**Major Industries** – The strength of the city's economy lies in its diversification including construction/real estate, light industry, technology services, wholesale and retail sales, agriculture, advanced manufacturing, healthcare, four major military bases, and hospitality and convention trade. The City encourages and supports this diversification. The three largest business and industrial sectors in the City are Defense, Tourism, and Agriculture. Agriculture comprises 26,407 acres of farmland in production and over 200 farms and farm related businesses. 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. According to the annual analysis by Virginia Cooperative Extension/Virginia Polytechnic Institute and State University, Agriculture generated \$170.9 million in economic impact in 2021 compared with \$134.4 million in 2020. The growth in the economic impact of agricultural products in 2021 was mainly due to increased crop yield per acre and increased price per bushel on the three main grain crops (soybeans, corn, and wheat); however, most of the agricultural sectors in the City experienced growth in gross income. Defense spending and the Port of Virginia and Tourism continue to be stabilizers of and sources of growth in the Hampton Roads regional and Virginia Beach local economies. Virginia Beach generates about 23.6% of the regional Gross Domestic Product (GDP) based on the latest data available from the U.S. Bureau of Economic Analysis from 2020 (in inflation adjusted dollars) indicating GDP for Virginia Beach at \$19.3 billion and the region at \$81.9 billion.

**Defense Spending** - According to ODU's 2022 State of the Region report, the Department of Defense's direct spending in Hampton Roads in FY 2022 is projected to be \$25.3 billion reflecting an increase of \$0.8 billion or 3.3% increase over the 2021 level of \$24.5 billion. According to ODU, defense-related spending accounts for 40% of the regional economy or 4 of every 10 dollars spent in the region. The federal fiscal year 2022 (FFY) discretionary/base budget amount for the Department of Defense was \$742.3 billion, an increase of \$38.6 billion or 5.5% over FFY 2021 \$703.7 billion. Although the President



proposed an FFY 2023 Budget of \$773 million, Congress has not yet enacted the National Defense Authorization Act for Fiscal Year 2023. H.R.7900 passed the House on July 14, 2022, however the corresponding Senate's bill, S4543 James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 was introduced by the Senate's Armed Services Committee to the Senate on July 18, 2022, but has not progressed to a vote.

On September 30, 2022, the President signed into law the Senate amendment to H.R. 6833, the "Continuing Appropriations and Ukraine Supplemental Appropriations Act, 2023", which provides FFY 2023 appropriations to Federal agencies through December 16, 2022, for continuing projects and activities of the Federal Government under FFY 2022 funding levels. Also, the signed bill includes supplemental funding and/or authorization for various initiatives: \$4.5 billion for natural disaster relief for events during 2022 and 2021; \$1 billion for Low Income Home Energy Assistance Program; \$20 million in emergency funding previously authorized for the Army Corps of Engineers assistance for the water and wastewater infrastructure improvements in Jackson, Mississippi; \$12.35 billion for Ukraine for training, equipment, weapons, logistics support, and direct financial support for the government of Ukraine in its fight against the Russian invasion; authorization to the President to draw-down U.S. military equipment valued at \$3.7 billion to provide to Ukraine; allows the Federal Emergency Management Agency to obligate up to a full year of appropriations for Disaster Relief Fund to respond to declared disasters; and reauthorizes the Food and Drug Administration user fees for five years that are assessed on drug and medical device companies for expedited development and review for safety and effectiveness of new drugs and devices.

The region and Virginia Beach continue to experience significant direct defense spending from military bases located within the City. Based on the latest economic data from the U.S. Department of the Navy, the total direct economic impact of military bases Naval Air Station Oceana and Joint Expeditionary Base Little Creek-Fort Story on the regional economy was \$3.3 billion for FFY 2020, a decrease of approximately \$381.0 million or -10.4% compared with FFY 2019 (\$3.7 billion). This impact includes direct spending for payroll and expenditures for the procurement of goods and services to support operations of the military bases. The decline in FFY 2020 was due in part to the impacts of the Covid-19 pandemic on procurement and travel expenditures and reduced personnel at Joint Expeditionary Base (JEB) Little Creek-Fort Story. Given the increase in federal defense budget in FFY 2022 and increased defense spending in the region estimated by ODU, it is anticipated that Virginia Beach also experienced an increase in defense spending in FFY 2022.

In conjunction with defense spending, defense contract spending has a sizable impact on the economy. 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 2021", defense contract spending totaled \$42.6 billion in FFY 2021 for Virginia, a decrease of 2.7% compared with \$43.8 billion in FFY 2020. For FFY 2021, defense contract spending totaled \$2.2 billion for Virginia Beach, a decrease of 10.9% compared with \$2.5 billion in FFY 2020.



### **The Port of Virginia** – The Port of

Virginia, the third largest container port on the East Coast, is a vital segment of the Hampton Roads economy. The Virginia Port Authority is the owner/operator of the Port facility whose private company, Virginia International Terminals, LLC oversees the operations. With 50-foot channels, six marine terminals, and the largest container cranes in the world, the Port of Virginia connects global businesses to their customers anywhere, as well as being one of the nation's 16 strategic ports for deploying military personnel and equipment worldwide. Based on data from the Port of Virginia, the number of 20-foot equivalent unit (TEU) containers shipped through the Port in FY 2022 totaled 3.69 million, a 14.7% increase



Photo of Virginia International Gateway © The Port of Virginia

over FY 2021 (3.22 million) and 25.7% increase over the pre-pandemic level in FY 2019 (2.94 million). The increase in TEUs was comprised of 277,928 loaded containers reflecting an 11% increase and 880,541 empty containers reflecting a 28.7% increase. Cargo tonnage moving through the port grew to 26.0 million tons in FY 2022 compared with 23.5 million in FY 2021 and 22.1 million tons in FY 2019. Ship calls decreased to 1,471 in FY 2022 (4.4% decline) compared with 1,538 in FY 2021 and 1,570 in FY 2019. The growth in trade activity at the Port in terms of TEUs, cargo tonnage and ship calls continued into FY 2023 from July through September compared with the same period in FY 2022 (7.1%, 5.8%, and 0.5%, respectively). Based on TEU trade data (i.e., imports, exports, loaded and empty TEUs) for the four east coast ports for Fiscal Years 2021 and 2022, the Port of Virginia ranks third in market share (16.3% and 17.0%, respectively), compared with New York/New Jersey (43.7%, 43.5%), Savannah (27.0%, 26.4%) and Charleston (12.9%, 13.1%) (source: U.S. Dept of Transportation, Bureau of Transportation Statistics). According to ODU's 2023 State of the Region Report, the Port has not been able to gain market share of loaded TEUs possibly due to the performance of the regional economy rather than due to lack of action by the Port as it has made capital investments over the years to increase Port capacity and efficiency in moving cargo and did not experience delays in moving cargo as did other ports in the nation in 2021/2022, having the about the same market share in 2022 as in 2012. Various businesses in Virginia Beach supply cargo to the Port, such as the World Distribution Services. The Port's ability to compete has been bolstered by the major capital investment of \$400 million that began in 2016 and completed in FY 2020 that expanded and upgraded its two largest terminals, increasing container capacity over 46%. Of critical importance to the Port and region is the U.S. Army Corps of Engineers Norfolk Harbor \$350 million project that will deepen the Norfolk Channel to 55', the Thimble Shoals channel to 56', and the Atlantic Ocean channel to 59', and widen the channel to permit two-way navigation, which will be a benefit to U.S. Naval operations. The Port anticipates the channel project to be completed in 2024. This project will improve the competitiveness of the Port, enabling it to regain its status as the deepest port on the east coast, and attract more ultra large container vessels (transporting over 15,000 TEUs), helping to diversify the regional economy. (Source: The Port of Virginia, Monthly Statistics and 2020 Annual Report)



Other capital investments include development of an offshore wind hub at Portsmouth Marine Terminal (\$200 million) for the Dominion Energy Coastal Virginia Offshore Wind Turbine Project with the project start date of July 2022; increasing rail capacity at Norfolk International Terminal (\$90 million) with estimated completion in 2024; and modernizing the North Berth at Norfolk International Terminals (\$650.0 million) with Phase I date estimated in 2024 (*source: The Port of Virginia, 2022 State of the Port Presentation by Stephen Edwards, CEO, April 25, 2002*).

**Tourism** - Tourism is an important industry in Virginia Beach and a vital component in the City's economy producing revenues supporting the provision of City services and capital projects including the convention center, sports center, and Pacific Avenue improvements. According to a study of the economic impact of visitor spending to Virginia Beach conducted for the City by Tourism Economics (an Oxford Economics Company) in October 2022, there were



11.5 million visitors to the City in 2021 compared with 10.6 million in 2020 and 13.6 million in 2019 (pre-pandemic); 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 \$2.1 billion in 2021 compared with \$1.5 billion in 2020, and \$1.9 billion pre-pandemic in 2019. 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 \$3.3 billion in 2021 (comprised of \$2.1 billion in direct spending, \$755 million in indirect impacts and \$428 million in induced impacts) and generated \$295 million in state and local taxes. The study indicated that visitor spending directly supported 24,485 direct jobs (14.8% of total civilian jobs in the City for 2021) with a labor income of \$508 million in 2021, and total economic impact of 31,037 jobs (including direct, indirect, and induced jobs) with a labor income of \$808 million (including direct, indirect, and induced labor income).

The Tourism industry continued to recover during FY 2022 from the adverse impacts of the travel decline resulting from business closings and travel restrictions caused by the coronavirus pandemic and state/city disease mitigation responses incurred in FY 2020. According to hotel market data from January to August 2022 provided to the Virginia Tourism Corporation by Smith Travel Research Inc., a division of CoStar Group Inc. that provides market data on the U.S. hospitality industry, citywide hotel performance was mixed with reduced demand for rooms but increased room revenues due to increased rates charged to visitors. Specifically, this data showed room demand decreased by 1.4%, room supply increased by 1.7%, occupancy decreased by 3.0% from 65.7% to 63.8%, average daily rate paid per room increased by 5.2% from \$171.94 to \$180.91 and revenue per available room increased by 2.0% from \$113.04 to \$115.35. Explanations for the

reduced demand were provided by the Presidents of the Virginia Restaurant, Lodging and Travel Association and the Virginia Beach Hotel Association stating the reduced demand may have been attributed to a combination of staffing shortages that prevented hoteliers from renting all of their rooms and impacts of inflation on visitor budgets (*source: “Virginia Tourism Did Well During Summer, Still Facing Worker Shortage”, The Center Square, August 31, 2022*). To assist in preserving the City as a premium destination for visitation, City Council approved a grant of \$400,000 on July 6, 2021, to the Hampton Roads Workforce Council consisting of \$250,000 for a “back to work” cash incentive (\$1,000 per incentive) to assist with staffing challenges, \$100,000 marketing campaign, and \$50,000 for administrative expenses. On November 16, 2021, City Council appropriated the remaining funds from the American Rescue Plan Act Funds including \$5,000,000 for the “VBthrive Business Relief Grant Program” coordinated by the Local Initiatives Support Corporation of Hampton Roads in collaboration with the United Way of South Hampton Roads to assist businesses in the tourism, travel and hospitality industry, and \$271,300 of funds from the American Rescue Plan Act was awarded by the Virginia Tourism Corporation to Convention and Visitors Bureau to promote and attract convention and various events to the City including the Jackalope Festival, an action sports event planned for June 2-4, 2023. A recent announcement in early November 2022 by Pharrell Williams of the return to Virginia Beach of the Something in the Water Festival for April 28 - 30, 2023 will provide an additional economic boost to the City and region.

## **KEY INITIATIVES**

The FY 2022 financial report reflects the use of resources to achieve the City government’s vision as defined by City Council in its five strategy areas established in its two-year [Strategic Plan FY 2022-23](#) that it affirmed in September 2021: 1) 21<sup>st</sup> century infrastructure, 2) safe and healthy community, 3) growing economic opportunity, 4) thriving neighborhoods, and 5) innovative and sustainable government. To ensure that Virginia Beach remains a preferred coastal city to attract residents, businesses and visitors, the City balances its efforts and use of resources to sustain the important components that make the City livable and successful. City Council’s vision and strategies provide direction for these efforts. Highlights of some key initiatives during FY 2022 impacting the success and sustainability of the City are shown below.

## **Flood Protection**

### **Sea Level Rise/Recurrent Flooding Comprehensive Analysis**

Flood protection associated with more frequent and intense storm events, sea level rise and land subsidence have become a critical issue in the Hampton Roads region and for the City. As a coastal community, Virginia Beach is proactively assessing its vulnerability, developing strategies, and implementing policy and engineering measures to increase its resiliency to reduce the impacts of severe storm events and tidal and storm surge flooding. The City's approach to resiliency incorporates the City's



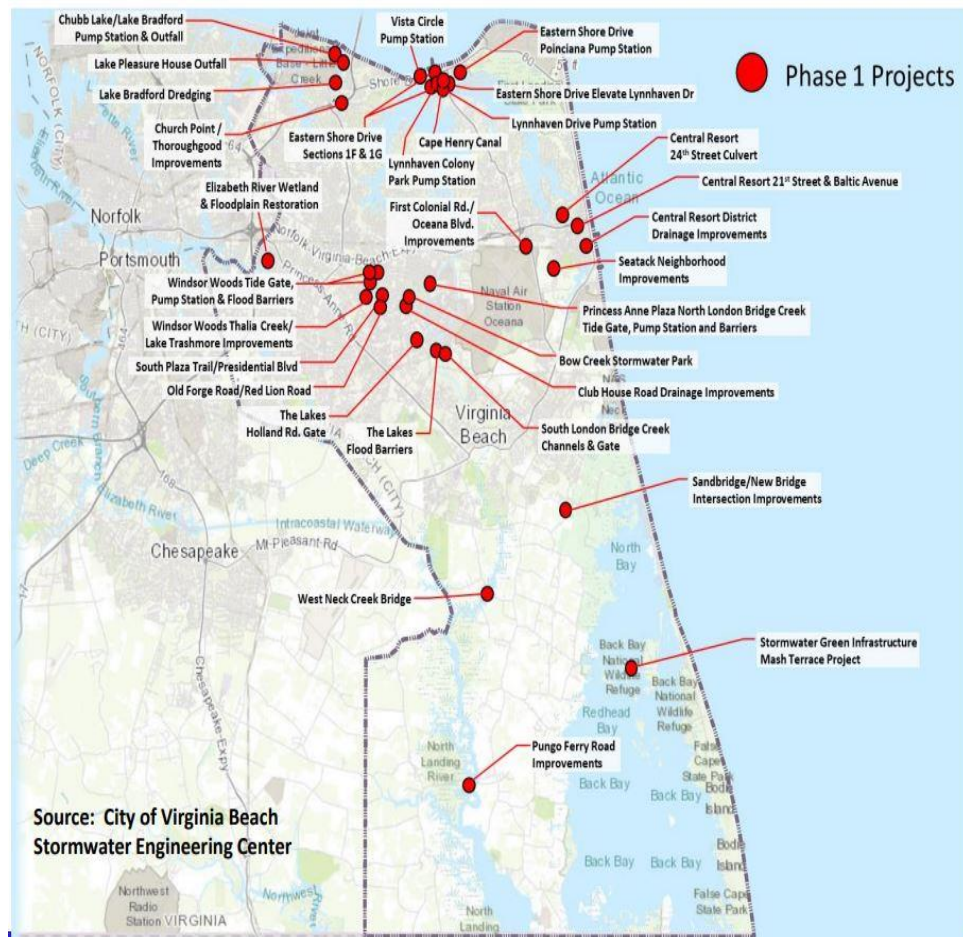
Stormwater Master Drainage Plan, the Sea Level Wise Adaptation Strategy Plan, and Water Quality Regulations.

The Stormwater Master Drainage Plan involves two phases. The first phase is complete and created detailed computer models of the City's five major watersheds: Lynnhaven, Oceanfront, Elizabeth River, Little Creek and Southern Rivers (the Southern Rivers watershed includes Back Bay, North Landing River, Northwest River, and Small Coastal South) to assess the stormwater infrastructure performance and identify areas where flooding is occurring. The second phase is underway and is developing master plans for all drainage basins in the five major watersheds to identify the needed infrastructure improvements to mitigate the flooding in areas identified from the modeling. This plan, which is addressing rainfall and stormwater drainage issues, works in conjunction with the Sea Level Wise Adaptation Strategy Plan, which focuses on coastal hazards and future conditions.

The Sea Level Wise Adaptation Strategy Study is complete. It outlines a proactive, long-term approach to enable Virginia Beach to adapt to changing environmental conditions to ensure a vibrant future. This plan is the culmination of five years of work that included input from technical experts, community participants, and regional partners to gain a full understanding of flood risk and anticipated changes that will occur over time. The plan outlines policy and engineering strategies to reduce short and long-term impacts and creates city-wide and watershed-level 'action plans' to guide strategy implementation. Furthermore, the plan aims to improve Virginia Beach's overall flood resilience by using natural mitigations to lessen the magnitude and extent of flooding events through open space nature-based features in addition to engineered solutions to prevent the passage of floodwater into inhabited areas. On June 16, 2020, City Council adopted and incorporated the Sea Level Wise Adaptation Strategy report into the City's Comprehensive Plan. The final Sea Level Wise Adaptation Strategy plan is posted on the City's website and can be found at this link [Sea Level Wise](#).



Since 2014, the City has performed numerous scientific studies to determine the correct design standards which should be utilized for future projects. The new Public Works Design Standards contain more stringent stormwater requirements including Modeling, Increased Design Rainfall Depths, Starting Tailwater elevations, Groundwater Baseflow and Sea Level Rise. These design standards were adopted by City Council on June 16, 2020, for incorporation into the City Code. The City has developed a funding strategy using a combination of property tax increases and Stormwater Utility Equivalent Residential Unit (ERU) fee rate increases to fund an aggressive operations and maintenance program and Capital Improvement Program. Tax and fee increases were approved by City Council in the Adopted FY 2020 Budget; however, the stormwater ERU rate increases for July 1, 2020, and July 1, 2021, were postponed until FY 2023 to provide relief to residents and businesses due to the impacts of COVID-19. In addition, to accelerate the flood protection capital projects, on July 13, 2021, City Council approved the Flood Protection Program Bond Referendum question for the November 2, 2021,



General Election ballot to obtain voter approval to issue \$567.5 million in General Obligation Bonds for design and construction of twenty-one stormwater flood mitigation projects within 10-years for Phase 1 of a multi-phase flood protection program. Based on election data results from the Virginia Department of Elections, Virginia Beach voters approved the bond referendum by a wide margin with 72.7% of ballots (110,834) cast voting “yes” versus 27.3% (41,669) voting “no”.

Following the Flood Protection Program Bond Referendum, City Council adopted an ordinance on November 16, 2021, to freeze the Stormwater ERU fee at the current rate of 49.3¢ daily until FY 2029. In support of the Referendum, City Council dedicated 4.1¢ in real estate taxes in the FY 2023 Adopted Budget to the Flood Protection Referendum Fund to pay the debt service on General Obligation Bonds to be issued for the flood protection projects. Previously, Flood Protection projects were supported by the Stormwater Utility fee, and completion of these priority projects would have taken nearly forty years with the previous level of funding. As a result of the Referendum, these projects are to be completed by 2032, with about half to be completed by FY

2026-27. To augment the local resources provided for the maintenance of the stormwater system, in the fall of 2021, City Council appropriated over \$44.0 million to two projects, Lake Management and Neighborhood Rehabilitation, from the American Rescue Plan Act that are required to be spent by 2026. This infusion of funding is nearly two and a half times more than stormwater maintenance projects receive in a typical year and will enhance maintenance for 17 lake dredging projects and approximately 60 miles of pipe cleaning for 21 neighborhoods.

The FY 2023 Capital Improvement Program combined the twenty-one projects into seven Master Projects to include companion projects that were already underway in the stormwater Capital Improvement Program. The FY 2023 Capital Improvement Program is forecasting to spend \$757.1 million over the next 6 years to address recurrent flooding and \$457.7 million for stormwater utility system capital maintenance, stormwater quality and other stormwater system needs. In addition to the funding from the federal government and Stormwater Utility, the FY 2023 Adopted Capital Improvement Program included \$18.7 million for a Regional Stormwater Management Facility at 17th Street in the Resort Area funded through the Tourism Investment Program Fund due to the limited capacity of the Stormwater Utility Fund given the frozen ERU rate.

**Beach Nourishment** - The City has a strong commitment to maintain its beaches to reduce the risk of coastal flooding and resulting storm damage to public and private infrastructure. The City continues to use periodic beach nourishment projects to fortify its public beaches by maintaining their elevation and width. A wider beach improves storm protection by increasing the distance between the upland bank and waves. Like most East Coast beaches, Virginia Beach



experiences moderate beach erosion resulting from wind and wave action. Cost-effective periodic beach nourishment at Virginia Beach has been demonstrably successful in combating natural erosion and stabilizing the shoreline position. Beach nourishment is acknowledged as an important element in adaptation strategies to combat sea level rise.

Between May 2018 and August 2022, six City public beaches will have been bolstered with sand via beach nourishment with additional nourishments planned for future years:

- **Resort Beach and North End** – last renourished in 2019 with 1.4 million cubic yards of sand totaling \$22.7 million (\$14.8 million Federal/\$7.9 million City) through a 50-year partnership with the U.S. Army Corps of Engineers (USACE); the USACE documented that this project prevented more than \$450 million in coastal infrastructure damage.
- **Sandbridge Beach** – last renourished in 2020 with 1.7 million cubic yards of sand totaling \$20.6 million (\$18.7 million City Sandbridge Tax Increment Financing District and Sandbridge Special Service District Funds/\$1.9 million Federal); the USACE documented that this on-going project prevented more than \$140 million in coastal infrastructure damage.

- Bay Beaches** - The beaches adjacent to the Lynnhaven Inlet, Cape Henry, and Ocean Park Beaches, have been nourished multiple times using sand from the federal/USACE Lynnhaven Inlet maintenance dredging project. The most recent replenishment of Cape Henry Beach was accomplished in June 2019 with nearly 180,000 cubic yards placed on the beach from the inlet dredging project. Chesapeake Beach (the westernmost bay beach) nourishment project was completed in May 2018 where over 430,000 cubic yards of sand were mined from a nearshore borrow site and placed on the beach. A project to continue maintenance of the restored Chesapeake Beach (project 100064) is fully funded at \$8.5 million in the FY 2023 Capital Improvement Program, with the next replenishment planned for FY 2023. Beach nourishment projects are being designed for Ocean Park and Cape Henry Beaches through capital project “100030 - Bay Beaches Restoration”. These efforts will go beyond periodic beach nourishment associated with maintenance of Lynnhaven Inlet, by creating higher and wider beach profiles and dune features. Ocean Park Beach will be the first beach to be improved to a higher and wider dimension with a major beach and dune restoration project, that began on May 30, 2022, as a partnership with the Virginia Port Authority making use of sand mined from their Norfolk Harbor and Channels Deepening project from the Thimble Shoal Channel. The City cost for the Ocean Park restoration sand placement is \$6.14 million to place 400,000 cubic yards of sand along 6,000 feet of beach over a four-week period, which will add four times more sand than has ever been placed on Ocean Park Beach. The next sand placement along Cape Henry Beach is planned to be executed by the USACE in late summer 2023 with the Lynnhaven Inlet maintenance dredging project.
- Croatan Beach** - The City completed significant dune restoration work at Croatan Beach in December 2018, which will be followed by a 50,000-cubic yard beach nourishment that was included in the federal/USACE Rudee Inlet maintenance dredging performed in March 2022. Capital project 100142 Croatan Beach Restoration programs \$2.5 million in the FY 2023-FY 2028 Capital Improvement Program for future sand placement as needed.

## **Tourism**

To expand the tourism sector of the economy, City Council has supported and/or funded multiple initiatives. Also, the tourism, travel and hospitality industry has continued investing in its products.

**Convention quality hotels** – The hotel product in the City continues to be refreshed and expanded. According to Smith Travel Research data, as of July 2022 the available hotel room inventory in the City consisted of 11,366 hotel rooms located in 102 properties, reflecting an increase of 260 (2.3%) hotel rooms compared with July 2021 (11,106 hotel rooms in 100 properties); this inventory will fluctuate throughout the year due to hotel renovations, new construction, and seasonal and weather closures. A new \$28 million 13-story 140-room hotel, Hyatt Place opened at the Oceanfront in June 2022 replacing a 50-room hotel, The Belvedere Beach Resort that was built in 1969 and demolished in 2020 (*source: The Virginian-Pilot, June 18, 2022*). A new 120-room Fairfield Inn and Suites hotel opened in the Town Center area in 2022 as well. There are several key tourism-related projects, in various stages of discussion and review, intended to continue the forward momentum of the industry. These include three hotel projects including Embassy Suites at the Cavalier Hotel complex (anticipated opening in 2023), Homewood Suites by Hilton at the Oceanfront (anticipated opening between 2024 and 2026), and Moxy (anticipated opening in summer 2023); and a potential Entertainment Complex at the eastern end of the 19th Street Corridor including the Atlantic Park project at the Dome site. The City has offered incentives



for the development of convention quality hotels, including restoration of the historic Cavalier Hotel (opened in March 2018) and its two companion hotels, the Oceanfront Marriott Hotel with parking garage (adding 305 rooms and opened in May 2020), and Embassy Suite Convention Hotel Campus. It is anticipated that these three hotels will produce annual revenues of \$2 million to the City in Year 1 growing to \$6 million by Year 7 with net present value over 20-years to the City of \$65 million, net of City incentives.

**Sports Center** - On July 10, 2018, the City Council authorized the design-build of the Virginia Beach Sports Center. Construction of the 285,000 square-foot facility began in August 2018 with completion ahead of schedule and on budget at a total project cost of \$68 million. This center is the largest indoor sports complex in Virginia Beach and can host a diverse roster of sporting events and tournaments. It features 119,000 square-feet of hardwood (12 basketball courts convertible to 24 volleyball courts), a 200-meter world class, hydraulically banked track, and seating for 5,000 spectators. The Center is City-owned and privately operated, and the debt for the project will be paid by tourism funds through the Tourism Investment Program Fund, which includes primarily hotel and restaurant meal taxes generated by visitors. This project is designed to attract tournament events from outside the region and provide an amenity for local events. It is anticipated to add 68 sporting events annually having a fiscal impact of \$4.2 million by the fifth year of operation. The Center opened in October 2020 during the COVID pandemic. From October 2020 through September 2021, despite operating under strict COVID capacity limitations and mitigations, the facility booked 66 events for Year 1 of operations of which 58 were new events to the market involving approximately 76,000 athletes. During the second year of operations (October 2021 through September 2022), the Sports Center's performance continued to exceed expectations holding 60 events (basketball, field hockey, gymnastics, multi-sport, track, and field, volleyball, and wrestling) involving 198,655 attendees (81,865 athletes and 116,790 spectators) of which an average of 60% were from out of town generating 57,896 hotel room nights. In addition, the VB Sports Marketing team successfully bid and was awarded the opportunity to host the nation's premier indoor track and field event, the NCAA Division I, II and III Championship for 2023-2026.





**Aquarium** - The Aquarium is a public-private partnership between the City of Virginia Beach and the Virginia Aquarium and Marine Science Center Foundation, a 501(c)(3) nonprofit. The City owns and maintains the Aquarium's buildings and provides administrative support, while the Foundation procures and maintains the Aquarium's collection of animals and exhibits. The Foundation is also responsible for fundraising efforts and various scientific research, education, and conservation programs. The Aquarium features a variety of attractions for visitors, including over



800,000 gallons of marine life to explore, coastal boat trips, a zip line and aerial adventure park, as well as a rotating collection of other exhibits. Findings from an FY 2018 economic impact study conducted by Sage Policy Group, Inc. revealed that the Virginia Aquarium & Marine Science Center generates \$257 million in economic impact (direct, indirect, and induced) in Virginia Beach annually including 3,250 jobs, and that each Aquarium visitor generates \$12 in tax revenues to the City. The Aquarium is recovering from the impacts of the Covid-19 pandemic during which it was closed for 96 days from March 2020 through June 2020 and thereafter incurred modified operating conditions due to the impacts of Covid-19 pandemic. Visitation is increasing and was over 600,000 for FY 2022 compared with 429,145 in FY 2021 but still 2.9% below pre-pandemic level of 617,900 in FY 2020. Total earned revenue from admissions, merchandise sales and memberships has surpassed pre-pandemic levels at \$12.9 million in FY 2022 compared with \$9.3 million each in FY 2021 and FY 2020.

In FY 2021, a financial analysis of the Aquarium's long-range plans by Davenport & Company LLC identified funding options to support the plans and highlighted the need for feasibility and operational impacts studies for the main building renovation and future expansion as well as a new parking structure to accommodate the project's footprint.

The City continues to reinvest in the Aquarium with various projects:

- Construction of the Darden Marine Animal Conservation Center (began September 2018 with completion and opening June 2021) totaling \$18.1 million, of which \$4.5 million is from the Virginia Aquarium & Marine Science Center Foundation. The project consists of two buildings totaling 18,000 square-feet. This facility provides seawater access; animal care areas to support acquisitions/quarantine for animal exhibits and stranded animal rehabilitation; support areas for stranding response and research; laboratory spaces; and office/technical spaces for staff and volunteers.
- Annually, the City programs over \$2 million in its Capital Improvement Program for the refurbishment of various building systems (heating, ventilation, air conditioning, roofing, electrical and plumbing) as well as the exhibits. During 2022, renovations were made to the harbor seal exhibit, ray touch pool and marsh pond. Also in FY 2022, the Aquarium was awarded a competitive grant under the Shuttered Venues Operators Grant program totaling \$4.5 million from the Small Business Administration; the grant was established by

the Economic Aid to Hard Hit Small Businesses, Nonprofits, and Venues Act, and amended by the American Rescue Plan Act. The Aquarium will use \$4.3 million of these funds to repair and replace the Aquarium's animal holding building structures to enhance animal welfare and to ensure compliance with standards established by the Association of Zoos and Aquariums, the U.S. Department of Agriculture, and other accrediting agencies. The project includes the full replacement of the existing 3,200 SF Virginia Aquarium animal care holding facility with a state-of-the-art, multi-functional facility that is capable of housing animals essential to the Virginia Aquarium's educational and conservation mission. The project also includes enhancements to animal care holding areas throughout the Virginia Aquarium's other buildings, such as upgrades to enclosures and access, mechanical and filtration components, environmental equipment, controls, and Supervisory Control and Data Acquisition system(s). Construction is anticipated to begin July 2022 with completion by June 2024. A small portion of these funds will also be used to conduct a feasibility study to focus on future expansion plans to ensure the long-term viability of the Virginia Aquarium.

- Concurrent construction of two Aquarium projects for the Owls Creek Marsh Pavilion facility, rebranded the South Building, with a total project cost of \$28.9 million of which the Virginia Aquarium & Marine Science Center Foundation provided \$9.3 million, began in May 2020 with opening expected in Spring 2023. One project renovated the Aquarium's 22-year-old Marsh Pavilion including new exhibits funded by the Aquarium & Marine Science Center Foundation and expanded parking. The second project constructed an adjacent Veterinary Care Center needed to meet the Association of Zoos and Aquariums accreditation standards for animal care. These new spaces will provide additional ways to expand the Aquarium's conservation initiatives, provide educational resources for school children and adults, and draw new visitors to the Aquarium to promote return visitation, and help position Virginia Beach as a year-round destination.

The Aquarium began an aggressive Master Planning process in 2019, and future plans include a 1,052-space parking structure, a new state-of-the-art exhibit building on the current surface parking lot, and renovations of the existing 30-year-old Main Building exhibits that are nearing the end of their expected life. These future plans enable the Aquarium to remain open and to expand exhibits while addressing critical infrastructure needs within the Main Building. The option of closing the Main Building for a renovation would necessitate relocating exhibit animals and closing to the public; according to Davenport & Company LLC, the net effect of that closure would be an operating loss of \$18 million over a three-year period, and the loss of the \$257 million in annual economic impact to the Virginia Beach economy.

**Atlantic Park (Dome site)** – The Virginia Beach Development Authority negotiated a development agreement with Venture Realty Group for a \$350 million mixed-use, multi-venue entertainment complex on the former Dome site, a 10.35-acre site over three blocks between 18<sup>th</sup> and 20<sup>th</sup> Streets at the oceanfront. The development agreement was approved by City Council in November 2019 with the goal of making the Oceanfront area a year-round destination. The complex will



include mixed-use retail, office space, multi-family housing, an approximately 4.2-acre Wavegarden Surf Park including an approximately 2.68-acre surf lagoon and related facilities, and a 3-story 3,500-seat indoor & 1,500 capacity outdoor entertainment and concert venue. The project will involve private financing of \$230 million and a City contribution of approximately \$119 million for parking, offsite infrastructure including undergrounding duct banks, traffic signals, pedestrian crossing, stormwater improvements and streetscapes, and an entertainment venue. The City's contribution will be funded by the City's Tourism Investment Program Fund. The agreement will entail a performance grant of a maximum of \$5 million annually over 20 years from the project-generated tax revenues. Construction is anticipated to begin in late 2022 with planned completion in summer 2024.

**Other Potential Future Initiatives** – In support of the tourism industry, City Council is reviewing other potential future initiatives. Two such projects could include development of Rudee Loop and further development in the 19<sup>th</sup> Street corridor near the Virginia Beach Convention and Sports Centers. In response to the City's May 2022 Request for Information and Ideas to develop Rudee Loop with an emphasis on open space and amenities supporting surfing, fishing, and outdoor recreation, four proposals were received. The Rudee Loop site is approximately 8-acres and is located at the south-end of the Resort Area adjacent to Rudee Inlet. The proposals offered a range of uses with some incorporating a mix of commercial, residential, entertainment and recreational uses while others were mainly entertainment and recreational uses. The range of uses proposed included: mixed-use developments including a combination of hotels, multi-family residential, surface and structure parking, retail food and beverage establishments, outdoor covered performance stage, event space and concession space, parks with active (playgrounds, skate park, fishing, and exercise areas) and passive recreation spaces, walking paths, surfing museum, and restrooms/changing facility. Currently, a public engagement process from Late October to the end of February 2023 is being coordinated by the City to gather feedback to the proposals for Rudee Loop. Also, in May 2022 the City solicited ideas to address parking and workforce housing issues to support the Virginia Beach Convention Center and Sports Center and received one proposal for a mixed-use development including apartments, a 300-room hotel, restaurant/retail space and structured parking on 19<sup>th</sup> Street adjacent to the Virginia Beach Sports Center.

## **Economic Development**

In order to meet the City’s goal to grow the tax base, the City has various economic development initiatives. The ongoing Economic Development Investment Program (EDIP) promotes business development and expansion. Since the inception of EDIP in 1994, the City and the Virginia Beach Development Authority (VBDA) have awarded 328 EDIP grants totaling \$68.7 million, which was intended to generate roughly \$2.6 billion in private investment and create and retain 40,352 jobs. For FY 2022, a total of \$479,200 in EDIP grants were approved for 5 projects, which are intended to leverage more than \$15.1 million in private investment (ratio of more than \$31 of private investment to \$1 of public investment). During FY 2022, there were 27 announcements of new businesses or business expansions that anticipate generating 800 new jobs and \$286 million in capital investment. These include various sectors: manufacturing (BMK, Architectural Graphics Inc., SANJO Forte, Forbes Candies), defense/manufacturing (Zero Point), office (United Property Associates), warehousing/distribution/logistics (project Door), and information technology (Assured Communications Advisors formerly ACA International). In addition, VBDA provided financial support to small, locally owned businesses through the Façade Improvement Grant program. Nineteen grants were awarded, totaling \$133,141 which resulted in \$1.1 million of private investment.

Virginia Beach has eight opportunity zones that are uniquely positioned and ready for investment and growth. These Opportunity Zones, created as a result of the Federal Tax Cuts and Jobs Act of 2017, are designed to encourage long-term investments in designated portions of a community. Tax incentives are provided to investors who reinvest their unrealized capital gains into one of the designated zones. To promote economic growth, enhance access to economic opportunity for Virginia Beach residents and remove barriers to employment – such as transit, training, and childcare – that prevent individuals from attaining and retaining good paying jobs, the City offers several tax abatement programs – real estate, sales tax, and business licenses. Also, during 2022, the City created a new small business loan program, “Virginia Beach Small Business Capital Access Program”, to support entrepreneurs and to help grow local small businesses. This collaboration between the Department of Economic Development and Local Initiatives Support Corporation of Hampton Roads has made \$400,000 available to qualifying small businesses through zero-interest loans ranging from \$15,000 - to - \$25,000 with no payments required for the first six months.

During FY 2022, the City Council continued its support for business recovery from the economic impacts of the COVID-19 pandemic with the provision of \$10.0 million of funds it received from the American Rescue Plan Act to be allocated to qualifying businesses through the “VBthrive Business Relief Grant Program”, which is a collaborative initiative with Local Initiatives Support Corporation of Hampton Roads and the United Way of South Hampton Roads. Of these grant funds \$5 million is targeted to the tourism-related hospitality industry including hotels, restaurants, catering businesses, drinking places and mobile food services.

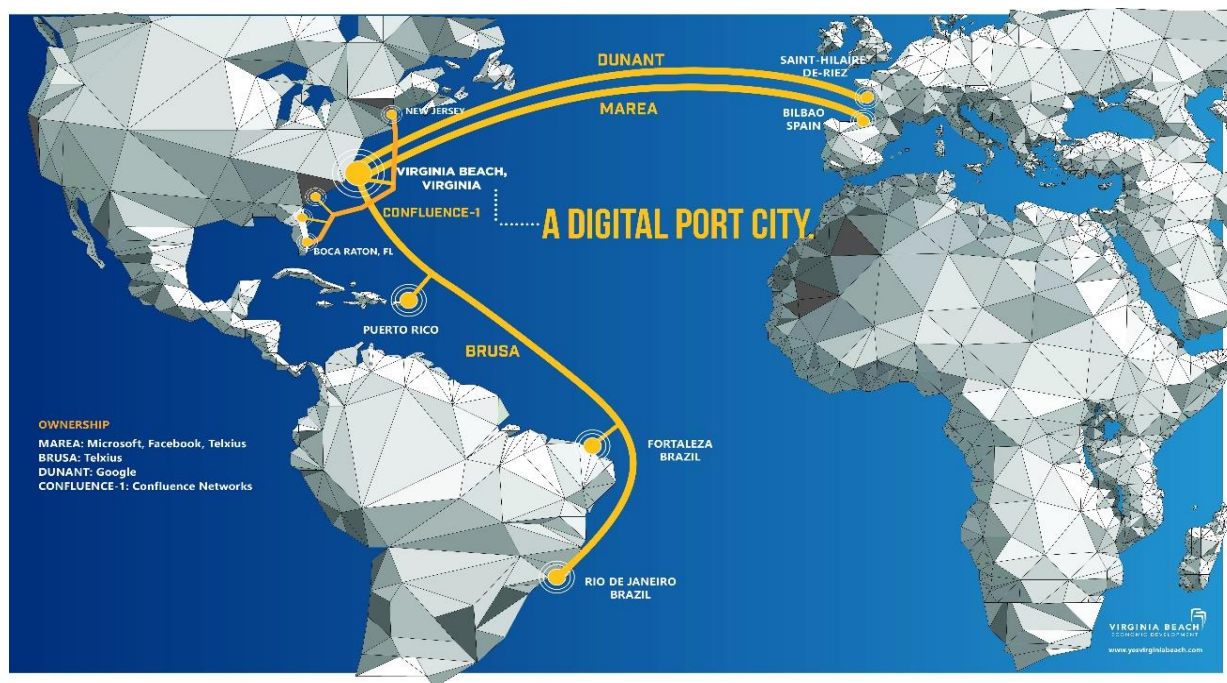
**Economic Development and Business Expansion at Naval Air Station Oceana** – NAS Oceana has developed the “Future Base Design”, which is an innovative public-private business model that could change the landscape around NAS Oceana while generating critical resources for improving infrastructure. Through this innovative program, nearly 1,100 acres of underutilized land will become available for compatible development around NAS Oceana. This property is ideal for industrial uses, and distribution centers, data centers and to locate battery storage systems

- near cable landing stations and power sub-stations, that are connected to lines coming in from offshore wind turbines. On January 6, 2022, as part of the “Future Base Design” initiative, the Virginia Beach Development Authority and the U.S. Navy/Navy Mid-Atlantic Regional Command entered into an Intergovernmental Support Agreement for services to be provided by the Authority to market and promote the renovation, redevelopment and utilization of Navy real property including feasible incentives to increase marketability of the sites. The initial term of the agreement is one-year and renewable for successive one-year periods up to a maximum term not to exceed ten years. The Future Base Design program is intended to reduce the naval base’s total footprint and the Navy’s total cost of ownership of the installation and redirect savings toward transforming, optimizing and modernizing the naval base’s capabilities and resilience.

**The City continues initiatives to diversify the local economy beyond defense and tourism industries with the development of technology, biomedical, advanced manufacturing, mixed-use developments, and offshore wind energy industries. Highlights of these efforts are as follows:**

**Digital Port** - 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 tech 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 the majority of the world’s digital traffic. Corporate Landing Business Park, a 325-acre, light industrial, research and data center park, is the city’s hub for the digital port. In order to attract this industry, the City is offering reduced tax rates on data center equipment, fiber access hubs, streamlined permitting process, and available data center sites certified by Dominion Energy. The Virginia Beach Development Authority owns the conduit system supporting the data centers. This \$1.2 million project was recently completed on Corporate Landing Parkway with diverse conduit runs consisting of 2 X 8 (total 16 conduits) 4” conduits which include three 1.25” inner-ducts located in each conduit. Three cables have recently been constructed (MAREA, BRUSA, and DUNANT), and two additional cable projects (SA-Ex and CONFLUENCE-1) have been announced and are in various stages of planning and development. One data center has been constructed (Globalinx) and three additional projects (PointOne, Assured Communications Advisors, and SimIS) announced and are in various stages of planning and development. The three existing cables and one that is in development are depicted in the following map:





**Microsoft, Facebook and Telxius** constructed the first subsea cable, **MAREA**, connecting Bilbao Spain to Virginia Beach (a distance of 4,000 miles) that became operational during fall 2017. This cable can transport 200 terabytes per second (Tbps). It is operated and supported by Telxius Data Center/Cable Landing Station located in Corporate Landing Business Park.

**Telxius** has completed a second subsea cable, **BRUSA**, connecting Rio De Janeiro, Brazil, and Puerto Rico to Virginia Beach (a distance of 6,800 miles), which became operational in 2018. It is supported by Telxius Data Center/Cable Landing Station. This cable can transport 160 Tbps and was designed to adapt and evolve with the growing demand for technology. An extension of the BRUSA cable, called “[Junior](#)” will provide a direct connection to the lower part of South America.

**Dunant**, owned by Google, is a sub-sea cable of 6,000 km in length that connects Virginia Beach to France’s Atlantic coast. It became operational in 2020. This cable can deliver capacity of 300 Tbps and is supported by the Telxius Data Center/Cable Landing Station.

**Assured Communications Advisors (formerly ACA International LLC) and South Atlantic Express International Ltd** announced in 2018 a new cable, SAEx, to link Cape Town, South Africa to Virginia Beach (a distance of 8,000 miles), which is projected to land in 2026. This cable is designed with minimum capacity of 108 Tbps. The company was granted an Option to purchase 14 acres of land in Corporate Landing Business Park for the construction of a data center facility – operational by mid-2024.

**Confluence – 1** is a proposed undersea cable system under development by Confluence Networks LLC linking the largest recently installed cable landing stations on the east coast of the United States. The CONFLUENCE-1 will connect Wall, New Jersey with Sunny Isles, Florida, with branching units to Virginia Beach, Myrtle Beach, and Jacksonville Beach, and has a planned completion in late 2023.

Data centers are being constructed in Virginia Beach to support the industry and newly constructed cables. Some of the recent and new announcements include:

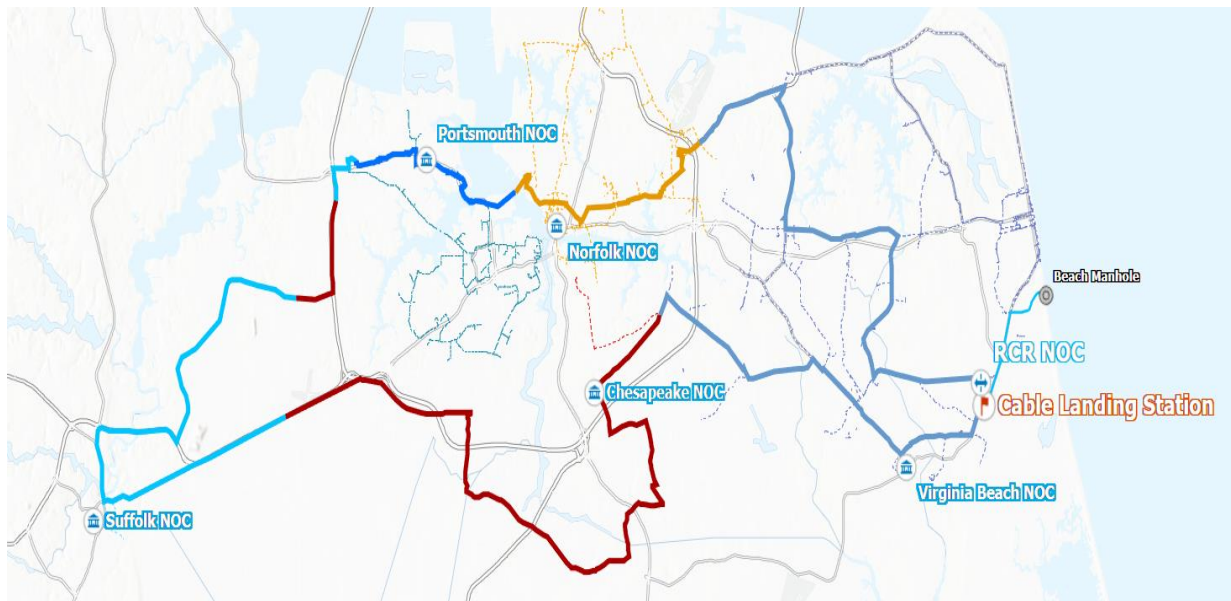
**Globalinx** completed a 10,750 square-foot carrier-neutral colocation carrier hotel facility and data center (Phase I) that opened in the first quarter of 2019. A Phase II expansion, comprising of a 22,000 square-foot data center, is planned with design and construction anticipated to occur in mid-2023.

**PointOne**, a hyperscale data center developer headquartered in Alberta, Canada, will invest \$80 million in an enterprise-class data center and cable landing station campus. It will consist of two 39,530 square-foot data facilities that will house edge computing data centers, a cable landing station for eight-plus future subsea cables and an international internet business exchange. Located across the street (400 yards) from the Telxius Cable Landing Station, this data center will have direct tie-in access to the MAREA and BRUSA cables. The \$60-million Phase I construction began in the summer 2019, encountered delays in 2020 related to the Covid-19 pandemic, and will restart at the end of the first quarter of 2023. The facility is designed to withstand up to 200-mph winds and is being built at 15-feet above sea level.

**SimIS Inc.** (a simulation and modeling and information security company) was granted an Option to purchase four acres of land located in Corporate Landing Business Park to build a data center/data-ecosystem facility.

**Regional High-Speed Broadband** - The Regional Connectivity Ring project is an open-access telecommunications network to connect the region to the transatlantic subsea fiber optic cables in Virginia Beach. The project is being developed by the Southside Network Authority, comprised of members of the City Councils, Chief Administrative Officers, and Chief Information Officers, who will also manage the usage and the utilization of the fiber ring. As planned, the project will be constructed in four phases and is currently in Phase 1 to construct 119-mile fiber ring to connect the five southside cities (Chesapeake, Norfolk, Suffolk, and Virginia Beach) to the MAREA cable including the construction of 40+ miles of fiber in Virginia Beach. The Ring will connect to high-speed broadband networks through carrier-neutral "hotels" such as Gloabalinx, among others. The estimated cost for Phase 1 is between \$23 and \$28 million. Virginia Beach funded its share of the cost using \$7 million in American Rescue Plan Act funds. Groundbreaking for Phase 1 occurred in April 2022 and construction completion is anticipated by the end of 2023. Future project phases will extend the network further in the Hampton Roads region to provide broadband service to the 17 local jurisdictions and 1.7 million people. This project has multiple benefits to the City and region. This fiber ring could potentially serve Internet Service Providers in areas where the providers lack a presence and will provide opportunity for new Internet Service Providers to enter the market and expand the high-speed internet options available to Hampton Roads communities at competitive rates. In addition, the project will provide the infrastructure to attract companies needing access to high-speed internet, support business incubators, data centers, collaborations between educational and bio-medical institutions, and expanded bandwidth for growing educational needs.





**Innovation Park** - The 155-acre Innovation Park, owned by the Virginia Beach Development Authority, is located in the Princess Anne Commons Area, which is a multi-function commercial corridor with strong long-term development potential. The City of Virginia Beach identified the area as the ideal location for the Innovation Park because of its proximity to neighboring assets such as educational institutions, national and regional retailers, and dense workforce. In July 2021 Acoustical Sheetmetal Company (ASC) celebrated the opening of its new \$15.8 million 100,000 square-foot facility which more than doubles the company’s manufacturing capacity and will add as many as 200 full-time advanced manufacturing jobs. In 2022, the company announced plans to begin Phase II of the project which will add 135,000 square-feet of space adjacent to the existing building. During the FY 2022, Architectural Graphics purchased 40 acres of land in the Innovation Park. This will allow the company to consolidate operations. The total project investment, once completed, will consist of a 400,000 square-foot manufacturing facility and \$42.5 million in capital investment.

Also, in the Princess Anne corridor in the vicinity of the Nimmo Parkway/West Neck Road intersection, the State Department of Veterans Services began construction in summer 2019 of a 141,000 square-foot 128-bed rehabilitation and nursing facility for retired veterans, known as The Jones & Cabacoy Veterans Care Center. The facility is located on 24-acres donated by the City to the Commonwealth of Virginia and is scheduled to open in early 2023. The City extended Nimmo Parkway (\$4.5 million total project cost) to access the facility that was completed in December 2021.

**Central Business District** - Town Center, an emerging downtown core in the heart of Virginia Beach's Central Business District, features a vibrant urban mix of upscale retail, Class A office space, luxury residential units, entertainment, two performing arts centers, a central park, and other cultural facilities. The 25-acre development spans 17 city blocks. The ongoing mixed-use development encompasses more than 830,000 square-feet of Class A office space, 700,000 square-feet of upscale retail, dining, and business-class hotels. To date, Armada Hoffer has invested nearly \$487.8 million in the Town Center of Virginia Beach and the City has contributed \$108 million of public investment. Through April 30, 2024, the developer of Town Center has the right to exercise an option to acquire and develop the last remaining parcel at Town Center at Block Two (1.4-acre surface parking lot at 4565 Virginia Beach Boulevard between Market and Bank Streets). Construction of a \$19 million, 14-story, 120-room Hampton Inn & Suites by Hilton is currently under development and is expected to generate \$30 million in revenue over 25 years, which would generate about \$9 million in tax revenue that would be reinvested into Town Center. In addition, Old Dominion University recently announced plans to establish in Town Center an Institute of Data Science, which will offer undergraduate data science programs specializing in cybersecurity and marine engineering and will include labs for research on offshore wind-energy and 5G networks (*source: Virginian Pilot, October 20, 2022*).



The success of Town Center has been a catalyst for other projects in the area. This includes the new CityView II complex, which is a \$103 million capital investment comprised of a mixed-use development located at the intersection of Bonney Road and Constitution Drive adjacent to Town Center. Phase I of the project (\$82-million capital investment) opened April 2022 and includes one 525,000 square-foot six-story building with 13,867 square-feet of ground floor commercial space for lease, 219 apartments (known as "The Constitution") with amenities including a pool, grills, fire pits, fitness center, and a rooftop patio; and a Fairfield Inn and Suites hotel with 120-rooms. An office building and a multi-story residential building are planned for a future development phase (\$21 million capital investment).

The Central Business District is home to three business accelerators: The VB HIVE, Small Business Resource Center, Bio Accelerator, and International Incubator for supporting innovation, entrepreneurship, and growth. **The HIVE** focuses on offering its community the opportunity to grow and scale early-stage businesses by acting as a knowledge hub, providing useful resources, and connecting like-minded individuals in the City and the region to help businesses flourish. The **BIO Accelerator** features 5,706 square feet of fully-furnished space that includes wet/dry labs, private offices, and conference rooms – open for both startups and small and growing companies. The **International Incubator** is geared towards foreign companies that need space to grow their sales volume before establishing their own office or manufacturing facility in the City.

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Another spin-off due to the success of Town Center is the revitalization of Pembroke Mall, a 1966-era enclosed shopping mall, located on 54-acres across Virginia Beach Boulevard from Town Center. This redevelopment complex is rebranded as "Pembroke Square" having a planned capital investment of \$200 million comprised of a mixed-use of commercial and residential uses. As

planned, the project will involve demolition of the center section of the mall and replacement with: a 153-unit Aviva Pembroke Senior Living Community in partnership with Beth Shalom Village (construction anticipated to begin October 2022 with scheduled completion in 2024), a 324-unit, five-story apartment building (anticipated construction to begin in early 2023 with opening scheduled in fall 2025), a 14-story, 209-room Tempo/Homewood Suites by Hilton hotel (construction anticipated to begin in 2023 with scheduled opening in summer 2025), and a public parking garage. Two 18-to-22 story office buildings are planned for a later phase of the project. (sources: *Pembroke Square Associates press releases July 20, 2022 & November 15, 2021, Virginia Business, September 29, 2022 & April 28, 2022*).

**Offshore Wind Energy** - In 2018 and 2019, City Council adopted two resolutions expressing support for and commitment to the creation of an offshore wind energy industry. In 2019, Governor Northam issued Executive Order 43 calling on state agencies to develop a plan for Virginia to produce 30% of its electricity from renewable sources by 2030 and to be fully carbon-free by 2050. Thereafter in 2019, Dominion Energy announced a \$7.8 billion project (revised in 2022 to \$9.8 billion) to expand its \$300 million wind energy demonstration project now completed on 2,135 acres 27 miles off the Virginia Beach coast. On August 5, 2022, the State Corporation Commission approved the application from Dominion Energy to build the wind farm and included in its order three consumer protection requirements including a project performance standard. After an appeal of this requirement by Dominion Energy stating the requirement would cause the company to terminate the project, the Commission temporarily suspended its order August 24, 2022 and will review and vote on an agreement reached between the Dominion Energy and the Virginia Attorney General's Office regarding cost sharing of project cost over-runs and eliminating the guarantee for energy production. (sources: *Virginian Pilot, August 7, 2022, August 24, 2022, October 30, 2022 AP (Associated Press) News August 5, 2022 & August 23, 2022*).



Virginia Beach, in collaboration with Dominion Energy, is positioned to become one of the main offshore wind energy hubs in the nation and the City is taking steps to prepare for the industry's success by working with other companies that specialize in the development, construction, operations and maintenance of this renewable energy source. The City has partnered with Tidewater Community College and appropriated \$1.9 million dollars to purchase offshore wind training equipment that will support the industry's workforce development. Further workforce development efforts include a Memorandum of Understanding (MOU) with the New Anglia Local Enterprise Partnership in the east of England, an area well-known for its advanced offshore wind industry. This MOU will facilitate the collaboration between academic institutions and training programs that will help build and sustain a skilled local workforce for the offshore wind industry in Virginia Beach.

Currently, there are two commercial offshore wind energy projects under development that will begin harnessing 5.1 GW offshore wind power between 2024 and 2026, one of which is 27 miles

off the Virginia Beach coast and the other 27 miles off the coast of Corolla, North Carolina on the Outer Banks.

- **Dominion Energy Commercial Coastal Virginia Offshore Wind Development:** Building on the experience gained from the CVOW pilot, in September of 2019, Dominion Energy filed a request with PJM Interconnection for a commercial-scale offshore wind farm. The commercial project is scheduled to be built in three 880-megawatt phases over 112,800 acres, from 2024 to 2026, and would bring an additional 2.64 gigawatt (GW) of offshore wind energy online. In a commercial-scale buildout such as this, approximately 176 - to -180 turbines can be erected; however, the exact quantity is subject to final project site conditions and the design layout of the wind farm. As currently envisioned, this \$9.8 billion project will be capable of generating enough electricity to power 660,000 homes (Source Dominion Energy).
- **Kitty Hawk Offshore Wind:** Kitty Hawk Offshore is a wind project of Avangrid Renewables LLC and will bring offshore wind power to Virginia Beach and eastern North Carolina. It will be located on nearly 122,405 acres 27 miles off the coast of Corolla, North Carolina, which is about 41 miles from Virginia Beach's Rudee Inlet. This \$5-\$8 billion project has the potential to yield 2.5 GW of electricity which would be enough to power approximately 700,000 homes. As part of the onshore project, Avangrid Renewable had secured options from Virginia Beach to acquire 20 acres of land in the Princess Anne Commons area and 30 acres in Corporate Landing Business Park to locate two substations. The regional investment is estimated to be between \$60 – to - \$310 million including the creation of 11,500 jobs. The construction is anticipated to begin in 2024 with completion in 2026 (*Source: Kitty Hawk Offshore Wind*).

## **Education**

Virginia Beach Public Schools is the largest school division in the region, with March 31 average daily membership totaling 63,579 for FY 2021-22 school year, an increase of 0.2% compared with the previous year (FY 2020-21 63,452). The Virginia Beach City Public School Division consists of 55 elementary schools, 14 middle schools, 11 high schools, and a number of secondary/post-secondary specialty centers. The Virginia Beach City Public School (VBCPS) Division is one of six school divisions in the region where all of its schools are accredited. For Virginia Beach, all of its 82 schools are accredited for the fourth consecutive year. For the 14<sup>th</sup> consecutive year, VBCPS has continued to maintain record levels with respect to On-Time Graduation rate of 94.9% (compared with 94.9% in 2021) while its drop-out rate increased to 2.9% (compared with 2.7% in 2021 the lowest on record).

The Virginia Beach City Public Schools continues to modernize or replace school facilities and has 16 active projects in the Capital Improvement Program for various capital needs including facilities maintenance and replacements as well as software, safe schools, and transportation needs, with appropriations to date roughly \$252.5 million and total annual average funding of \$65.7 million for 12 projects in the adopted FY 2023/FY 2028 Capital Improvement Program. Currently construction is completed or progressing on three schools totaling \$104.8 million:

- The \$77.24 million replacement of Princess Anne Middle School, which was completed in 2021.

- The \$13.75 million renovation of Plaza Annex was completed in 2021.
- The \$13.85 million Lynnhaven Middle School Expansion (Achievable Dream Academy), which is scheduled to be completed in spring 2023.

With these three schools, 34 school facilities have been modernized or replaced in the past 25 years: a capital investment of more than three quarters of a billion dollars. With these three schools, Virginia Beach City Public Schools will have a total of 14 facilities that are LEED Certified, representing 2.1+ million SF of space that is LEED Certified, or about 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. Appropriations for the subsequent fiscal year are increased in the amount necessary to satisfy the un-liquidated balance of encumbrances at year-end.

## **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 bond 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 at the end of the fiscal year, the appropriation 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 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 where appropriate. The policies also establish target levels for key debt ratios as shown below. As shown in the following table, all debt affordability indicators were within the established guidelines for FY 2022. Currently, the City is in the process of revising its debt metrics, subject to Council approval, to maintain "best practices" financial management and minimize overall debt burden.

<b>Ratio Description</b>	<b>Established Guidelines</b>	<b>As of June 30, 2022</b>
Annual Debt Service to General Government Expenditures <sup>a.</sup>	No greater than 10%	7.3%
Overall Net Debt to Estimated Full Value of Taxable Property	No greater than 3.5%	1.4%
Overall Net Debt Per Capita <sup>b.</sup>	No greater than \$3,000	\$1,971
Overall Net Debt Per Capita to Per Capita Personal Income	No greater than 6.5%	3.1%
<sup>a.</sup> Last modified in 2006. <sup>b.</sup> Last modified in 2016.		

For the thirteenth consecutive year, three major rating agencies, Fitch, Moody's, and S&P, affirmed the City's triple-A ratings with stable outlooks on its General Obligation Bonds. Ratings for Public Facility Revenue Bonds (appropriations supported) were generally one notch below the General Obligation rating at AA+/Aa1 and Aa2/AA+ by Fitch, Moody's, and S&P, respectively. Moody's assigned a rating of Aa2 to the Series 2020B reflecting the less essential nature of the financed projects and the underlying rating of the refunded Series 2010B&C bonds. Water and Sewer System Revenue Bonds were rated in September/October 2020 at AAA by Fitch and S&P and Aa1 by Moody's with stable outlooks. Storm Water Utility Revenue Bonds were rated in September 2020 by Fitch and Moody's at AAA and Aa1, respectively, with stable outlooks. In

August 2022, Fitch affirmed its AAA ratings with stable outlook for Virginia Beach's outstanding Storm Water Utility Revenue Bonds and its 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 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.

## **CERTIFICATE OF ACHIEVEMENT AND AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Virginia Beach for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This reflects the 43<sup>rd</sup> time that the City has achieved this prestigious award over many years. To be awarded a Certificate of Achievement, a government must publish an efficiently organized ACFR providing full disclosure and transparency. 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 current 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 was awarded a Certificate of Achievement for Excellence in Financial Reporting by the GFOA for its Popular Annual Financial Report (PAFR) for fiscal years ended June 30, 2019 and 2018. The City believes that its PAFR for the fiscal years ended June 30, 2020, and June 30, 2021, continue to meet the award for Outstanding Program's requirements and has submitted the reports to the GFOA for consideration. Also, it will make a similar application to GFOA for the FY 2022 PAFR.

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, 2022 (FY 2023). This reflects the 36<sup>th</sup> 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. The award is valid

for a period of one year only. The City believes its current budget continues to conform to program requirements and has submitted it to GFOA to determine its eligibility for another award.

The National Institute of Governmental Purchasing's Outstanding Agency Accreditation Award (OA4) was awarded to the City of Virginia Beach from 2019 through 2022. This OA4 accreditation formally recognizes excellence in public procurement through the establishment of a body of standards that evidence sound procurement practice. Additionally, in 2019, the City was awarded the Achievement of Excellence in Procurement from the National Procurement Institute. The Purchasing Division also received the Excellence in Achievement Award from Universal Public Procurement Certification Council in 2019. The award recognizes exceptional agencies that achieve a fully certified procurement staff.

## **ACKNOWLEDGMENTS**

During the year, the staff of the Departments of Finance, Budget and Management Services as well as financial staff of other departments rendered professional and knowledgeable services to the City. 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,



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Patrick A. Duhaney  
City Manager



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Letitia L. Shelton  
Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Virginia Beach  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morrell*

Executive Director/CEO

VB

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# **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, 2022, 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, 2022, 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 Development Corporation, which represent 3.6%, 14.8%, and 0.7%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units, as of June 30, 2022, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Virginia Beach Development Corporation, is based solely on the report of the other auditors. The financial statements of the Virginia Beach Development Corporation were not audited in accordance with the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia (the “Specifications”).

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Specifications. Our responsibilities under those standards and specifications 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 that 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 opinions. 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, *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, *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 supplementary information other than MD&A, 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.

**Other 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 Other Supplemental Information, as listed in the table of contents, and schedule of expenditures of federal awards as required by Title 2 of U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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. In our opinion, the Other Supplemental Information and the schedule of expenditures of federal awards 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, 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 12, 2022, 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 City's internal control over financial reporting and compliance.



Virginia Beach, Virginia  
December 12, 2022





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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, 2022. 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

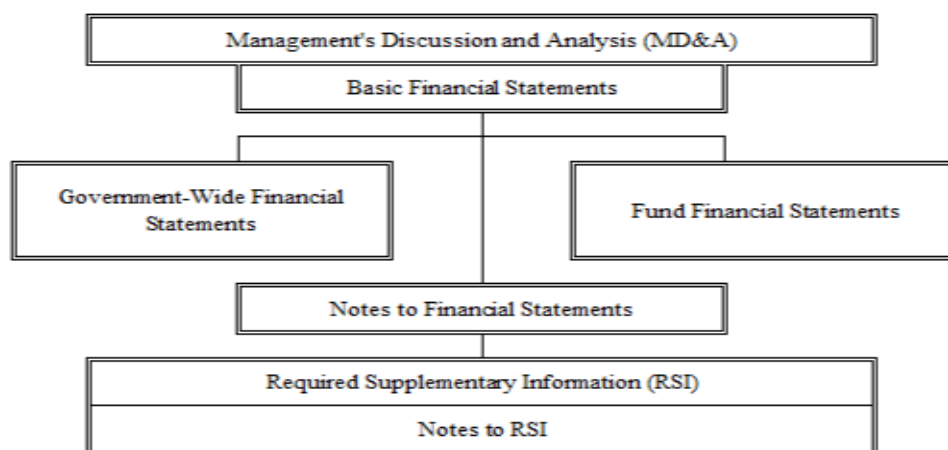
- At the end of the fiscal year 2022, the total net position of the City on a government-wide basis, excluding component units, was \$4.2 billion. Of this amount, the unrestricted net position totals \$670.6 million. Total net position increased by \$164.3 million from the prior fiscal year end's net position.
  - The total net position for governmental activities was \$2.8 billion, an increase of \$110.4 million over the prior year's net position.
  - The business-type activities net position was \$1.3 billion, an increase of \$56.8 million over the prior year's net position.
- As of the close of fiscal year the City's governmental funds reported combined ending fund balances of \$769.8 million an increase of \$27.7 million in from the prior year.
  - \$8.7 million, or 1.1%, is considered nonspendable (inventories and loans receivable)
  - \$62.7 million, or 8.1%, is restricted by outside agencies
  - \$389.1 million, or 50.6%, is committed for the capital improvement program, education and outside agencies
  - \$132.5 million, or 17.2%, is assigned for specific purposes as identified by the City
  - \$176.8 million, or 23.0%, is unassigned in the General Fund and is available for spending at the City's discretion
- The City's total bonded debt decreased by \$21.7 million, or 1.7% from fiscal year 2021.
- For the thirteenth consecutive year, all three major rating agencies, Standard & Poor's, Moody's Investor Service and Fitch Ratings, affirmed the City's triple-A ratings on its General Obligation bonds.
- The City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*.

## 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 three other entities in its report - the City of Virginia Beach School Board (Schools), the Development Authority 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 and CDC are presented as discretely component units and reported in separate columns of the entity-wide 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 \$4.2 billion. This amount represents an increase of \$164.3 million, or 4.1%, over the prior year's net position. The net position for governmental activities increased by \$107.5 million and the business-type activities net position increased by \$56.8 million.

The City's total assets were \$6.4 billion. This amount includes \$4.8 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 projects in the construction in progress program. Under the "tenancy in common" with the School Board, the City has included \$363.0 million of net book value of School Board property equal to the total outstanding principal balance of the "on behalf" debt at June 30, 2022.

The largest component of the City's net position (\$3.4 billion or 81.4%) 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, 2022, the City reported \$670.6 million in the unrestricted category of its net position. This is \$43.4 million higher than last year's net position of \$627.2 million. 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)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Current and Other Assets	\$ 1,081.1	\$ 992.8	\$ 490.1	\$ 466.1	\$ 1,571.2	\$ 1,458.9
Capital Assets	3,502.4	3,427.1	1,346.8	1,313.8	4,849.2	4,740.9
Total Assets	<u>4,583.5</u>	<u>4,419.9</u>	<u>1,836.9</u>	<u>1,779.9</u>	<u>6,420.4</u>	<u>6,199.8</u>
Deferred Outflows of Resources	186.6	177.8	14.4	15.9	201.0	193.7
Long-Term Debt Outstanding	1,485.3	1,702.8	446.1	492.1	1,931.4	2,194.9
Other Liabilities	179.6	130.8	29.2	25.0	208.8	155.8
Total Liabilities	<u>1,664.9</u>	<u>1,833.6</u>	<u>475.3</u>	<u>517.1</u>	<u>2,140.2</u>	<u>2,350.7</u>
Deferred Inflows of Resources	271.3	37.8	44.4	3.9	315.7	41.7
Net Position						
Net Investment in Capital Assets	2,462.1	2,394.3	927.5	873.6	3,389.6	3,267.9
Restricted	68.5	77.9	36.7	28.1	105.2	106.0
Unrestricted	303.2	254.2	367.4	373.0	670.6	627.2
Total Net Position	<u>\$ 2,833.8</u>	<u>\$ 2,726.3</u>	<u>\$ 1,331.6</u>	<u>\$ 1,274.8</u>	<u>\$ 4,165.4</u>	<u>\$ 4,001.1</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)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 117.1	\$ 83.5	\$ 222.9	\$ 221.1	\$ 340.0	\$ 304.6
Operating Grants & Contributions	213.6	234.0	0.1	-	213.7	234.0
Capital Grants & Contributions	7.6	1.4	3.9	3.1	11.5	4.5
General Revenues:						
Property Taxes	769.7	779.3	-	-	769.7	779.3
Other Taxes	364.4	333.8	-	-	364.4	333.8
Other	76.1	73.5	3.5	7.1	79.6	80.6
Total Revenues	1,548.5	1,505.5	230.3	231.3	1,778.9	1,736.8
<b>Expenses:</b>						
Legislative	1.1	1.2	-	-	1.1	1.2
Executive	5.8	5.1	-	-	5.8	5.1
Law	4.9	4.7	-	-	4.9	4.7
Finance	22.5	23.5	-	-	22.5	23.5
Human Resources	5.3	4.7	-	-	5.3	4.7
Judicial	73.9	70.8	-	-	73.9	70.8
Health	4.1	4.0	-	-	4.1	4.0
Police	115.2	111.0	-	-	115.2	111.0
Human Services	124.1	126.4	-	-	124.1	126.4
Public Works	179.3	180.8	-	-	179.3	180.8
Parks & Recreation	52.6	47.4	-	-	52.6	47.4
Library	18.0	17.8	-	-	18.0	17.8
Planning	15.9	10.1	-	-	15.9	10.1
Agriculture	5.5	1.0	-	-	5.5	1.0
Economic Development	16.5	10.3	-	-	16.5	10.3
Convention & Visitor Bureau	30.3	25.8	-	-	30.3	25.8
Cultural Affairs	1.6	2.0	-	-	1.6	2.0
Information Technology	46.4	40.5	-	-	46.4	40.5
Emergency Communication & Citizen Services	9.5	8.8	-	-	9.5	8.8
Fire	72.1	66.7	-	-	72.1	66.7
Budget and Management Services	1.1	1.2	-	-	1.1	1.2
Education	519.8	393.8	-	-	519.8	393.8
Housing & Neighborhood Preservation	39.5	38.4	-	-	39.5	38.4
Museums	11.7	10.5	-	-	11.7	10.5
Emergency Medical Services	14.7	16.2	-	-	14.7	16.2
General Government	5.1	151.9	-	-	5.1	151.9
Water & Sewer	-	-	123.1	128.4	123.1	128.4
Storm Water	-	-	27.3	28.4	27.3	28.4
Development Authority	-	-	11.5	14.2	11.5	14.2
Waste Management	-	-	39.6	39.9	39.6	39.9
Parking	-	-	4.0	3.5	4.0	3.5
Interest on Long-Term Debt	12.5	26.7	-	-	12.5	26.7
Total Expenses	1,409.0	1,401.3	205.4	214.3	1,614.5	1,615.7
Excess Before Transfers	139.5	104.2	24.9	17.0	164.4	121.1
Transfers	(31.9)	(25.4)	31.9	25.4	-	-
Change in Net Position	107.6	78.7	56.8	42.4	164.4	121.1
Net Position – Beginning (Restated)	2,726.3	2,647.6	1,272.0	1,232.4	4,001.1	3,880.0
Net Position – Ending	\$ 2,833.9	\$ 2,726.3	\$ 1,328.8	\$ 1,274.8	\$ 4,165.4	\$ 4,001.1

## Revenues

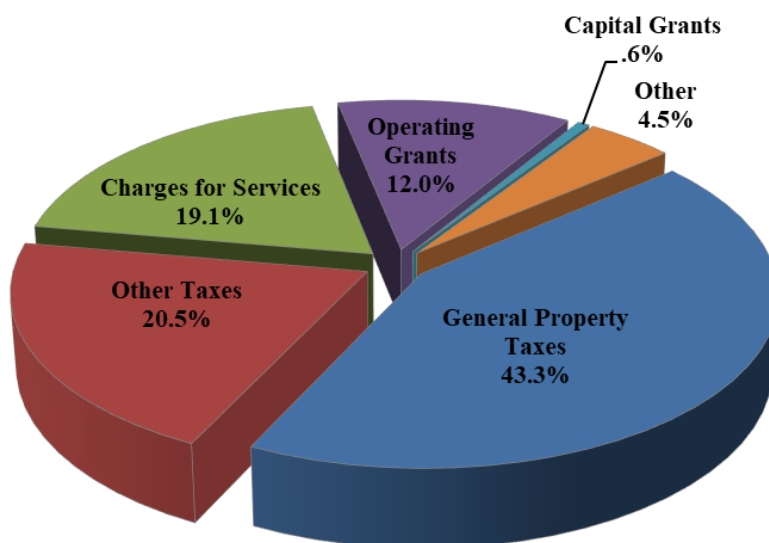
The City's total revenues were \$1.8 billion, an increase of \$42.1 million over the revenues from prior year primarily due to increases in property tax and other taxes. These revenues consist of program and general revenues. Program revenues are derived from the program itself and reduce the reliance 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 \$338.3 million, compared to \$318.9 million from the prior year. There was an increase in revenues for charges for services for Agriculture and Parks and Recreation and a decrease in capital grants and contribution receipts for roadways.

General revenues totaled \$1.2 billion. This represents an increase of 20.0 million over the prior year.

*Business-type Activities* generated program and general revenues of \$230.3 million, primarily from charges for services were \$222.9 million and capital grants and contributions were \$4.0 million.

**Figure 1: Revenues by Source - Primary Government as of June 30, 2022**



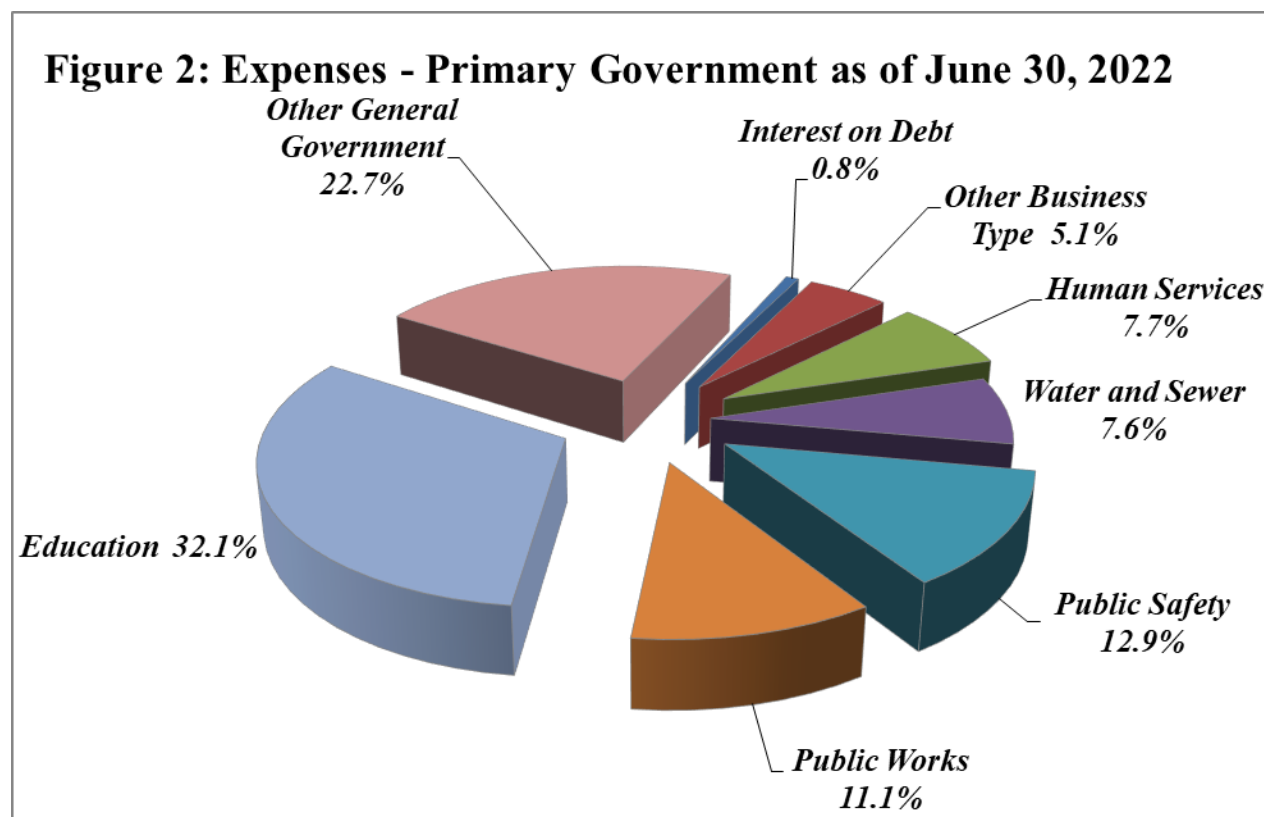
## Expenses

The City's total cost of all programs and services was \$1.6 billion, a \$1.2 million decrease over expenses from the prior year. Figure 2 shows the breakdown of major expenses by function.

Expenses (before transfers) for *Governmental Activities* totaled \$1.4 billion, an increase of \$7.7 million over the prior year. The increase in current year expenses are due mainly to public safety and general government 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 \$519.8 million (net of the adjustment to account for the tenancy-in-common legislation). This amount represents an increase of \$126.0 million over prior year. New debt issued \$64.2 million for school renovations and increase in funding to support salary increase due to personnel shortages.

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 \$205.4 million, a \$8.9 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 \$769.8 million, compared to \$742.1 million in the prior fiscal year, a increase of \$27.7 million.

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

- \$8.7 million is nonspendable which consists of loans and inventories in the General Fund.
- \$62.7 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 \$2.9 million. Non-major governmental funds consisted mainly of debt service costs \$37.4 million and other federal and state grants funds \$22.4 million.
- \$389.1 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 \$15.9 million is for education. The non-major governmental funds consisting of \$47.3 million for convention and visitor development, \$17.4 million for the agriculture reserve program activities, \$14.6 million for parks and recreation, \$0.2 million for public safety, & education activities and \$6.6 million for Central Business District South Tax Increment Financing fund.

Included in the committed fund balance is \$287.0 million for the capital improvement programs consisting of:

- Engineering and Highways - \$117.6 million
- Buildings - \$82.7 million
- Parks & Recreation - \$7.9 million
- Flood Protection - \$14.5 million
- Communications and Technology - \$23.2 million
- Coastal - \$7.8 million
- Economic and Tourism - \$11.2 million
- General Government - \$22.0 million

- \$132.5 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 \$31.9 for the FY 2022's capital program and \$48.3 million for education, which includes unspent funding by the schools and reverted to the City.
- \$176.8 million is unassigned, which is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications.

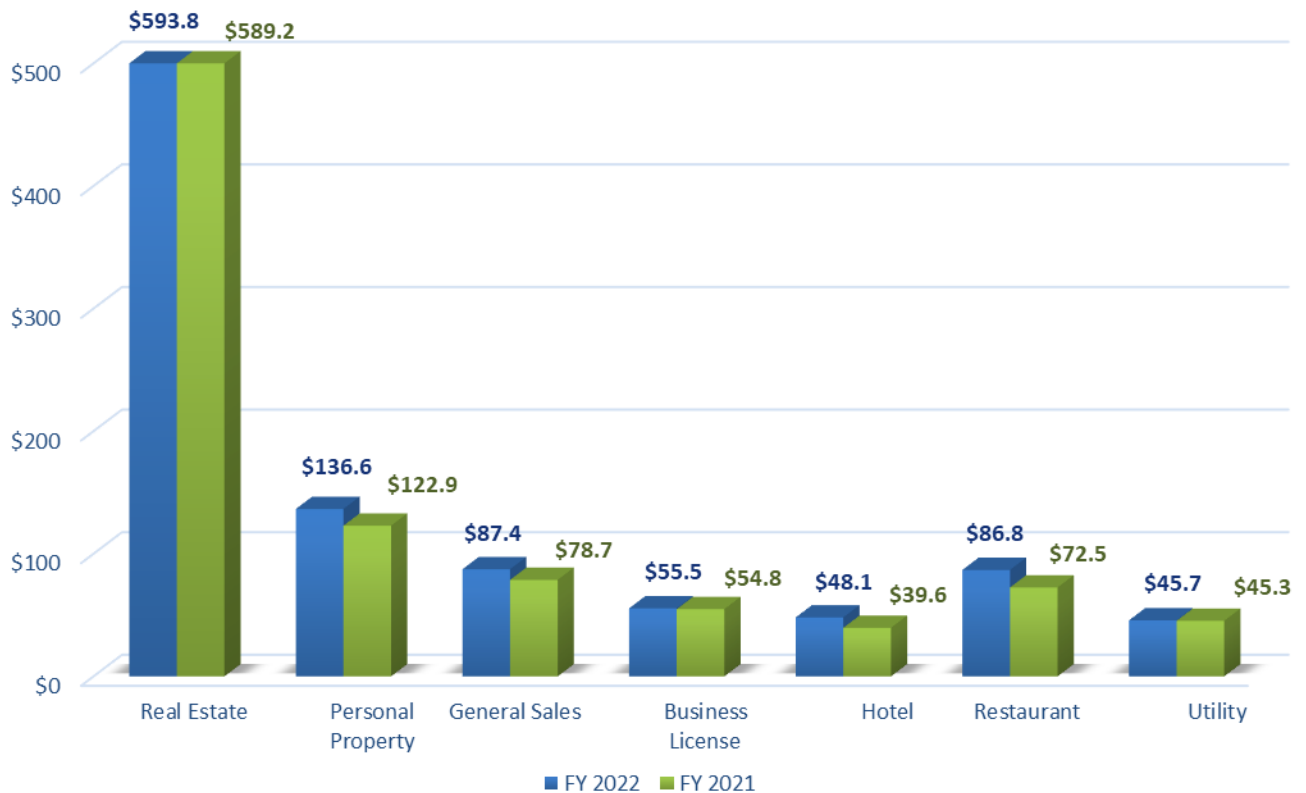
Items to be noted include:

- Real estate taxes of \$633.2 million increased by \$1.6 million from prior year. Real estate revenues are the City's single largest revenue source and comprised 40.9% of total revenues received for the year. This is mainly due to an increase of 3.9% in real estate assessed values. The real estate tax rate was decreased from \$1.0175 to \$.99 for FY2021-2022.



- Revenues recorded for personal property taxes of \$136.5 million were higher than prior year by \$13.7 million. This is mainly due to an increase of 21.3% in personal property tax assessed values as a result of increase in auto sales and inflation. The City continues to receive PPTRA (personal property tax relief program) reimbursements from the State of \$57.2 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 \$367.1 million. This represents a \$43.8 million increase over the previous year due to economic recovery and inflation. Noted increases in general sales \$8.6 million, hotel taxes \$10.7 million, meal taxes \$20.4 and admission taxes \$4.2 million.
- Revenues from federal and state funding of \$310.5 million were higher than prior year by \$5.1 million primarily due to increased funding for capital projects.
- Revenues received in the capital projects fund from the federal and state governments were \$7.3 million and \$8.6 million, respectively, which were mostly in support of transportation projects. The capital projects fund received cash funding totaling \$121.6 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 \$1.3 billion.

Notable items are as follows:

- The Water and Sewer fund's net position increased by \$12.4 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 fees of \$4.90 per thousand gallons remain in effect.
- The net position for the Storm Water fund increased by \$35.9 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 \$45.8 million were comparable to the prior year. Total operating expenses were \$23.4 million, a decrease of \$(1.6) million from the prior year primarily due to the decrease in cost of goods sold. In the current fiscal year, the equivalent residential unit fee of .493 cents per day remain in effect.
- The net position for the Waste Management fund decreased by \$0.9 million. The fund accounts for the annual operating expenses of the waste management functions, including recycling activities, waste collection, and disposal at the landfill. Waste collection fees of \$25/month will remain in effect.
- The net position for the Development Authority, which is the City's blended component unit, increased by \$6.1 million after the restatement. The beginning balance net position was adjusted due to the recording of a long term payable (please see note 11 for details).

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The following is a brief review of the budgetary changes from the original to the final budget and actual amounts to final budget (See Exhibits 12 and 13):

- Final budget amounts were often greater than original amounts due to the re-appropriation of prior year encumbrances which were completed in the current fiscal year. During the fiscal year, City Council approved various modifications to the original adopted budget. Major budget adjustments include:
  - \$4.5 million federal funding from the Shutter Venue Operations Grant to fund Virginia Aquarium Animal Holding Facility Improvement projects.
  - \$1.9 million supplemental funding to support the City's Children's Act Program due to increased in program utilization and rates.
  - \$1.8 million to repay the unspent grant fund due to the required performance metrics was not met by the subgrantee.
  - \$18 million payroll reserves used for attrition
  - \$44.4 million for various schools renovations and replacement projects.

Actual total revenues were greater than the amended budget by \$56.6 million primarily due to increase in other local taxes, (\$38.8 million) and general property taxes, (\$19.1 million).

General fund expenditures totaled \$1.1 billion which was \$108.7 million lower than the amended budget.

- Significant favorable variances were the result of the following:
  - Public safety departments were (\$7.0 million) or (3.5%) below the amended budget. The Police, Fire, EMS and ECCS departments generated savings of \$4.9 million, \$.2 million, \$.1 million and \$1.8 million, respectively. This was attributed to lower personnel costs due to staffing shortages and conservative spending on non-essential expenditures at department levels due to the uncertainty of the COVID-19 pandemic.
  - Human Services was (\$19.4 million) or (14.5%) below the amended budget - due to lower expenditures in personnel charges, reduction of client services offered by outside vendors and suspended operations of city offered programs with the reassignment of personnel.
  - Public Works was (\$13.8 million) or (14.5%) below the amended budget - due to savings in personnel charges (\$4.0 million), timing of pavement maintenance projects that were not completed during the fiscal year (\$4.7 million), conservative spending on non-essential expenditures (\$3.3 million) and under utilization of Storm Water departments budgeted in General Fund in FY2021 (\$1.5 million).
  - Education was (\$21.1 million) or (4.4%) - mainly due to the reversion funds that were returned to the City's general fund at year-end. This amount will be requested by the School Board to be reappropriated in the next fiscal year budget to support School's operating cost.
  - The General Government category did not utilize (\$14.5 million) of appropriations for Contingencies.
  - All departments experienced overall positive variances due to decreased personnel costs caused by staffing shortages and the cut back of non-essential expenditures due to economic uncertainty.

At the end of the fiscal year, unassigned fund balance for the general fund was \$180.4 million or 13.5% of next fiscal year's budgeted revenues, and is within the City's fund balance policy.

## CAPITAL ASSETS

During the current fiscal year, the City's investment in capital assets of \$4.8 billion increased by \$108.5 million from prior year (Table 3). This investment includes a broad range of capital assets (e.g. land, equipment, buildings, park facilities, roads, bridges, water and sewer lines, and construction in progress).

Major capital projects placed in service during the year included:

### Buildings

- New City Hall Building was placed into service \$48 million
- Aquarium Marsh Pavilion Enhancement that created exhibit play areas, outdoor theatre, cafe and gift shop \$4.9 million

### Costal Projects

- Dredge Operations Rehab and Modifications to upgrade the bulkhead and the mooring piles at the dredge operations berthing facility located at 1004 Bells Road \$11 million

### Roadways

- Reconstruction of exiting roadways (\$8.6 million) throughout the city which includes total resurfacing of streets that have reached the end of their service life.

Capital Project expenditures for the fiscal year totaled \$218.9 million for general government, \$19.7 million for water/sewer and \$49.4 million for storm water projects.

Major current year general government expenditures include:

#### Buildings

- City Hall Building replacement was placed into service - \$48 million
- Renovation of Operation Buildings including old city hall, public works and police buildings - \$30.4 million
- Aquarium Veterinary Care Center placed into operation - \$2.3 million
- Aquarium Marsh Pavilion Enhancement that created exhibit play areas, outdoor theatre, cafe and gift shop - \$4.9 million

#### Costal Projects

- Dredge Operations Rehab and Modifications to upgrade the bulkhead and the mooring piles at the dredge operations berthing facility located at 1004 Bells Road - \$11 million

#### Roadways

- Sandbridge Road Bridget Replacement is for the replacement of the existing bridge on Sandbridge Road over Hell's Point Creek, 2 miles west of Sandpiper Road. Design services include a realignment analysis, geotechnical investigation, surveying, regulatory permitting, right-of-way and construction easement acquisition, utility relocation, construction documents, and a construction cost estimate. A temporary structure will have to be constructed to allow traffic through the only public access to the Sandbridge area, while construction of the new two-lane bridge is underway - \$7.5 million
- Reconstruction of exiting roadways throughout the city which includes total resurfacing of streets that have reached the end of their service life - \$8.6 million

#### Flood Protection Program

- Site Aquisition at Princess Anne Plaza and North London Bridget flood control project - \$3.3 million

#### Water/Sewer Utility

- Expenditures to upgrade, rehabilitation of existing and the construction of new water system transmission mains and storage tanks - \$6.6 million
- Modifications and rehabilitation of sewer pump stations - \$7.9 million
- Sanitary sewer system revitalizations - \$4.9 million

#### Storm Water Utility

- Expenditures for maintenance of city lakes, including dredging and structural repairs/upgrades of dams and spillways - \$29.7 million
- Utility infrastructure rehabilitation and drainage improvements to minimize flooding - \$12.8 million
- Upgrades and renovations to existing infrastructure - \$6.9 million

**Table 3**  
**Capital Assets**  
**(In Millions)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Non-Depreciable Assets:						
Land	\$ 1,057.5	\$ 1,051.8	\$ 178.3	\$ 177.5	\$ 1,235.8	\$ 1,229.3
Agriculture Reserve Program	49.8	51.4	-	-	49.8	51.4
Land - Leases	0.3	-	3.0	-	3.3	-
Construction in Progress	161.6	234.2	71.4	63.9	233.0	298.1
Other Capital Assets:						
Infrastructure	2,431.3	2,389.3	-	-	2,431.3	2,389.3
Buildings	1,424.1	1,259.8	165.0	165.0	1,589.1	1,424.8
Buildings - Leases	-	-	2.2	-	2.2	-
Machinery and Equipment	364.8	392.5	80.3	74.3	445.1	466.8
Utility System	-	-	1,645.9	1,586.7	1,645.9	1,586.7
Site Improvements	389.1	356.7	1.2	1.2	390.3	357.9
Less: Accumulated Depreciation	(2,376.1)	(2,308.6)	(800.4)	(754.9)	(3,176.5)	(3,063.5)
Totals	\$ 3,502.4	\$ 3,427.1	\$ 1,346.9	\$ 1,313.7	\$ 4,849.3	\$ 4,740.8

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 the fiscal year 2022, the City had \$1.3 billion in bonds and notes outstanding and \$644.8 million in other liabilities for a total of \$1.9 billion (Table 4).

The state constitution limits the amount of general obligation debt a governmental entity may issue to 10% of the total assessed value of real property. At the end of the fiscal year, the City's assessed value of real property was \$64.9 billion, which makes the City's debt less than the current debt limitation of \$6.5 billion.

For the thirteenth consecutive year, all three major rating agencies, Standard & Poor's, Moody's Investor Service and Fitch Ratings, affirmed the City's Triple-A ratings on its General Obligation bonds.

Water and Sewer Revenue Bonds were rated AAA by Fitch and Standard & Poor's, and Aa1 by Moody's Investor Service in 2021 on the City's \$199.1 million in outstanding bonds. Storm Water Revenue Bonds were rated AAA by Fitch and Aa1 by Moody's Investors Service in 2021 on the City's \$134.9 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 78.0% for workers compensation, 20.0% for general liability, and 2.0% for automobile liability. Landfill closure and post-closure care liability of \$22.9 increased \$1.0 million during the current fiscal year due to inflation.

**Table 4**  
**Long Term Liabilities**  
**(in Millions)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
General Obligation Bond	\$ 564.1	\$ 523.2	\$ -	\$ -	\$ 564.1	\$ 523.2
State Literary Fund Loans	-	0.4	-	-	-	0.4
Public Facility Revenue Bonds	304.0	341.0	34.6	43.0	338.6	384.0
Revenue Bonds	-	-	334.0	349.1	334.0	349.1
Agriculture Reserve Program	49.8	51.5	-	-	49.8	51.5
Sub-total	917.9	916.1	368.6	392.1	1,286.5	1,308.2
Other Long-Term Liabilities:						
Landfill Closure & Post-closure Care	22.9	21.9	-	-	22.9	21.9
Premium/Discount on Bonds Sold	107.7	105.5	40.7	44.3	148.4	149.8
Net Pension Liability	237.1	479.1	22.9	46.3	260.0	525.4
Net OPEB Liability	94.4	88.9	5.6	5.3	100.0	94.2
Accrued Compensated Leave	44.1	45.6	3.7	4.1	47.8	49.7
Lease Liability	11.8	-	4.5	-	16.3	-
Estimated Claims & Judgments	49.4	45.7	-	-	49.4	45.7
	567.4	786.7	77.4	100.0	644.8	886.7
Totals	<u>\$ 1,485.3</u>	<u>\$ 1,702.8</u>	<u>\$ 446.0</u>	<u>\$ 492.1</u>	<u>\$ 1,931.3</u>	<u>\$ 2,194.9</u>

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 impacts of the COVID-19 pandemic are still being felt throughout the City. It is still unclear when the economy and employment will return to pre-COVID-19 levels. Inflation is and will continue to be a major factor in the economy. This has led the City to adjust both revenue estimates and tax policies to help ease the burden on local taxpayers who are feeling the impacts of the pandemic.

The above indicators were taken into account when adopting the budget for fiscal year 2023. The adopted budget includes the following highlights:

- Real estate tax rate of \$0.99 per \$100 valuation will remain the same in FY 2022-2023 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 28% of the City's total revenue and 46.6% of the General Fund revenue. Assessments have steadily been increasing over the past nine years.
- Personal property tax rate of \$4.00 per \$100 of assessed value will remain the same in FY 2022-2023. Also, the program which applies a 25% discount rate to the value of each vehicle and applies the tax levied to the new, fair market value of the vehicle will stay in effect
- The City is establishing two new funds in FY 2022-23 – The Flood Protection Referendum Fund and the associated Flood Protection CIP Fund – to support the Flood Protection Bond Referendum approved by voters during the November 2021 elections. To finance the repayment of the \$567.5 million of General Obligation bonds authorized by the Referendum, the FY 2022-23 Adopted Budget provides for a 4.1¢ deduction of the Real Estate tax to the Flood Protection Referendum Fund.
- The storm water daily ERU (equivalent residential units) fee was frozen at the current daily rate of 49.3 cents until FY 2028-2029 following the Flood Protection Referendum.
- Hotel tax budgeted revenues total \$34.4 million, an increase of 26.7% over the prior year. There are two components making up this revenue: the 8% hotel tax rate and the flat tax, which generates an additional \$2 per room night.
- The adopted Capital Improvement Program (CIP) for fiscal years 2023 through 2028 established six-year programmed funding of \$4.7 billion. For year one, the amount appropriated was \$387.5 million. The six-year program provides scheduled funding for the construction of projects for roadways \$815.4 million, storm water \$457.7 million, utilities \$408.7 million, schools \$646.8 million, flood protection \$757.1 million, economic and tourism development \$563.4 million, buildings \$371.3 million, coastal development \$193.0 million, information technology \$278.1 million, and recreation \$201.4 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.vbgov.com](http://www.vbgov.com).



# **BASIC FINANCIAL STATEMENTS**



**CITY OF VIRGINIA BEACH, VIRGINIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Community Development Corporation
<b>ASSETS</b>					
Cash and Investments	\$ 843,874,202	\$ 171,787,163	\$ 1,015,661,365	\$ 328,357,377	\$ 2,802,364
Restricted Cash & Cash Equivalents	38,307,660	208,345,053	246,652,713	-	-
Receivables (net)	116,491,310	58,677,848	175,169,158	7,054,364	4,789,734
Due from Other Governments	80,281,266	-	80,281,266	47,080,203	286,301
Internal Balances	(9,914,812)	9,914,812	-	-	-
Inventories	8,994,545	2,692,815	11,687,360	968,013	-
Other Assets	3,038,591	-	3,038,591	3,394,920	800
Net Pension Asset	-	-	-	1,594,224	-
Net OPEB Asset	-	-	-	167,335	-
Land Held for Resale	-	38,681,399	38,681,399	-	867,881
Capital assets (net of accumulated depreciation):					
Land and Improvements	1,107,432,058	181,049,363	1,288,481,421	38,968,372	9,674,067
Buildings and Improvements	1,004,051,884	98,929,152	1,102,981,036	440,385,044	16,627,337
Improvements other than Buildings	250,962,113	522,507	251,484,620	27,178,510	-
Machinery and Equipment	80,903,233	18,765,815	99,669,048	54,993,905	297,845
Infrastructure	897,456,698	976,227,443	1,873,684,141	-	-
Construction in Progress	161,595,948	71,370,357	232,966,305	2,940,086	-
Total Capital Assets	3,502,401,934	1,346,864,637	4,849,266,571	564,465,917	26,599,249
Total Assets	4,583,474,696	1,836,963,727	6,420,438,423	953,082,353	35,346,329
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Outflows from Pensions	145,851,383	11,938,905	157,790,288	144,748,793	-
Deferred Outflows from OPEB	38,795,132	2,153,044	40,948,176	32,821,811	-
Deferred Outflows from Debt Refunding	1,981,743	314,086	2,295,829	-	-
Total Deferred Outflows of Resources	186,628,258	14,406,035	201,034,293	177,570,604	-
<b>LIABILITIES</b>					
Accounts Payable	47,189,074	18,472,149	65,661,223	16,402,894	397,765
Accrued Liabilities	125,473,880	10,774,023	136,247,903	94,240,482	263,929
Due to Other Governments	6,922,096	-	6,922,096	99,401	-
Long-term Liabilities:					
Due Within One Year	148,898,245	30,225,126	179,123,371	27,140,727	581,912
Due in More Than One Year:					
Compensated Absences	12,412,229	1,000,578	13,412,807	29,131,204	-
Lease Liability	11,728,920	4,499,080	16,228,000	-	-
Claims and Contingencies	42,919,279	-	42,919,279	4,683,405	-
Bonds and Notes Payable	914,903,215	381,779,668	1,296,682,883	-	18,909,025
Landfill	22,937,488	-	22,937,488	-	-
Net Pension Liability	237,125,171	22,937,531	260,062,702	374,959,932	-
Net OPEB Liability	94,361,308	5,630,598	99,991,906	144,993,753	-
Total Liabilities	1,664,870,905	475,318,753	2,140,189,658	691,651,798	20,152,631
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Inflows from Pensions	229,314,396	16,995,374	246,309,770	318,457,159	-
Deferred Inflows from OPEB	30,938,194	2,220,675	33,158,869	30,513,436	-
Deferred Inflows from Debt Refunding	3,133,425	1,079,488	4,212,913	-	-
Deferred Inflows from Leases	7,944,859	24,141,156	32,086,015	2,801,912	-
Total Deferred Inflows of Resources	271,330,874	44,436,693	315,767,567	351,772,507	-
<b>NET POSITION</b>					
Net Investment in Capital Assets	2,462,107,866	927,531,665	3,389,639,531	564,465,917	9,886,139
Restricted for:					
Future Debt Service	37,409,169	29,275,900	66,685,069	-	-
Special Projects	31,192,550	7,451,780	38,644,330	33,364,012	-
Unrestricted (Deficit)	303,191,590	367,354,971	670,546,561	(510,601,277)	5,307,559
Total Net Position	\$ 2,833,901,175	\$ 1,331,614,316	\$ 4,165,515,491	\$ 87,228,652	\$ 15,193,698

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, 2022

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Component Units
					Total	School Board	Community Development Corporation
<b>Primary Government:</b>							
Governmental Activities:							
Legislative	\$ 1,144,853	\$ -	\$ -	\$ -	\$ (1,144,853)	\$ -	\$ -
Executive	5,813,525	347	-	-	(5,813,178)	-	-
Law	4,925,401	3,819	-	-	(4,921,582)	-	-
Finance	22,481,818	2,923,486	1,639,211	-	(17,919,121)	-	-
Human Resources	5,308,423	50,643	-	-	(5,257,780)	-	-
Judicial	73,890,025	4,593,372	26,495,971	-	(42,800,682)	-	-
Health	4,097,764	-	643,448	-	(3,454,316)	-	-
Police	115,206,986	1,213,588	1,234,649	104,955	(112,653,794)	-	-
Human Services	124,058,301	24,423,403	68,202,094	-	(31,432,804)	-	-
Public Works	179,266,059	2,451,772	55,291,970	7,124,611	(114,397,706)	-	-
Parks & Recreation	52,636,040	12,933,902	6,123,973	171,580	(33,406,585)	-	-
Library	17,952,609	234,847	257,078	-	(17,460,684)	-	-
Planning	15,879,782	5,347,196	30,067	-	(10,502,519)	-	-
Agriculture	5,450,992	2,299,988	-	-	(3,151,004)	-	-
Economic Development	16,525,448	252,693	-	-	(16,272,755)	-	-
Convention & Visitor Development	30,301,295	2,364,093	-	-	(27,937,202)	-	-
Cultural Affairs	1,624,649	65,900	1,004,500	-	(554,249)	-	-
Information Technology	46,447,924	2,493	-	-	(46,445,431)	-	-
Emergency Communications and Citizen Services	9,521,408	141,396	3,000	-	(9,377,012)	-	-
Fire	72,063,215	446,095	6,480,064	-	(65,137,056)	-	-
Budget and Management Services	1,143,281	-	-	-	(1,143,281)	-	-
Education	519,790,190	-	-	-	(519,790,190)	-	-
Housing & Neighborhood Preservation	39,516,778	2,946,890	29,568,932	-	(7,000,956)	-	-
Museums	11,696,711	17,789,880	-	-	6,093,169	-	-
Emergency Medical Services	14,653,727	28,255	401,918	-	(14,223,554)	-	-
General Government	5,130,488	36,543,669	16,218,726	244,107	47,876,014	-	-
Interest and Fiscal Charges	12,491,959	-	-	-	(12,491,959)	-	-
Total Governmental Activities	1,409,019,651	117,057,727	213,595,601	7,645,253	(1,070,721,070)	-	-
<b>Business-type Activities:</b>							
Water and Sewer	123,082,346	130,311,714	-	3,777,405	11,006,773	-	-
Storm Water	27,277,527	45,987,477	-	121,612	18,831,562	-	-
Waste Management	39,623,039	37,863,158	58,254	-	(1,701,627)	-	-
Development Authority	11,483,345	2,347,656	-	-	(9,135,689)	-	-
Parking	4,012,896	6,438,914	-	-	2,426,018	-	-
Total Business-type Activities	205,479,153	222,948,919	58,254	3,899,017	21,427,037	-	-
Total Primary Government	1,614,498,804	340,006,646	213,653,855	11,544,270	(1,070,721,070)	(1,049,294,033)	-
<b>Component Units:</b>							
Virginia Beach School Board	952,286,866	6,549,464	266,759,796	-	(678,977,606)	-	-
Virginia Beach Community Development Corporation	7,525,696	4,922,327	2,612,649	-	-	-	9,280
Total Component Units	\$ 959,812,562	\$ 11,471,791	\$ 269,372,445	\$ -	\$ (678,977,606)	\$ -	\$ 9,280

**General Revenues:**

## Taxes:

Real Estate Property Taxes	
Personal Property Taxes	
Sales	
Utility	
Business Licenses	
Meal	
City Tax on Deeds and Wills	
Cigarette	
Automobile Licenses	
Amusement	
Lodging	
Bank Stock	
Total City Taxes	
Grants and contributions not restricted to specific programs	
Investment earnings	
Miscellaneous	
Transfers	
Total General Revenues and Transfers	
Change in Net Position	
Net Position - Beginning	
Net Position - Ending	

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 386,945,860	\$ 287,240,435	\$ 113,406,439	\$ 787,592,734
Cash and Investments - Restricted	-	-	38,307,660	38,307,660
Cash Advances	89,373	-	-	89,373
Receivables (net of allowance for collectibles, where applicable):				
Property Tax	65,856,489	-	-	65,856,489
Accounts	8,105,321	81,571	1,952,883	10,139,775
Leases	6,498,881	131,642	721,415	7,351,938
Loans	3,605,031	-	4,785,525	8,390,556
Due from:				
Due from Other Funds	5,740,184	-	179,256	5,919,440
Due from Commonwealth	64,696,437	5,843,260	1,457,006	71,996,703
Due from Federal Government	14,930	2,996,493	5,273,140	8,284,563
Inventories	5,132,265	-	195,777	5,328,042
Total Assets	546,684,771	296,293,401	166,279,101	1,009,257,273
<b>LIABILITIES</b>				
Vouchers and Accounts Payable	39,050,895	1,816,532	5,669,791	46,537,218
Deposits Payable	8,788,654	-	-	8,788,654
Due to Other Funds	223,913	7,376,966	4,829,501	12,430,380
Intergovernmental Payables	496,674	6,000	-	502,674
Unearned Revenues	110,510,761	-	1,016,341	111,527,102
Total Liabilities	159,070,897	9,199,498	11,515,633	179,786,028
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows from Leases	7,040,683	117,532	786,644	7,944,859
Unavailable Revenue - Property Taxes	51,676,952	-	-	51,676,952
Total Deferred Inflows of Resources	58,717,635	117,532	786,644	59,621,811
<b>FUND BALANCES</b>				
Nonspendable:				
Nonspendable Inventories	5,132,265	-	-	5,132,265
Loans Receivable	3,605,031	-	-	3,605,031
Restricted for:				
Debt Service	-	-	37,409,169	37,409,169
Community Services Board	2,901,470	-	-	2,901,470
General Government	-	-	2,833,179	2,833,179
Housing and Community Development	-	-	9,744,012	9,744,012
Judicial	-	-	574,330	574,330
Public Safety	-	-	2,619,862	2,619,862
Special Service District	-	-	6,615,580	6,615,580
Committed to:				
Agriculture	-	-	17,407,043	17,407,043
Convention and Visitor Development	-	-	47,331,820	47,331,820
Education	15,914,944	-	-	15,914,944
Capital Improvement Program:				
Engineering and Highways	-	117,630,674	-	117,630,674
Buildings	-	82,689,280	-	82,689,280
Flood Protection	-	14,465,872	-	14,465,872
Communications and Information Technology	-	23,213,660	-	23,213,660
Parks and Recreation	-	7,925,162	14,647,635	22,572,797
Public Safety	-	-	221,592	221,592
Coastal	-	7,843,564	-	7,843,564
Economic and Tourism	-	11,227,995	-	11,227,995
General Government	-	21,980,164	-	21,980,164
Tax Increment Financing	-	-	6,588,107	6,588,107
Assigned to:				
Education	48,294,167	-	-	48,294,167
Convention and Visitor Development	-	-	10,203,398	10,203,398
Special Service District	-	-	1,336,322	1,336,322
General Government	40,722,206	-	-	40,722,206
Capital Improvement Program - General	31,942,997	-	-	31,942,997
Unassigned	180,383,159	-	(3,555,225)	176,827,934
Total Fund Balances	328,896,239	286,976,371	153,976,824	769,849,434
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 546,684,771	\$ 296,293,401	\$ 166,279,101	\$ 1,009,257,273

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, 2022**

Total Fund Balances - Governmental funds (Exhibit 3)	\$ 769,849,434
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.	3,500,172,364
Other long-term assets are not available to pay for current period expenditures and, therefore, are offset by unearned revenue in the governmental funds.	76,376,272
Deferred Inflows and Outflows of Resources used to reflect deferred gains and losses on debt refunding bonds are not reported in the governmental funds.	(1,151,682)
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).	(74,121,393)
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)	2,939,673
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	(564,081,370)
Net Pension Liability (net of ISF)	(232,262,000)
Net Other Postemployment Benefits Liability (net of ISF)	(92,988,299)
Lease Liability	(11,728,920)
Accrued Interest on Bonds Sold	(11,221,623)
Agriculture Reserve Strips	(49,790,932)
Public Facility Revenue Bonds	(303,989,256)
Premium on Bonds Sold	(107,735,376)
Compensated Absences (annual and sick leave) (net of ISF)	(43,428,229)
Landfill Closure and Post-Closure Care	(22,937,488)
	<u>(1,440,163,493)</u>
Total Net Position - Governmental Activities (Exhibit 1)	<u>\$ 2,833,901,175</u>

**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, 2022**

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>REVENUES</u></b>				
General Property Taxes:				
Real Estate property taxes	\$ 593,777,725	\$ -	\$ 39,379,122	\$ 633,156,847
Personal property taxes	136,544,911	-	-	136,544,911
Other Local Taxes	289,621,340	-	77,448,200	367,069,540
Permits, Privilege Fees, and Regulatory Licenses	7,940,028	-	205,558	8,145,586
From Use of Money and Property	6,956,900	120,757	(1,515,963)	5,561,694
Charges for Services	54,505,823	-	17,616,420	72,122,243
Miscellaneous	9,594,765	3,933,725	2,344,188	15,872,678
From Commonwealth	166,286,163	8,608,410	26,892,381	201,786,954
From Federal Government	27,731,350	7,276,676	73,664,374	108,672,400
Total Revenues	<u>1,292,959,005</u>	<u>19,939,568</u>	<u>236,034,280</u>	<u>1,548,932,853</u>
<b><u>EXPENDITURES</u></b>				
Current Operating:				
Legislative	1,136,896	-	-	1,136,896
Executive	5,814,781	-	-	5,814,781
Law	4,989,558	-	-	4,989,558
Finance	21,669,276	-	160,689	21,829,965
Human Resources	5,290,331	-	49,654	5,339,985
Judicial	16,901,046	-	57,290,612	74,191,658
Health	3,716,106	-	386,285	4,102,391
Police	109,068,186	-	867,885	109,936,071
Human Services	114,223,783	-	10,483,991	124,707,774
Public Works	81,043,070	-	6,525,921	87,568,991
Parks and Recreation	14,407,733	-	31,154,408	45,562,141
Library	17,733,387	-	242,973	17,976,360
Planning	18,115,861	-	1,339,872	19,455,733
Agriculture	847,801	-	183,029	1,030,830
Economic Development	9,172,817	-	75,070	9,247,887
Convention and Visitor Development	8,391,126	-	19,764,953	28,156,079
Cultural Affairs	2,801,561	-	688,333	3,489,894
Information Technology	25,828,253	-	(9,135)	25,819,118
Emergency Communications and Citizen Services	9,606,934	-	3,000	9,609,934
Fire	65,593,948	-	7,191,766	72,785,714
Budget and Management Services	1,149,059	-	-	1,149,059
Education	445,454,767	74,411,275	-	519,866,042
Housing and Neighborhood Preservation	6,359,423	-	33,162,599	39,522,022
Aquariums	11,732,959	-	-	11,732,959
General Registrar	2,460,307	-	-	2,460,307
General Government	41,942,825	-	23,590,907	65,533,732
Emergency Medical Services	14,371,504	-	342,029	14,713,533
Capital Outlay	-	144,465,888	-	144,465,888
Debt Service:				
Principal Retirement	38,070,223	-	63,601,908	101,672,131
Interest and Fiscal Charges	15,742,362	-	26,675,425	42,417,787
Total Expenditures	<u>1,113,635,883</u>	<u>218,877,163</u>	<u>283,772,174</u>	<u>1,616,285,220</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>179,323,122</u>	<u>(198,937,595)</u>	<u>(47,737,894)</u>	<u>(67,352,367)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers In	765,724	121,591,877	96,628,694	218,986,295
Transfers Out	(200,713,886)	(9,000,000)	(24,267,851)	(233,981,737)
Issuance of Debt	-	94,915,000	-	94,915,000
Premium on Bonds Sold	29,995	15,151,561	-	15,181,556
Total Other Financing Sources (Uses)	<u>(199,918,167)</u>	<u>222,658,438</u>	<u>72,360,843</u>	<u>95,101,114</u>
Net Change in Fund Balance	(20,595,045)	23,720,843	24,622,949	27,748,747
Fund Balance at Beginning of Year	349,491,284	263,255,528	129,353,875	742,100,687
Fund Balance at End of Year	<u>\$ 328,896,239</u>	<u>\$ 286,976,371</u>	<u>\$ 153,976,824</u>	<u>\$ 769,849,434</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, 2022**

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Net Change in fund balance - total governmental funds (Exhibit 4)	\$	27,748,747
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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 and reported as depreciation expense. This and the net effect of various other transactions involving capital assets increased net position.

General Government Capital Outlay Expenditures	\$	144,465,888	
General Government Expenditures		76,590,893	
Non-Capitalizable Capital Outlay Expenditures		(17,521,592)	
Depreciation on General Government Assets		(130,753,227)	72,781,962

Revenues in the fund statements which were subject to accrual in the prior year are additions to beginning net position and, therefore, are not reported as revenues in the Statement of Activities.		1,884,004
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The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(24,506,948)
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Certain net expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences		1,507,461	
Pension Expense		16,539,747	
Lease Expenses		4,249,044	
Other Postemployment Benefits		2,176,680	

Internal Service Funds are used by management to charge the costs of fleet management and management systems to individual funds and customers. Losses arising from the internal customers are added as expenditures on the Statement of Activities as charge backs. Revenues and expenditures with outside customers are included also, as are non-operating revenues and expenses. This amount is the effect of reporting Internal Service Funds with governmental activities.		5,177,902
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Change in net position of governmental activities (Exhibit 2)	\$	107,558,599
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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, 2022**

	<b>Business-Type Activities - Enterprise Funds</b>	
	<b>Water and Sewer</b>	<b>Storm Water</b>
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and Investments	\$ 117,235,321	\$ 24,973,257
Accounts Receivable - Net	17,375,398	6,152,020
Lease Receivable	12,082	-
Intergovernmental Receivables	504,144	-
Inventory	2,692,815	-
Total Current Assets	137,819,760	31,125,277
Noncurrent Assets:		
Cash and Investments - Restricted	106,962,413	92,955,124
Due From Other Funds	-	-
Notes Receivable	-	-
Land Held for Resale	-	-
Capital Assets:		
Land	14,618,544	133,990,834
Site Improvements	-	-
Buildings	21,037,299	664,899
Utility System	1,255,223,567	390,708,329
Construction in Progress	15,156,303	52,219,253
Machinery and Equipment	35,474,141	20,965,869
Less: Accumulated Depreciation	(628,720,933)	(103,905,380)
Total Capital Assets	712,788,921	494,643,804
Total Noncurrent Assets	819,751,334	587,598,928
Total Assets	957,571,094	618,724,205
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Debt Refundings Resulting in Loss Transactions	-	-
Deferred Outflows for Pensions	7,399,506	2,299,427
Deferred Outflows for OPEB	1,317,865	314,382
Total Deferred Outflows of Resources	8,717,371	2,613,809
<b><u>LIABILITIES</u></b>		
Current Liabilities:		
Vouchers and Accounts Payable	3,430,635	1,246,852
Deposits Payable	217,126	654
Accrued Interest Payable	1,936,402	617,676
Construction Contracts Payable	442,348	4,319,170
Unearned Revenues	2,725,463	-
Current Portion of Long-term Liabilities	14,914,407	6,193,017
Total Current Liabilities	23,666,381	12,377,369
Long-term Liabilities:		
Compensated Absences	609,462	94,081
Claims and Contingencies	-	-
Bonds and Notes Payable	209,320,915	144,572,000
Leases Payable	1,653,851	-
Net Pension Liability	13,367,223	5,929,430
Net OPEB Liability	3,446,458	822,167
Total Long-term Liabilities	228,397,909	151,417,678
Total Liabilities	252,064,290	163,795,047
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Debt Refundings Resulting in Gain Transactions	135,834	458,575
Deferred Inflows for Pensions	10,960,784	2,512,360
Deferred Inflows for Leases	13,243	-
Deferred Inflows for OPEB	1,359,262	324,258
Total Deferred Inflows of Resources	12,469,123	3,295,193
<b><u>NET POSITION</u></b>		
Net Investment in Capital Assets	487,927,070	339,530,596
Restricted for:		
Future Debt Services	19,811,071	9,464,829
Special Projects	-	-
Unrestricted (deficit)	194,016,911	105,252,349
Total Net Position	\$ 701,755,052	\$ 454,247,774

**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, 2022**

Business-Type Activities - Enterprise Funds				Governmental Activities	
Waste Management	Development Authority	Nonmajor Parking	Totals	Internal Service Funds	
\$ 12,627,757	\$ 9,006,784	\$ 7,944,044	\$ 171,787,163	\$ 56,281,468	
5,223,298	2,053,234	-	30,803,950	-	
-	24,446,263	-	24,458,345	-	
-	-	-	504,144	-	
-	-	-	2,692,815	3,666,503	
17,851,055	35,506,281	7,944,044	230,246,417	59,947,971	
-	8,427,516	-	208,345,053	-	
-	5,984,609	-	5,984,609	-	
-	2,902,109	-	2,902,109	-	
-	38,681,399	-	38,681,399	-	
-	29,657,866	2,965,874	181,233,118	-	
410,325	-	779,517	1,189,842	265,782	
8,730	145,408,109	95,922	167,214,959	-	
-	-	-	1,645,931,896	-	
-	3,994,801	-	71,370,357	-	
21,861,464	1,900,510	103,472	80,305,456	8,189,100	
(15,676,757)	(51,365,660)	(712,261)	(800,380,991)	(6,225,312)	
6,603,762	129,595,626	3,232,524	1,346,864,637	2,229,570	
6,603,762	185,591,259	3,232,524	1,602,777,807	2,229,570	
24,454,817	221,097,540	11,176,568	1,833,024,224	62,177,541	
-	314,086	-	314,086	-	
2,144,650	-	95,322	11,938,905	2,816,738	
498,569	-	22,228	2,153,044	525,634	
2,643,219	314,086	117,550	14,406,035	3,342,372	
1,557,851	12,484,789	466,043	19,186,170	1,409,201	
-	-	-	217,780	-	
-	425,102	4,625	2,983,805	-	
-	-	-	4,761,518	-	
-	-	-	2,725,463	-	
623,912	8,454,937	38,853	30,225,126	6,992,784	
2,181,763	21,364,828	509,521	60,099,862	8,401,985	
281,697	-	15,338	1,000,578	195,741	
-	-	-	-	42,919,279	
-	28,552,472	-	382,445,387	-	
-	-	2,845,229	4,499,080	-	
3,432,828	-	208,050	22,937,531	4,863,171	
1,303,840	-	58,133	5,630,598	1,373,009	
5,018,365	28,552,472	3,126,750	416,513,174	49,351,200	
7,200,128	49,917,300	3,636,271	476,613,036	57,753,185	
-	485,079	-	1,079,488	-	
3,399,075	-	123,155	16,995,374	4,285,791	
-	24,127,913	-	24,141,156	-	
514,227	-	22,928	2,220,675	541,264	
3,913,302	24,612,992	146,083	44,436,693	4,827,055	
6,603,762	93,082,943	387,294	927,531,665	2,229,570	
-	-	-	29,275,900	-	
-	7,451,780	-	7,451,780	-	
9,380,844	46,346,611	7,124,470	362,121,185	710,103	
\$ 15,984,606	\$ 146,881,334	\$ 7,511,764	1,326,380,530	\$ 2,939,673	
			5,233,786		
			\$ 1,331,614,316		

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Business-Type Activities - Enterprise Funds</b>	
	<b>Water and Sewer</b>	<b>Storm Water</b>
<b><u>OPERATING REVENUES</u></b>		
Charges for Services	\$ 128,991,281	\$ 45,852,109
Insurance Recovery	124,150	-
Miscellaneous	953,767	-
Total Operating Revenues	<u>130,069,198</u>	<u>45,852,109</u>
<b><u>OPERATING EXPENSES</u></b>		
Cost of Goods Sold	31,389,093	-
Personal Services	25,852,361	4,486,253
Contractual Services	8,560,027	2,764,094
Internal Services	3,676,147	1,594,001
Other Charges	16,816,326	5,090,913
Leases and Rentals	-	-
Depreciation	30,126,857	9,507,019
Total Operating Expenses	<u>116,420,811</u>	<u>23,442,280</u>
<b><u>OPERATING INCOME (LOSS)</u></b>	<u>13,648,387</u>	<u>22,409,829</u>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>		
From Commonwealth	-	-
Interest Income	839,948	500,049
Gain (Loss) From Sale of Assets	109,033	3,392
Payment Under Support Agreement	-	-
Interest and Fiscal Agent Fees	(5,999,669)	(3,700,522)
Total Nonoperating Revenues (Expenses)	<u>(5,050,688)</u>	<u>(3,197,081)</u>
<b><u>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</u></b>	<u>8,597,699</u>	<u>19,212,748</u>
Capital Contributions	3,764,902	643
Capital Contributions - Federal Government	-	121,612
Capital Contributions - Transfers In	-	14,000,000
Transfers In	-	2,526,941
Transfers Out	-	-
<b><u>CHANGE IN NET POSITION</u></b>	<u>12,362,601</u>	<u>35,861,944</u>
Total Net Position at Beginning of Year	689,392,451	418,385,830
Total Net Position at End of Year	<u>\$ 701,755,052</u>	<u>\$ 454,247,774</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, 2022**

Business-Type Activities - Enterprise Funds				Governmental Activities
Waste Management	Development Authority	Nonmajor Parking	Totals	Internal Service Funds
\$ 37,283,075	\$ 2,883,794	\$ 6,433,763	\$ 221,444,022	\$ 49,814,786
-	-	5,151	129,301	129,098
920,082	325,697	-	2,199,546	-
38,203,157	3,209,491	6,438,914	223,772,869	49,943,884
197,184	-	-	31,586,277	11,251,503
10,368,828	-	250,611	40,958,053	9,824,696
14,914,247	5,503,700	2,738,277	34,480,345	2,088,416
7,168,372	-	20,109	12,458,629	1,032,415
3,891,069	2,614,464	222,720	28,635,492	19,904,647
-	-	491	491	-
2,762,381	3,711,901	247,259	46,355,417	885,167
39,302,081	11,830,065	3,479,467	194,474,704	44,986,844
(1,098,924)	(8,620,574)	2,959,447	29,298,165	4,957,040
58,254	-	-	58,254	-
43,538	331,413	28,270	1,743,218	290,963
72,021	-	-	184,446	(82,546)
-	15,723,865	-	15,723,865	-
-	(1,303,552)	(533,429)	(11,537,172)	-
173,813	14,751,726	(505,159)	6,172,611	208,417
(925,111)	6,131,152	2,454,288	35,470,776	5,165,457
-	-	-	3,765,545	-
-	-	-	121,612	-
-	-	-	14,000,000	-
-	-	68,500	2,595,441	-
-	-	(500,000)	(500,000)	(1,100,000)
(925,111)	6,131,152	2,022,788	55,453,374	4,065,457
16,909,717	140,750,182	5,488,976		(1,125,784)
\$ 15,984,606	\$ 146,881,334	\$ 7,511,764		\$ 2,939,673
			1,381,810	
			\$ 56,835,184	

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Business-Type Activities - Enterprise Funds</b>	
	<b>Water and Sewer</b>	<b>Storm Water</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Receipts from Customers and Users	\$ 129,581,115	\$ 46,286,183
Receipts from (Payments for) Interfund Services Provided	1,819,823	-
Other Operating Cash Receipts (Disbursements)	953,767	-
Cash Payments to Suppliers of Goods and Services	(58,621,886)	(9,769,181)
Cash Payments to Employees for Services	(28,578,582)	(6,932,915)
Net Cash Provided By Operating Activities	45,154,237	29,584,087
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>		
Intergovernmental Receipts	-	-
Receipts from Other Funds	-	2,526,941
Payments Under Support Agreement	-	-
Payments to Other Funds	-	-
Net Cash Provided By (Used in) Noncapital Financing Activities	-	2,526,941
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>		
Capital Contributions	3,777,405	14,122,255
Interest on Long-term Debt	(8,048,248)	(5,053,793)
Acquisition and Construction of Capital Assets	(22,980,797)	(46,308,344)
Proceeds (Loss) from Sale of Salvage	109,033	3,392
Principal Paid on Capital Debt	(10,800,000)	(4,265,000)
Net Cash Provided By (Used in) Capital and Related Financing Activities	(37,942,607)	(41,501,490)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Interest and Dividends Received	839,948	500,049
Net Increase (Decrease) in Cash and Investments	8,051,578	(8,890,413)
Cash and Investments, July 1	216,146,156	126,818,794
Cash and Investments, June 30	\$ 224,197,734	\$ 117,928,381
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO</u></b>		
<b><u>NET CASH PROVIDED BY OPERATING ACTIVITIES:</u></b>		
Operating Income (Loss)	\$ 13,648,387	\$ 22,409,829
Adjustments to Reconcile Operating Income (Loss) to		
Net Cash Provided By Operating Activities:		
Depreciation and Amortization Expense	30,126,857	9,507,019
Changes in assets and liabilities:		
Accounts Receivable	2,310,400	434,074
Intergovernmental Receivables	(12,811)	-
Lease Receivable	(12,082)	-
Inventory	342,773	-
Deferred Outflow of Resources	269,441	1,157,176
Vouchers and Accounts Payable	(938,699)	(320,173)
Deposits Payable	66,025	-
Unearned Revenue	695,757	-
Deferred Inflow of Resources	10,700,874	2,447,198
Estimated Claims and Judgments	-	-
Accrued Compensated Leave	(272,765)	(51,829)
Leases Payable	1,653,851	-
Net Pension Liability	(13,641,762)	(6,051,209)
Net OPEB Liability	217,991	52,002
Net Cash Provided (Used) By Operating Activities	45,154,237	29,584,087
<b><u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u></b>		
Capital Contributions of Capital Assets	\$ (12,503)	\$ -

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, 2022**

<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>	
<b>Waste Management</b>	<b>Development Authority</b>	<b>Nonmajor Parking</b>	<b>Totals</b>	<b>Internal Service Funds</b>	
\$ 38,292,050	\$ 2,548,154	\$ 6,433,763	\$ 223,141,265	\$ 49,943,937	
-	1,546,916	-	3,366,739	-	
920,082	9,909	5,151	1,888,909	-	
(26,128,854)	(4,869,340)	(61,188)	(99,450,449)	(34,346,386)	
(10,759,945)	-	(312,241)	(46,583,683)	(6,747,871)	
2,323,333	(764,361)	6,065,485	82,362,781	8,849,680	
58,254	-	-	58,254	-	
-	609,735	68,500	3,205,176	(1,100,000)	
-	-	(524,675)	(524,675)	-	
-	-	(500,000)	(500,000)	(800,780)	
58,254	609,735	(956,175)	2,238,755	(1,900,780)	
-	15,286,654	-	33,186,314	-	
-	(1,716,048)	(4,130)	(14,822,219)	-	
(2,073,162)	(3,139,702)	(3,061,796)	(77,563,801)	(410,777)	
72,021	-	-	184,446	(82,546)	
-	-	-	-	-	
-	(8,438,375)	-	(23,503,375)	-	
(2,001,141)	1,992,529	(3,065,926)	(82,518,635)	(493,323)	
43,538	15,483	28,270	1,427,288	290,963	
423,984	1,853,386	2,071,654	3,510,189	6,746,540	
12,203,773	15,580,914	5,872,390	376,622,027	49,534,928	
\$ 12,627,757	\$ 17,434,300	\$ 7,944,044	\$ 380,132,216	\$ 56,281,468	
\$ (1,098,924)	\$ (8,620,574)	\$ 2,959,447	\$ 29,298,165	\$ 4,957,040	
2,762,381	3,711,901	247,259	46,355,417	885,167	
1,008,975	-	-	3,753,449	53	
-	(1,295,891)	-	(1,308,702)	-	
-	-	-	(12,082)	-	
-	2,614,465	-	2,957,238	(663,080)	
(207,677)	-	23,693	1,242,633	(34,838)	
42,018	3,255,375	75,180	2,113,701	593,675	
-	-	-	66,025	-	
-	-	-	695,757	-	
3,295,738	(429,637)	118,548	16,132,721	4,174,087	
-	-	-	-	3,746,317	
(58,316)	-	4,776	(378,134)	72,692	
-	-	2,845,229	4,499,080	-	
(3,503,332)	-	(212,323)	(23,408,626)	(4,963,056)	
82,470	-	3,676	356,139	81,623	
2,323,333	(764,361)	6,065,485	82,362,781	8,849,680	
\$ -	\$ -	\$ -	\$ (12,503)	\$ -	

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2022**

	<u>Trust Funds</u>	<u>Custodial Funds</u>
<b><u>ASSETS</u></b>		
Cash and Investments	\$ -	\$ 436,436
Fixed Income	11,254,660	-
Stocks	28,940,553	-
Real Estate	3,751,553	-
Alternative Investments	9,646,852	-
Total Assets	<u>53,593,618</u>	<u>436,436</u>
<b><u>LIABILITIES</u></b>		
Due to Commonwealth	<u>-</u>	<u>43,979</u>
<b><u>NET POSITION</u></b>		
Restricted for OPEB	53,593,618	-
Restricted for Individuals, Organizations & Others	<u>-</u>	<u>392,457</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, 2022**

	<b>Trust Funds</b>	<b>Custodial Funds</b>
<b><u>ADDITIONS</u></b>		
Contributions From Primary Government	\$ 7,700,578	\$ -
Custodial Fund Additions	-	1,811,884
Investment Income (Loss):		
Increase (Decrease) in the Fair Value of Investments	(5,452,397)	-
Total Investment Income (Loss)	(5,452,397)	-
Total Additions	2,248,181	1,811,884
<b><u>DEDUCTIONS</u></b>		
Benefits	7,700,578	-
Administrative Expenses	41,727	-
Custodial Fund Deductions	-	1,869,562
Total Deductions	7,742,305	1,869,562
Net Increase (Decrease) in Net Position	(5,494,124)	(57,678)
<b><u>RESTRICTED NET POSITION:</u></b>		
Beginning of Year	59,087,742	450,136
End of Year	\$ 53,593,618	\$ 392,458

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

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**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 459,750.

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 accounting principles generally accepted 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, or whose relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. 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.

- a. 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;

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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however, the School Board is fiscally dependent upon the City 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.

b. 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.

**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 June 30, 2022. 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 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 at June 30, 2022. 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



**CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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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 at June 30, 2022. 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 at June 30, 2022. 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.

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 or segment. Taxes and other items not properly 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

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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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 **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.

**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, 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

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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 capital leases are reported as other financing sources.

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

General Property Taxes	Interest on Deposits
General Sales Taxes	Revenue from Commonwealth
Utility Taxes	Revenue from Federal Government
Hotel Taxes	Amusement Taxes
Restaurant 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.

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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 criteria 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 property, plant, 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.

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
Landfill Network	Percentage of Completion	

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' balance sheets. 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.

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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.
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 at least 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. If the proposed operating budget is not legally adopted by the City Council upon one reading of the budget ordinances by June 1, the operating budget is automatically adopted as proposed.
4. 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 \$100,000. 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.
5. Annual budgets are adopted for the General Fund, Enterprise Funds and all Special Revenue Funds except for Wetlands Board Mitigation, Development Authority and the Grants Consolidated Fund. The City's Capital Project Fund and the Grants Consolidated Fund's budgets are adopted on a project basis. The budgets for these funds are adopted in conformity with the GAAP.
6. 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 budget units, personnel positions and capital outlay items and the

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appropriations related thereto. A budget unit 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.

7. 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 \$100,000. The notice to City Council shall identify the basis and amount of the appropriation reduction and the Appropriation Units affected.
8. 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.
9. 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.
10. 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.
11. All expenditures were within existing appropriations for the governmental major funds.

**F. Inventories**

All inventories, except in the Water and Sewer Enterprise Fund, Development Authority, 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).

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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. The VBDA Enterprise Fund inventories are reported at net realizable value.

**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 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

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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.

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 8). 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), and



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Non-Arbitrage Program (SNAP) are reported at amortized cost. All others are reported at fair value (Note 8).

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 Resort Parking Enterprise Funds, Internal Service Funds except Risk Management, and the Development Authority. For 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.

**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.

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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 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, the property tax levy recorded in the current fiscal year pertaining to Fiscal Year 2021, Pension and OPEB activities that will be recognized as pension expense over a four to five year period, long term receivables associated with leases. 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.

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**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 2022, the City implemented the GASB Statement No. 87, *Leases*. (see Note 5 and Note 7 for additional information.)

**V. Pronouncements Issued but not Yet Effective**

GASB has issued the following pronouncements prior to June 30, 2022 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.

<b>GASB STATEMENT NO.</b>	<b>GASB ACCOUNTING STANDARD</b>	<b>EFFECTIVE FISCAL YEAR</b>
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription Based on Information Technology Arrangements</i>	2023
99	<i>Omnibus 2022</i>	2023 - 2024
100	<i>Accounting Changes and Error Corrections</i>	2024
101	<i>Compensated Absences</i>	2025

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**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	\$ 5,132,265
Housing and Volunteer Rescue Squad Loans	3,605,031
Total Nonspendable	<u>8,737,296</u>

**Restricted:**

Community Services Board	2,901,470
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**Committed**

Education	15,914,944
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**Assigned:**

Community Programs	\$ 197,704
Judicial	632,203
Library	306,166
Living Shorelines Program	10,722
Maritime Forest Program	43,512
Oyster Heritage Program	145,412
Public Safety	28,976
Other General Programs	<u>104,065</u>
Total Special Programs	1,468,760
General Government	<u>39,253,446</u>
Total General Government	40,722,206
Education	48,294,167
Capital Improvement Program - General	<u>31,942,997</u>
Total Assigned	120,959,370

**Unassigned:**

General Government	<u>180,383,159</u>
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**Total Fund Balance**

<u><u>\$ 328,896,239</u></u>
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**NONMAJOR GOVERNMENTAL FUNDS:**

**Restricted:**

General Government	\$ 2,833,179
Housing and Community Development	9,744,012
Forfeited Assets - Judicial	574,330
Forfeited Assets - Police	1,919,774
Public Safety	700,088
Special Service Districts	<u>6,615,580</u>
Total Special Revenue Funds	22,386,963
Future Debt Service	<u>37,409,169</u>
Total Restricted	59,796,132

**Committed:**

Agriculture Program	17,407,043
Convention and Visitor Development	47,331,820
Parks and Recreation Activities	14,647,635
Public Safety	221,592
Central Business District TIF Program	<u>6,588,107</u>
Total Committed	86,196,197

**Assigned:**

Convention and Visitor Development	10,203,398
Special Service Districts	<u>1,336,322</u>
Total Assigned	11,539,720

**Unassigned:**

General Government	<u>(3,555,225)</u>
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**Total Fund Balance**

<u><u>\$ 153,976,824</u></u>
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**3. RECEIVABLES AND ACCRUED LIABILITIES**

**A. Receivables**

Receivables at June 30, 2022 consist of the following:

**Primary Government**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Real Estate Taxes	\$ 17,953,170	\$ -	\$ 17,953,170
Personal Property Taxes	71,953,065	-	71,953,065
Accounts	45,781,329	37,598,410	83,379,739
Leases	7,351,938	24,458,345	31,810,283
Loans	7,526,540	-	7,526,540
Due from Other Government	80,281,266	-	80,281,266
Gross Receivables	230,847,308	62,056,755	292,904,063
Less: Allowance for Uncollectibles	(34,074,732)	(3,378,907)	(37,453,639)
Net Receivables - Entity Wide	<u>\$ 196,772,576</u>	<u>\$ 58,677,848</u>	<u>\$ 255,450,424</u>

**Major Funds – Governmental**

	<b>General Fund</b>	<b>Capital Projects</b>	<b>Total</b>
Real Estate Taxes	\$ 17,953,170	\$ -	\$ 17,953,170
Personal Property Taxes	71,953,065	-	71,953,065
Accounts	8,105,321	81,571	8,186,892
Leases	6,498,881	131,642	6,630,523
Loans	3,605,031	-	3,605,031
Due from Other Funds	5,740,184	-	5,740,184
Intergovernmental Accounts	64,711,367	8,839,753	73,551,120
Gross Receivables	178,567,019	9,052,966	187,619,985
Less: Allowance for Uncollectibles	(24,049,746)	-	(24,049,746)
Net Receivables	<u>\$ 154,517,273</u>	<u>\$ 9,052,966</u>	<u>\$ 163,570,239</u>

**Major Funds – Proprietary**

	<b>Water and Sewer</b>	<b>Storm Water</b>	<b>Waste Management</b>	<b>Virginia Beach Development Authority</b>	<b>Total</b>
Accounts	\$ 19,756,727	\$ 6,460,624	\$ 5,912,272	\$ 2,053,234	\$ 34,182,857
Leases	12,082	-	-	24,446,263	\$ 24,458,345
Intergovernmental Accounts	504,144	-	-	-	504,144
Gross Receivables	20,272,953	6,460,624	5,912,272	26,499,497	34,687,001
Less: Allowance for Uncollectibles	(2,381,329)	(308,604)	(688,974)	-	(3,378,907)
Net Receivables	<u>\$ 17,891,624</u>	<u>\$ 6,152,020</u>	<u>\$ 5,223,298</u>	<u>\$ 26,499,497</u>	<u>\$ 31,308,094</u>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
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**Component Units**

Receivables at June 30, 2022 consist of the following:

	<b>School Board</b>	<b>Community Development Corporation</b>	<b>Total</b>
Intergovernmental Accounts	\$ 47,080,203	\$ 286,301	\$ 47,366,504
Accounts	7,054,364	4,789,734	11,844,098
Net Receivables	<u>\$ 54,134,567</u>	<u>\$ 5,076,035</u>	<u>\$ 59,210,602</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.

Fiscal Year 2022 real property rate was \$.99 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:

<b>Special Service District</b>	<b>Additional Tax Rate</b>
Bayville Creek Special Service District	\$ 0.472
Chesapeake Colony Special Service District	0.2913
Gills Cove Special Service District	0.063
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	0.040
Schilling Point Special Service District	0.404
Shadowlawn Special Service District	0.1594
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 \$0.84 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 \$0.52 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.

**CITY OF VIRGINIA BEACH, VIRGINIA**  
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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**

1. The following revenues were due from the Commonwealth of Virginia at June 30, 2022:

**Primary Government**

	<b>Governmental Activities</b>
Housing Assistance	\$ 26,862
Grants Consolidated	40,041
Personal Property Tax Relief Act	57,246,910
Sheriff's Department	1,390,019
Capital Projects	5,843,260
Sales Tax	7,449,527
Other	84
Total Due from Commonwealth	<u>\$ 71,996,703</u>

**School Board Component Unit**

State Share Sales Tax	\$ 8,176,773
Special Education-Regional Program	2,355,530
Technology Initiative	2,369,386
Juvenile Detention Center	320,805
Other Grants, Entitlements and Shared Revenues	65,459
Total Due from Commonwealth-Governmental Funds	<u>\$ 13,287,953</u>

2. The following revenues were due from various Federal agencies at June 30, 2022:

**Primary Government**

	<b>Governmental Activities</b>
Forfeited Assets	\$ 5,787
Federal Section Eight Program	380,256
Grants Consolidated	1,398,300
Housing and Neighborhood Preservation	1,418,843
Emergency FEMA	2,069,954
Capital Projects	2,996,493
Other	14,930
Total Due from Federal Government	<u>\$ 8,284,563</u>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
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**School Board Component Unit**

Adult Basic Education	\$	90,479
ARPA		9,544,000
CARES		426,587
Carl Perkins		917,765
CRRSA		7,915,799
McKinney Homeless		16,019
NJROTC		71,329
Preschool Incentive		149,932
Spec Educ Support		197,527
National School Lunch Program		2,102,939
School Breakfast Program		636,945
Summer Feeding Program		6,601
Child and Adult Care Program		17,668
Title I		7,490,660
Title II		267,538
Title III		49,618
Title IV		977,094
Title VI-B		2,852,609
Other Grants, Entitlements, and Shared Revenues		61,141
Total Due from Federal Government	\$	<u>33,792,250</u>

3. The following revenues were due from Other Governments at June 30, 2022:

**Business - Type Activities**

The Water and Sewer fund was due \$504,144 from the City of Chesapeake 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, 2022 are as follows:

General Fund	\$	24,049,746
Water and Sewer Fund		2,381,329
Storm Water Fund		308,604
Waste Management Fund		688,974
Special Revenue Funds		10,024,986
Total	\$	<u>37,453,639</u>



**CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**E. Major Components of Accrued Liabilities at June 30, 2022 consist of the following**

**Primary Government**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Accrued Interest Payable	\$ 10,638,811	\$ 2,983,805	\$ 13,622,616
Unearned Revenues	111,527,102	2,725,463	114,252,565
Other Accrued Liabilities	3,307,967	\$ 5,064,755	8,372,722
Total Accrued Liabilities	<u>\$ 125,473,880</u>	<u>\$ 10,774,023</u>	<u>\$ 136,247,903</u>

**Component Units**

	<b>School Board</b>	<b>Community Development Corporation</b>	<b>Total</b>
Accrued Interest Payable	\$ -	\$ 108,172	\$ 108,172
Unearned Revenues	\$ 13,084,907	\$ 155,757	\$ 13,240,664
Other Accrued Liabilities	\$ 81,155,575	\$ -	\$ 81,155,575
Total Accrued Liabilities	<u>\$ 94,240,482</u>	<u>\$ 263,929</u>	<u>\$ 94,504,411</u>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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, 2022:

**A. General Fund**

Unspent ARPA Relief Funds	\$ 110,510,761
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**B. Nonmajor Special Revenue Fund**

Grants Consolidated - Unspent CARES Relief Fund	\$ 288,834
Parks and Recreation - Advance Customer Receipts	666,257
Federal Section Eight Program - Unspent CARES Grant	61,250
Total Special Revenue Funds	<u>\$ 1,016,341</u>

**C. Enterprise Funds**

Water and Sewer - Customers and Developers - Tap and Meter Fees	<u>\$ 2,725,463</u>
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**D. School Board Component Unit**

School Operating Fund - Summer School Tuition	\$ 622,968
School Grants Fund - Learning Loss Instructional, Early Reading Invention, Algebra Readiness, VA Preschool Initiative and Other	3,526,528
Other Governmental Funds - School Cafeterias - Charges for Services	643,820
Total Unearned Revenue - Governmental Funds	<u>4,793,316</u>

School Health Insurance Internal Service Fund - Prepayment of July health insurance premiums	8,291,591
Total Unearned Revenues - Governmental Activities	<u>\$ 13,084,907</u>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**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, 2022:

	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 1,051,772,959	\$ 6,554,077	\$ 793,839	\$ 1,057,533,197
Agriculture Reserve Program	51,440,318	561,680	2,211,066	49,790,932
Land - Leases	-	251,834	-	251,834
Construction in Progress	234,156,155	144,465,888	217,026,095	161,595,948
Total Capital Assets Not Being Depreciated	<u>1,337,369,432</u>	<u>151,833,479</u>	<u>220,031,000</u>	<u>1,269,171,911</u>
Other Capital Assets:				
Buildings and Improvements	865,615,070	115,171,807	-	980,786,877
School Buildings	394,205,143	33,855,326	75,852	427,984,617
Buildings - Leases	-	15,421,447	45,017	15,376,430
Site Improvements	356,424,070	32,423,530	-	388,847,600
Site Improvements - ISF	265,782	-	-	265,782
Equipment	383,494,922	25,589,114	52,783,698	356,300,338
Equipment - Leases	-	304,682	-	304,682
Equipment - ISF	9,111,874	541,210	1,463,984	8,189,100
Roadway Network	2,111,491,640	40,411,049	-	2,151,902,689
Landfill Network	18,694,498	-	-	18,694,498
Bridge Network	161,298,691	1,672,006	-	162,970,697
Hurricane Protection Network	97,680,665	-	-	97,680,665
Total Other Capital Assets at Historical Cost	<u>4,398,282,355</u>	<u>265,390,171</u>	<u>54,368,551</u>	<u>4,609,303,975</u>
Less Accumulated Depreciation For:				
Land - Leases	-	143,905	-	143,905
Buildings and Improvements	331,655,733	19,676,227	-	351,331,960
School Buildings	65,065,837	9,045,157	9,121,009	64,989,985
Buildings - Leases Amortization	-	3,819,112	45,017	3,774,095
Site Improvements	129,095,886	8,790,738	-	137,886,624
Site Improvements - ISF	264,410	235	-	264,645
Equipment	301,040,336	29,456,129	52,749,054	277,747,411
Equipment - Leases Amortization	-	182,809	-	182,809
Equipment - ISF	6,409,286	884,932	1,333,551	5,960,667
Roadway Network	1,369,328,162	53,662,729	-	1,422,990,891
Landfill Network	18,676,153	-	-	18,676,153
Bridge Network	50,145,836	3,137,640	-	53,283,476
Hurricane Protection Network	36,887,717	1,953,614	-	38,841,331
Total Accumulated Depreciation	<u>2,308,569,356</u>	<u>130,753,227</u>	<u>63,248,631</u>	<u>2,376,073,952</u>
Total Capital Assets Being Depreciated, Net	2,089,712,999	134,636,944	(8,880,080)	2,233,230,023
Governmental Activities Capital Assets, Net	<u>\$ 3,427,082,431</u>	<u>\$ 286,470,423</u>	<u>\$ 211,150,920</u>	<u>\$ 3,502,401,934</u>

Governmental Activities capital assets net of accumulated depreciation at June 30, 2022 are comprised of the following:

General Government Capital Assets, Net	\$ 3,500,172,364
Internal Service Fund Capital Assets, Net	2,229,570
Total	<u>\$ 3,502,401,934</u>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
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Depreciation was charged to governmental functions as follows:

Finance	\$ 1,611
Judicial	51,458
Police	2,492,235
Public Works	88,993,749
Parks and Recreation	4,548,923
Libraries	92,835
Planning	36,483
Economic Development	22,802
Convention & Visitors Bureau	280,736
Information Technology	19,498,239
Boards and Commissions	168,735
Emergency Communications	15,073
Fire	2,846,771
Human Services	278,485
Education and Transfer to School	9,045,157
Housing & Neighborhood Preservation	24,803
Museums	109,175
General Government	1,542,128
Emergency Medical Services	703,829
Total	<u>\$ 130,753,227</u>

**B. Component Unit - School Board**

Capital Assets activity for the year ended June 30, 2022 was as follows:

	<b>Balance 7/1/2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 6/30/2022</b>
Capital Assets Not Being Depreciated:				
Land	\$ 38,968,372	\$ -	\$ -	\$ 38,968,372
Construction in Progress	71,961,464	9,549,291	78,570,669	2,940,086
Total Capital Assets Not Being Depreciated	<u>110,929,836</u>	<u>9,549,291</u>	<u>78,570,669</u>	<u>41,908,458</u>
Capital Assets Being Depreciated				
Buildings	776,199,176	79,720,290	34,106,614	821,812,852
Improvement Other Than Buildings	73,141,494	8,009,072	287,491	80,863,075
Machinery and Equipment	136,235,831	17,776,034	8,736,849	145,275,016
Total Capital Assets Being Depreciated	<u>985,576,501</u>	<u>105,505,396</u>	<u>43,130,954</u>	<u>1,047,950,943</u>
Less Accumulated Depreciation For:				
Buildings	357,086,756	24,668,192	327,140	381,427,808
Improvement Other Than Buildings	51,518,681	2,453,375	287,491	53,684,565
Machinery and Equipment	89,735,660	9,141,289	8,595,838	90,281,111
Total Accumulated Depreciation	<u>498,341,097</u>	<u>36,262,856</u>	<u>9,210,469</u>	<u>525,393,484</u>
Total Capital Assets Being Depreciated, Net	<u>487,235,404</u>	<u>69,242,540</u>	<u>33,920,485</u>	<u>522,557,459</u>
Component Unit School Board, Capital Assets, Net	<u>\$ 598,165,240</u>	<u>\$ 78,791,831</u>	<u>\$ 112,491,154</u>	<u>\$ 564,465,917</u>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**C. Business-Type Activities**

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2022:

	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022
Capital Assets Not Being Depreciated:				
Land	\$ 177,538,885	\$ 728,359	\$ -	\$ 178,267,244
Land - Leases	-	2,965,874	-	2,965,874.00
Construction in Progress	63,875,688	72,402,518	64,907,849	71,370,357
Total Capital Assets Not Being Depreciated	<u>241,414,573</u>	<u>76,096,751</u>	<u>64,907,849</u>	<u>252,603,475</u>
Capital Assets Being Depreciated				
Buildings	165,022,290	-	-	165,022,290
Buildings - Leases	-	2,192,669	-	2,192,669
Improvement Other Than Buildings	1,172,906	16,936	-	1,189,842
Utility System	1,586,718,548	59,213,348	-	1,645,931,896
Machinery and Equipment	74,319,365	6,843,140	857,049	80,305,456
Total Capital Assets Being Depreciated	<u>1,827,233,109</u>	<u>68,266,093</u>	<u>857,049</u>	<u>1,894,642,153</u>
Less Accumulated Depreciation For:				
Land Improvements - Leases Amoritzation	-	183,755	-	183,755
Buildings	63,251,929	4,543,229	-	67,795,158
Buildings - Leases Amoritzation	-	490,649	-	490,649
Improvement Other Than Buildings	626,378	40,957	-	667,335
Utility System	634,894,526	34,810,239	312	669,704,453
Machinery and Equipment	56,110,102	6,286,588	857,049	61,539,641
Total Accumulated Depreciation	<u>754,882,935</u>	<u>46,355,417</u>	<u>857,361</u>	<u>800,380,991</u>
Total Capital Assets Being Depreciated, Net	<u>1,072,350,173</u>	<u>21,910,676</u>	<u>(312)</u>	<u>1,094,261,162</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,313,764,747</u>	<u>\$ 98,007,427</u>	<u>\$ 64,907,537</u>	<u>\$ 1,346,864,637</u>

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

Water and Sewer	\$ 30,126,857
Storm Water	9,507,019
Waste Management	2,762,381
Development Authority	3,711,901
Parking	247,259
Total	<u>\$ 46,355,417</u>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**D. Major Fund - Water and Sewer Enterprise Fund**

	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 14,562,826	\$ 55,718	\$ -	\$ 14,618,544
Construction in Progress	19,901,027	19,710,300	24,455,024	15,156,303
Total Capital Assets Not Being Depreciated	<u>34,463,853</u>	<u>19,766,018</u>	<u>24,455,024</u>	<u>29,774,847</u>
Other Capital Assets:				
Buildings and Improvements	18,940,552	-	-	18,940,552
Buildings - Leases	-	2,096,747	-	2,096,747
Utility System	1,231,690,658	23,532,909	-	1,255,223,567
Machinery and Equipment	34,674,948	1,590,854	791,661	35,474,141
Total Other Capital Assets at Historical Cost	<u>1,285,306,158</u>	<u>27,220,510</u>	<u>791,661</u>	<u>1,311,735,007</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	16,007,913	814,007	-	16,821,920
Buildings - Leases Amortization	-	453,518	-	453,518
Utility System	555,025,575	26,981,252	312	582,006,515
Machinery and Equipment	28,352,561	1,878,080	791,661	29,438,980
Total Accumulated Depreciation	<u>599,386,049</u>	<u>30,126,857</u>	<u>791,973</u>	<u>628,720,933</u>
Total Capital Assets Being Depreciated, Net	<u>685,920,109</u>	<u>(2,906,347)</u>	<u>(312)</u>	<u>683,014,074</u>
Water and Sewer Capital Assets, Net	<u>\$ 720,383,962</u>	<u>\$ 16,859,671</u>	<u>\$ 24,454,712</u>	<u>\$ 712,788,921</u>

**E. Major Fund – Storm Water Enterprise Fund**

	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 133,318,193	\$ 672,641	\$ -	\$ 133,990,834
Construction in Progress	43,299,090	49,372,988	40,452,825	52,219,253
Total Capital Assets Not Being Depreciated	<u>176,617,283</u>	<u>50,045,629</u>	<u>40,452,825</u>	<u>186,210,087</u>
Other Capital Assets:				
Buildings and Improvements	664,899	-	-	664,899
Utility System	355,027,890	35,680,439	-	390,708,329
Machinery and Equipment	17,792,866	3,196,060	23,057	20,965,869
Total Other Capital Assets at Historical Cost	<u>373,485,655</u>	<u>38,876,499</u>	<u>23,057</u>	<u>412,339,097</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	124,669	41,556	-	166,225
Utility System	79,868,951	7,828,987	-	87,697,938
Machinery and Equipment	14,427,798	1,636,476	23,057	16,041,217
Total Accumulated Depreciation	<u>94,421,418</u>	<u>9,507,019</u>	<u>23,057</u>	<u>103,905,380</u>
Total Capital Assets Being Depreciated, Net	<u>279,064,237</u>	<u>29,369,480</u>	<u>-</u>	<u>308,433,717</u>
Storm Water Capital Assets, Net	<u>\$ 455,681,520</u>	<u>\$ 79,415,109</u>	<u>\$ 40,452,825</u>	<u>\$ 494,643,804</u>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**F. Major Fund – Waste Management**

	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022
Other Capital Assets:				
Buildings	8,730	-	-	8,730
Site Improvements	393,389	16,936	-	410,325
Machinery and Equipment	19,832,560	2,056,226	27,322	21,861,464
Total Other Capital Assets at Historical Cost	20,234,679	2,073,162	27,322	22,280,519
Less Accumulated Depreciation For:				
Buildings	618	437	-	1,055
Site Improvements	236,618	21,469	-	258,087
Machinery and Equipment	12,704,462	2,740,475	27,322	15,417,615
Total Accumulated Depreciation	12,941,698	2,762,381	27,322	15,676,757
Total Capital Assets Being Depreciated, Net	7,292,981	(689,219)	-	6,603,762
Waste Management Capital Assets, Net	\$ 7,292,981	\$ (689,219)	\$ -	\$ 6,603,762

**G. Major Fund - Virginia Beach Development Authority**

	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 29,657,866	\$ -	\$ -	\$ 29,657,866
Construction in Progress	675,571	3,319,230	-	3,994,801
Total Capital Assets Not Being Depreciated	30,333,437	3,319,230	-	33,652,667
Other Capital Assets:				
Buildings and Improvements	145,408,109	-	-	145,408,109
Machinery and Equipment	1,900,510	-	-	1,900,510
Total Other Capital Assets at Historical Cost	147,308,619	-	-	147,308,619
Less Accumulated Depreciation For:				
Buildings and Improvements	47,118,729	3,687,229	-	50,805,958
Machinery and Equipment	535,030	24,672	-	559,702
Total Accumulated Depreciation	47,653,759	3,711,901	-	51,365,660
Total Capital Assets Being Depreciated, Net	99,654,860	(3,711,901)	-	95,942,959
Development Authority Capital Assets, Net	\$ 129,988,297	\$ (392,671)	\$ -	\$ 129,595,626

**H. Component Unit - Virginia Beach Community Development Corporation**

	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022
Capital Assets Not Being Depreciated:				
Land and Improvements	\$ 9,674,067	\$ -	\$ -	\$ 9,674,067
Total Capital Assets Not Being Depreciated	9,674,067	-	-	9,674,067
Other Capital Assets:				
Buildings and Improvements	36,190,728	222,305	-	36,413,033
Machinery and Equipment	193,521	104,325	-	297,846
Total Other Capital Assets at Historical Cost	36,384,249	326,630	-	36,710,879
Less Accumulated Depreciation For:	18,606,518	1,179,179	-	19,785,697
Component Unit-VA Beach Community Dev.	\$ 27,451,798	\$ (852,549)	\$ -	\$ 26,599,249

**CITY OF VIRGINIA BEACH, VIRGINIA**  
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**I. Land and Building Inventory Held for Resale – Development Authority**

Oceana West Corporate Park	\$	1,555,548
Corporate Landing Office Park		9,434,876
London Bridge Commerce Park		1,238,200
Town Center Beacon Building		3,402,900
Hunt Club 2		200,305
Historic Kempsville		543,000
Bio-Med Park		22,306,570
Total Land Held for Resale	\$	<u>38,681,399</u>

**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 until completion. Construction in progress is comprised of the following:

	<u>Expended through June 30, 2022</u>	<u>Outstanding Commitments</u>	<u>Unobligated Balance</u>
<b><u>Government Activities</u></b>			
Engineering and Highways	\$ 67,021,651	\$ 117,630,674	\$ 263,548,992
Buildings	38,260,993	82,689,280	63,350,197
Flood Protection Program	6,221,685	14,465,872	573,741,019
Communications and Information Technology	14,359,045	23,213,660	40,593,452
Parks and Recreation	7,954,991	7,925,162	50,181,834
Coastal	891,615	7,843,564	64,736,672
Economic and Tourism	26,885,968	11,227,995	183,393,351
Total Other Capital Assets at Historical Cost	<u>\$ 161,595,948</u>	<u>\$ 264,996,207</u>	<u>\$ 1,239,545,517</u>
<b><u>School Board Component Unit</u></b>			
Buildings and Improvements Other than Buildings	\$ 2,940,086	\$ 35,869,933	\$ -

**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, 2022:

	<u>Expended through 6/30/2022</u>	<u>Outstanding Commitments</u>	<u>Unobligated Balance</u>
Water & Sewer Utility Projects	\$ 15,156,303	\$ 34,839,105	\$ 74,761,886
Storm Water Projects	52,219,253	64,267,642	280,978,462
Development Authority	3,994,801	-	-
Total Business-Type Activities	<u>\$ 71,370,357</u>	<u>\$ 99,106,747</u>	<u>\$ 355,740,348</u>



**CITY OF VIRGINIA BEACH, VIRGINIA**  
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**6. LONG-TERM DEBT**

**A. Summary of Changes in Long-Term Liabilities**

**1. Primary Government - Governmental Activities**

	<b>Balance</b>			<b>Balance</b>	<b>Amounts</b>
	<b>July 1, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2022</b>	<b>Due Within</b>
					<b>One Year</b>
General Obligation Bonds	\$ 523,236,804	\$ 94,915,000	\$ 54,070,434	\$ 564,081,370	\$ 55,262,897
State Literary Fund Loans	375,000	-	375,000	-	-
Public Facility Revenue Bonds	341,000,882	-	37,011,626	303,989,256	36,270,063
Agriculture Reserve Program	51,440,318	561,680	2,211,066	49,790,932	6,949,719
Total Tax Supported Debt	916,053,004	95,476,680	93,668,126	917,861,558	98,482,679
Other Debt:					
Landfill Closure & Post-Closure Care	21,928,744	1,008,744	-	22,937,488	-
Premiums	105,543,724	15,089,002	12,897,350	107,735,376	12,211,040
Net Pension Liability	479,120,478	-	241,995,307	237,125,171	-
Net OPEB Liability	88,892,931	5,468,377	-	94,361,308	-
Accrued Compensation Leave	45,627,327	30,353,935	31,846,208	44,135,054	31,722,825
Lease Liability	15,977,964	-	4,249,044	11,728,920	3,302,534
Estimated Claims & Judgements	45,654,663	13,720,658	9,974,341	49,400,980	6,481,701
Governmental Activities Long-Term Debt	\$ 1,702,820,871	\$ 161,117,396	\$ 394,630,376	\$ 1,485,285,855	\$ 152,200,779

**2. Primary Government - Business-Type Activities**

	<b>Balance</b>			<b>Balance</b>	<b>Amounts</b>
	<b>July 1, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2022</b>	<b>Due Within</b>
					<b>One Year</b>
Revenue Bonds	\$ 349,110,000	\$ -	\$ 15,065,000	\$ 334,045,000	\$ 15,875,000
Public Facility Revenue Bonds	42,994,118	-	8,438,375	34,555,743	8,454,937
Total Self/Tax Supported Debt	392,104,118	-	23,503,375	368,600,743	24,329,937
Less/Add Deferred Amounts:					
For Issuance Premiums	44,343,538	-	3,637,311	40,706,227	3,197,365
Total Bonds Payable	436,447,656	-	27,140,686	409,306,970	27,527,302
Net Pension Liability	46,346,157	-	23,408,626	22,937,531	-
Net OPEB Liability	5,274,459	356,139	-	5,630,598	-
Accrued Compensated Leave	4,076,536	2,588,127	2,966,258	3,698,405	2,697,824
Lease Liability	5,158,543	-	659,463	4,499,080	887,264
Business-Type Activities Long-Term Debt	\$ 497,303,351	\$ 2,944,266	\$ 54,175,033	\$ 446,072,584	\$ 31,112,390

Note: \$665,719 in Notes Payable for Development Authority was eliminated in Business Type Activities which reflects a loan due to the City.

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**3. Major Fund - Water and Sewer Enterprise Fund (Included in Business-Type Activities)**

	Balance			Balance	Amounts
	July 1, 2021	Additions	Reductions	June 30, 2022	Due Within
					One Year
Revenue Bonds	\$ 209,930,000	\$ -	\$ 10,800,000	\$ 199,130,000	\$ 11,405,000
Add Deferred Amounts:					
For Issuance Premiums	25,403,719	-	1,903,902	23,499,817	1,903,902
Total Bonds Payable	235,333,719	-	12,703,902	222,629,817	13,308,902
Net Pension Liability	27,008,985	-	13,641,762	13,367,223	-
Net OPEB Liability	3,228,467	217,991	-	3,446,458	-
Accrued Compensated Leave	2,487,732	1,439,643	1,712,408	2,214,967	1,605,505
Lease Liability	2,096,747	-	442,896	1,653,851	328,541
Water & Sewer Long-Term Liabilities	\$ 270,155,650	\$ 1,657,634	\$ 28,500,968	\$ 243,312,316	\$ 15,242,948

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

	Balance			Balance	Amounts
	July 1, 2021	Additions	Reductions	June 30, 2022	Due Within
					One Year
Revenue Bonds	\$ 139,180,000	\$ -	\$ 4,265,000	\$ 134,915,000	\$ 4,470,000
Add Deferred Amounts:					
For Issuance Premiums	16,713,926	-	1,293,463	15,420,463	1,293,463
Total Bonds Payable	155,893,926	-	5,558,463	150,335,463	5,763,463
Net Pension Liability	11,980,639	-	6,051,209	5,929,430	-
Net OPEB Liability	770,165	52,002	-	822,167	-
Accrued Compensated Leave	575,464	423,534	475,363	523,635	429,554
Storm Water Long-Term Liabilities	\$ 169,220,194	\$ 475,536	\$ 12,085,035	\$ 157,610,695	\$ 6,193,017

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

	Balance			Balance	Amounts
	July 1, 2021	Additions	Reductions	June 30, 2022	Due Within
					One Year
Net Pension Liability	\$ 6,936,160	\$ -	\$ 3,503,332	\$ 3,432,828	\$ -
Net OPEB Liability	1,221,370	82,470	-	1,303,840	-
Accrued Compensated Leave	963,925	681,215	739,531	905,609	623,912
Waste Management Long-Term Liabilities	\$ 9,121,455	\$ 763,685	\$ 4,242,863	\$ 5,642,277	\$ 623,912

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**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			Balance		Amounts
	July 1, 2021	Additions	Reductions	June 30, 2022		Due Within One Year
Public Facility Revenue Bonds	\$ 42,994,118	\$ -	\$ 8,438,375	\$ 34,555,743	\$	8,454,937
For Issuance Premiums	2,225,893	-	439,946	1,785,947		-
Notes Payable	700,000	-	34,281	665,719		-
Virginia Beach Development Authority						
Long-Term Debt	\$ 45,920,011	\$ -	\$ 8,912,602	\$ 37,007,409	\$	8,454,937

**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			Balance		Amounts
	July 1, 2021	Additions	Reductions	June 30, 2022		Due Within One Year
Net Pension Liability	\$ 748,825,120	\$ 142,817,872	\$ 516,683,060	\$ 374,959,932	\$	-
Net OPEB Liability	147,744,327	57,698,453	60,449,027	144,993,753		-
Accrued Compensated Leave	43,191,006	11,864,546	12,833,835	42,221,717		13,090,513
Estimated Claims and Judgements	18,595,092	160,739,158	160,600,631	18,733,619		14,050,214
School Board Long-Term Liabilities	\$ 958,355,545	\$ 373,120,029	\$ 750,566,553	\$ 580,909,021	\$	27,140,727

**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			Balance		Amounts
	July 1, 2021	Additions	Reductions	June 30, 2022		Due Within One Year
Lines of Credit	\$ -	\$ 2,777,827	\$ -	\$ 2,777,827	\$	-
Notes Payable	20,085,843	-	3,372,733	16,713,110	\$	581,912
VBCDC Long Term Liabilities	\$ 20,085,843	\$ 2,777,827	\$ 3,372,733	\$ 19,490,937	\$	581,912

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**CITY OF VIRGINIA BEACH, VIRGINIA**  
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**B. Bonds, Notes and Loans Payable**

Details of long-term indebtedness are shown below with outstanding balance as of June 30, 2022:

Bond Issue/Purpose	Dated	Issue Amount	True Interest (%)	Proprietary Percentage VBDA %	Outstanding Balance City
<b>General Obligation Public Improvement (PI)</b>					
<b>Bonds and Loans:</b>					
2021A PI	8/18/2021	\$ 94,915,000	1.442517	-	\$ 94,915,000
2020 GO Refunding	10/30/2020	3,445,000	1.280000	-	2,805,147
2019A PI	7/31/2019	101,210,000	2.260682	-	90,230,000
2019B PI Refunding	7/31/2019	54,915,000	1.376528	-	27,285,000
2018A PI	3/13/2018	67,595,000	2.885678	-	52,605,000
2017A PI Refunding	12/28/2017	71,530,000	2.253621	-	67,765,000
2016A PI	2/9/2016	61,255,000	2.437448	-	42,900,000
2016B PI Refunding	2/9/2016	50,430,000	1.771418	-	13,320,000
2015A PI	4/21/2015	51,295,000	2.617345	-	33,345,000
2015B PI Refunding	4/21/2015	56,530,000	1.989322	-	46,470,000
2014A PI	4/22/2014	85,055,000	2.920553	-	51,550,000
2013A PI	4/17/2013	22,885,000	2.587348	-	13,740,000
2013B PI Refunding	4/17/2013	33,795,000	2.143873	-	15,110,000
2012C VRA Pleasure House Point*	7/10/2012	6,000,000	0.250000	-	319,353
2012B PI Refunding	4/18/2012	19,630,000	2.413515	-	7,825,000
2010-1 QSCB*	7/8/2010	4,875,000	5.310000	-	1,450,000
2008 VPSA*	12/1/2008	6,350,705	-	-	2,446,870
Total General Obligation Bonds and Loans					564,081,370
<b>Revenue Bonds:**</b>					
2020A W&S Revenue	10/22/2020	45,600,000	1.813325	-	44,520,000
2020B W&S Refunding	10/22/2020	51,110,000	1.268969	-	45,845,000
2020A Storm Water Revenue	10/7/2020	77,365,000	2.013284	-	75,595,000
2020B Storm Water Refunding	10/7/2020	14,150,000	1.246522	-	13,150,000
2019 Storm Water Revenue	2/27/2019	29,525,000	3.139267	-	27,410,000
2016A W&S Revenue	6/8/2016	46,560,000	2.711344	-	40,715,000
2016B W&S Refunding	6/8/2016	42,865,000	1.813975	-	32,600,000
2015A Storm Water Revenue	1/28/2015	23,500,000	2.829639	-	18,760,000
2013 W&S Revenue	11/13/2013	44,845,000	3.641572	-	35,450,000
Total Revenue Bonds					334,045,000
<b>Public Facility Revenue Bonds:</b>					
2020A Public Facility Revenue	6/17/2020	158,960,000	1.7175703	-	150,065,000
2020B Public Facility Refunding	6/17/2020	37,620,000	0.2897591	32.40	18,175,000
2018A Public Facility Revenue	3/28/2018	33,395,000	3.0289500	8.85	24,280,000
2016A Public Facility Revenue	11/3/2016	21,225,000	2.4588020	-	14,900,000
2016B Public Facility Refunding	11/3/2016	7,880,000	2.1224430	100.00	3,395,000
2015A Public Facility Revenue	6/25/2015	48,245,000	3.0509530	-	26,390,000
2015B Public Facility Refunding	6/25/2015	34,885,000	2.6779800	27.05	21,985,000
2014A Public Facility Revenue	6/18/2014	44,975,000	2.9840410	41.76	24,300,000
2014B Public Facility Refunding	6/18/2014	20,320,000	2.4309790	25.62	11,080,000
2013A Public Facility Revenue	6/19/2013	20,960,000	2.5996020	-	10,420,000
2012A Public Facility Revenue	6/20/2012	22,580,000	2.5996020	-	11,695,000
2012B Public Facility Refunding	6/20/2012	25,640,000	2.4489560	21.12	21,860,000
Total Public Facility Revenue Bonds					338,545,000
<b>Other Long-Term Debt:</b>					
Agricultural Reserve Program	Various	52,001,998	Various	-	49,790,932
Total Other Long-Term Debt					49,790,932
Grand Total Bonds, Notes and Loans Payable					\$ 1,286,462,302

\* QSCB - Qualified School Construction Bond, VPSA - Virginia Public School Authority, VRA - Virginia Resources Authority

\*\* Water and Sewer and Storm Water Enterprise Funds

Defeased Debt - In current and prior years as a result of debt refunding, the City defeased certain general obligation, public improvement, and public utility bonds by placing funds in irrevocable escrow accounts to provide for future debt service payments on the defeased debt. Accordingly, the escrow account assets and

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liabilities for the defeased debt are not included in the City's financial statements. At June 30, 2022, the outstanding balance of the defeased debt is \$0.0.

**C. Summary of Recent Refundings**

Periodically, the City issues debt to refund amounts outstanding on prior bond issuances to reduce interest payment costs. The details of these refunding issuances are as follows.

**1. Advance Refunding of General Obligation Public Improvement Bonds, Series 2011A and 2012A**

On December 28, 2017, the City issued \$71.53 million of General Obligation Public Improvement Refunding Bonds, Series 2017A to refund a portion of the 2011A and the remaining balance of the 2012A Series General Obligation Public Improvement Bonds. The refunding bonds combined with \$13.59 million in premiums to provide resources to purchase U.S. Government, State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$109.91 million of refunded General Obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The net carrying amount of the old debt exceeded the reacquisition price by \$6.93 million. This difference is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$8.3 million and resulted in an economic gain of \$6.8 million. The escrow agent called the series 2011A refunded bonds on June 1, 2021 and the 2012A refunded bonds on April 1, 2022.

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

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:

<b>Year Ending June 30</b>	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 55,262,897	\$ 23,286,323	\$ 78,549,220
2024	53,149,239	20,660,913	73,810,152
2025	53,235,117	18,023,756	71,258,873
2026	50,171,103	15,475,169	65,646,272
2027	45,875,666	13,102,619	58,978,285
2028-2032	171,057,348	38,617,704	209,675,052
2033-2037	94,135,000	11,972,550	106,107,550
2038-2042	41,195,000	1,940,825	43,135,825
Totals	<u>\$ 564,081,370</u>	<u>\$ 143,079,859</u>	<u>\$ 707,161,229</u>

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Annual Debt Service requirements to maturity for Storm Water Utility and Water and Sewer System Revenue Bonds are as follows:

Year Ending June 30	Business-Type Activities		
	Principal	Interest	Total
2023	\$ 15,875,000	12,298,681	\$ 28,173,681
2024	16,745,000	11,498,781	28,243,781
2025	17,675,000	10,646,406	28,321,406
2026	17,995,000	9,763,131	27,758,131
2027	16,270,000	8,932,981	25,202,981
2028-2032	80,365,000	33,789,644	114,154,644
2033-2037	79,480,000	18,776,075	98,256,075
2038-2042	59,525,000	8,223,778	67,748,778
2043-2048	30,115,000	1,578,600	31,693,600
Totals	<u>\$ 334,045,000</u>	<u>\$ 115,508,077</u>	<u>\$ 449,553,077</u>

Annual Debt Service requirements to maturity for Public Facility Revenue Bonds are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities		Total Debt Service		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2023	\$ 36,270,063	\$ 11,969,590	\$ 8,454,937	\$ 1,311,241	\$ 44,725,000	\$ 13,280,831	\$ 58,005,831
2024	35,670,785	10,255,058	5,484,215	1,015,598	41,155,000	11,270,656	52,425,656
2025	25,572,081	8,803,117	4,902,919	789,965	30,475,000	9,593,082	40,068,082
2026	21,243,942	7,599,685	2,826,058	576,021	24,070,000	8,175,706	32,245,706
2027	20,179,965	6,627,781	2,900,035	445,325	23,080,000	7,073,106	30,153,106
2028-2032	79,820,100	21,871,911	7,209,900	1,128,364	87,030,000	23,000,275	110,030,275
2033-2037	59,997,320	8,026,617	2,632,680	201,452	62,630,000	8,228,069	70,858,069
2038-2042	25,235,000	1,051,863	145,000	4,713	25,380,000	1,056,576	26,436,576
Totals	<u>\$ 303,989,256</u>	<u>\$ 76,205,622</u>	<u>\$ 34,555,744</u>	<u>\$ 5,472,679</u>	<u>\$ 338,545,000</u>	<u>\$ 81,678,301</u>	<u>\$ 420,223,301</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. Compensated absences (except School Board and most Proprietary funds) will 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. Total interest expense incurred on the various types of debt shown in Note 6D for the year ended June 30, 2022, was \$53,117,811 as reflected in Note 6I.

**E. Agricultural Reserve Program**

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

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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 fee simple title to the land and continuing to farm. The City acquires these development rights by executing installment purchase agreements with the landowners.

These agreements provide for the payment of the principal balance of each 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. On May 9, 1995, the City Council originally dedicated a one and one-half cent increase in the real estate tax to finance the program, and has made the following changes to the tax rate dedication and/or uses of ARP funds.

- On May 11, 2004, the Council reduced the amount to one cent.
- On May 9, 2006 the Council reduced the amount to nine tenths of one cent.
- On May 12, 2015, the Council reduced the amount to 56 one-hundredths of one cent.
- On May 9, 2017, the Council increased the amount to nine tenths of one cent to preserve property in the Transition Area of the City and other Agricultural Reserve Program costs.
- On May 15, 2018, the Council expanded the use of ARP funds to provide support for storm water capital projects benefiting the southern portion of the City including \$990,000 annually in cash funding for project 7-024, "Southern Canal/Lead Ditch and Culvert Improvements" and a one-time contribution of \$1.5 million to project 7-047, "Ashville Park Drainage Improvements" (currently, projects 100390 and 100022, respectively).

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 and principal payments will be paid from a dedicated portion of real estate taxes. Principal payments will be made from maturing zero coupon Treasury securities purchased using funds provided by the dedicated portion of real estate taxes; the term to maturity is 25-years.

As of June 30, 2022, 104 installment purchase agreements totaling 10,285 acres with a total purchase price of \$52,001,998 have been executed. During FY 2022, one installment purchase agreement was executed totaling \$561,680 for 50.15 acres. Principal totaling \$2,211,066 was retired in FY 2022. Interest expense incurred on this debt for the year ended June 30, 2022 was \$2,503,555. As of June 30 2022, 98 installment purchase agreements totaling 9,478 acres with a total purchase price of \$49,790,932 are outstanding.

Annual Debt Service requirements to maturity for Agricultural Reserve Program:

<b>Year Ending</b>			
<b>June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 6,949,719	\$ 2,073,073	\$ 9,022,792
2024	1,034,361	1,881,591	2,915,952
2025	2,442,859	1,843,665	4,286,524
2026	2,166,758	1,645,113	3,811,871
2027	3,644,389	1,468,705	5,113,094
2028-2032	6,092,414	5,994,923	12,087,337
2033-2037	14,258,278	3,578,056	17,836,334
2038-2042	7,302,818	1,459,941	8,762,759
2043-2047	5,899,336	445,097	6,344,433
Totals	<u>\$ 49,790,932</u>	<u>\$ 20,390,164</u>	<u>\$ 70,181,096</u>

**F. 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

**CITY OF VIRGINIA BEACH, VIRGINIA**  
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total assessed value of taxable real property. At June 30, 2022, the City's debt limit was \$6.5 billion of which \$5.9 billion was available for the issuance of additional debt (which is known as the legal debt margin).

**G. Water and Sewer Enterprise Revenue Bonds**

Water and Sewer System 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 has pledged future water and sewer revenues, net of specified operating expenses, to repay the following bond issues:

- \$44.8 million in Water and Sewer System Revenue Bonds issued on November 13, 2013. The bonds are payable solely from water and sewer customer net revenues and are payable through 2039. At June 30, 2022, the total principal and interest remaining to be paid on the bonds is \$48,828,925.
- \$46.7 million in Water and Sewer System Revenue Bonds issued on June 8, 2016. The bonds are payable solely from water and sewer customer net revenues and are payable through 2042. At June 30, 2022, the total principal and interest remaining to be paid on the bonds is \$55,379,562.
- \$42.9 million in Water and Sewer System Refunding Revenue Bonds issued on June 8, 2016. The bonds are payable solely from water and sewer customer net revenues and are payable through 2031. At June 30, 2022, the total principal and interest remaining to be paid on the bonds is \$38,061,762.
- \$45.6 million in Water and Sewer System Revenue Bonds issued on October 22, 2020. The bonds are payable solely from water and sewer customer net revenues and are payable through 2045. At June 30, 2022, the total principal and interest remaining to be paid on the bonds is \$59,451,375.
- \$51.1 million in Water and Sewer System Refunding Revenue Bonds issued on October 22, 2020. The bonds are payable solely from water and sewer customer net revenues and are payable through 2035. At June 30, 2022, the total principal and interest remaining to be paid on the bonds is \$57,897,725.

The aforementioned Water and Sewer System Revenue Bonds were issued for rehabilitation of aging infrastructure, neighborhood improvement projects, system expansion, and roadway and storm water coordination projects adopted in the City's Capital Improvement Program. The total principal and interest remaining to be paid on the outstanding Water and Sewer Revenue Bonds is \$259,619,349. 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. Furthermore, City Council set a goal of debt service coverage on its water and sewer revenue bonds at not less than 1.50-times of net revenues to debt service. At June 30, 2022, the debt service coverage on the water and sewer revenue bonds is 2.8-times. As shown on Statistical Table 13, the total principal and interest expense for the current year and net available customer operating income were \$18,837,626 and \$51,927,763, respectively.

**H. Storm Water Revenue Bonds**

Storm Water Utility 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 has pledged future storm water revenues, net of specified operating expenses, to repay the following bond issues:

- \$23.5 million in Storm Water Revenue Bonds issued on January 28, 2015. The bonds are payable solely from storm water customer net revenues and are payable through 2040. At June 30, 2022, the total principal and interest remaining to be paid on the bonds is \$24,481,909.



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- \$29.5 million in Storm Water Utility Revenue Bonds issued on February 27, 2019. The bonds are payable solely from storm water customer net revenues and are payable through 2043. At June 30, 2022, the total principal and interest remaining to be paid on the bonds is \$39,263,644.
- \$77.4 million in Storm Water Utility Revenue Bonds issued on October 7, 2020. The bonds are payable solely from storm water customer net revenues and are payable through 2045. At June 30, 2022, the total principal and interest remaining to be paid on the bonds is \$109,271,675
- \$14.1 million in Storm Water Utility Refunding Revenue Bonds issued in October 7, 2020. The bonds are payable solely from storm water customer net revenues and are payable through 2035. At June 30, 2022, the total principal and interest remaining to be paid on the bonds is \$16,916,500.

The aforementioned Storm Water Utility Revenue Bonds were issued to address flood control, water quality and capital maintenance adopted in the City's Capital Improvement Program. The total principal and interest remaining to be paid on the outstanding Storm Water Revenue Bonds is \$189,933,728. 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. Furthermore, the City has a policy of debt service coverage on its storm water revenue bonds at not less than 1.5-times of net revenues to debt service. At June 30, 2022, the debt service coverage on the storm water revenue bonds is 3.5-times. As shown on Statistical Tablew 14, the total principal and interest expense for the current year and net available customer operating income were \$9,318,793 and \$32,416,897, respectively.

**I. Debt Service Expenditures**

Summarized below are the annual requirements to pay debt service costs on all outstanding long-term debt as of June 30, 2022.

<b><u>General Government City:</u></b>	<b>Principal Retirement<sup>1</sup></b>	<b>Interest and Fiscal Charges<sup>2</sup></b>	<b>Total</b>
General Obligation Bonds	\$ 54,070,434	\$ 24,530,843	\$ 78,601,277
State Literary Fund Loans	375,000	11,250	386,250
Public Facility Revenue Bonds	37,011,626	13,807,607	50,819,233
Agriculture Reserve Program	2,211,066	2,503,555	4,714,621
Bank Charges & Bond Issuance Costs	-	400,867	400,867
Total Tax Supported Debt Service	93,668,126	41,254,122	134,922,248
	<b>Principal<sup>1</sup> Retirement</b>	<b>Interest and Fiscal<sup>2</sup> Charges</b>	<b>Total</b>
<b><u>Enterprise Funds:</u></b>			
Revenue Bonds	15,065,000	13,052,062	28,117,062
Public Facility Revenue Bonds	8,438,374	1,716,049	10,154,423
Bank Charges & Bond Issuance Costs	-	39,357	39,357
Total Enterprise Debt Service	23,503,374	14,807,468	38,310,842
<b>Total Debt Service</b>	<b>\$ 117,171,500</b>	<b>\$ 56,061,590</b>	<b>\$ 173,233,090</b>

<sup>1</sup> Excludes bonds refunded

<sup>2</sup> Excludes Premium from bond sales

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**J. Accrued Compensated Leave**

The accrued compensated leave is as follows at June 30, 2022.

	<b>Primary Government</b>		<b>School Board</b>	
	<b>Governmental</b>	<b>Business-Type</b>	<b>School Board</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	<b>Component Unit</b>	
City - Annual	\$ 33,224,846	\$ 2,936,822	\$ -	\$ 36,161,668
City - Compensatory	8,186,649	450,369	-	8,637,018
City - Sick	2,723,559	311,214	-	3,034,773
School - Annual	-	-	14,838,070	14,838,070
School - Sick	-	-	20,156,486	20,156,486
School - Personal	-	-	7,227,161	7,227,161
Total	<u>\$ 44,135,054</u>	<u>\$ 3,698,405</u>	<u>\$ 42,221,717</u>	<u>\$ 90,055,176</u>

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**K. Authorized But Unissued Bonds**

A summary of debt authorized by City Council, as of June 30, 2022, but not yet issued is listed below. The City's practice is to issue debt on a reimbursement bases after capital project expenses have been incurred.

**Charter Based Debt:**

**General Obligation Debt:**

2018 Charter Bonds	\$ 31,129,382
2019 Charter Bonds	65,332,867
2020 Charter Bonds	69,741,841
2021 Charter Bonds <sup>1</sup>	629,178,775
2022 Charter Bonds	69,107,404
Total General Obligation Debt	<u>864,490,269</u>

**Revenue Bond Debt:**

**Water and Sewer 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
Total Water and Sewer Debt	<u>55,365,950</u>

**Storm Water Utility Debt:**

2018 Storm Water Utility Revenue Bonds	6,711,726
2019 Storm Water Utility Revenue Bonds	25,000,000
2020 Storm Water Utility Revenue Bonds	34,708,495
2021 Storm Water Utility Revenue Bonds	50,545,315
2022 Storm Water Utility Revenue Bonds	2,177,367
Total Storm Water Utility Debt	<u>119,142,903</u>

<b>Total Authorized and Unissued Charter &amp; Revenue Bond Debt - June 30, 2022</b>	<u><u>1,038,999,122</u></u>
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**Appropriation-Supported Debt:**

**Public Facility Revenue Bonds**

Total Authorized and Unissued Debt - June 30, 2022	<u><u>\$ 1,452,368,861</u></u>
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<sup>1</sup> The authorized but unissued 2021 Charter Bonds include \$567,500,000 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 and authorized by City Council on November 16, 2021.

**L. Revenue Covenants**

Management believes the City is in compliance with all significant financial covenants contained in the various bond indentures, including those found in the Master Resolution adopted February 1992, as amended and supplemented, for the Water & Sewer Revenue Bonds, as well as those found in the Agreement of Trust dated January 1, 2000, as amended and supplemented, for the Storm Water Revenue Bonds.

**M. Compliance**

Management believes the City has no violations of finance related legal and contractual provisions.

**CITY OF VIRGINIA BEACH, VIRGINIA**  
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**N. Public Facility Revenue Bonds and Associated VBDA 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 VBDA, a blended component unit of the City.

The VBDA issued PFRBs, Series 2005B, and 2007A & B, to finance the acquisition of three public parking garages and appurtenant structures for the Town Center Project - Phase II and III. VBDA issued 2014A Public Facility Revenue Bonds 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 & C, Series 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.

A portion of the PFRBs, Series 2003, 2005A, 2007A, 2010A, Series 2012A, 2014A, 2018A, and 2020A 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.

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**7. Leases**

The City has implemented GASB Statement No. 87, *Leases*, in fiscal year 2022. 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 this statement, 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
Buildings	\$ 17,569,099	\$ 4,501,396
Equipment	304,682	182,809
Land Improvements	2,965,874	208,132
Land	251,834	143,905
Total Leases	<u>\$ 21,091,489</u>	<u>\$ 5,036,242</u>

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.

As of June 30, 2022, 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:

Fiscal Year	Governmental Activities					Liability Ending Balance
	Liability Beginning Balance	Principal Payments	Interest Payments	Total Payments		
2023	\$ 11,728,920	\$ 3,302,524	\$ 120,930	\$ 3,423,454		\$ 8,426,396
2024	7,426,396	2,461,110	96,082	2,557,192		4,965,286
2025	5,965,286	1,380,536	76,473	1,457,009		4,584,750
2026	4,584,750	843,401	62,785	906,186		3,741,349
2027	3,741,349	842,195	50,570	892,765		2,899,154
2028 - 2032	2,899,154	2,732,104	86,343	2,818,447		167,050
2033 - 2037	167,050	112,926	11,862	124,788		54,124
2038 - 2040	54,124	54,124	1,191	55,315		-
Total	<u>\$ 36,567,029</u>	<u>\$ 11,728,920</u>	<u>\$ 506,236</u>	<u>\$ 12,235,156</u>		<u>\$ 24,838,109</u>

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Fiscal Year	Business - Type Activities				
	Liability Beginning Balance	Principal Payments	Interest Payments	Total Payments	Liability Ending Balance
2023	\$ 4,499,080	\$ 887,264	\$ 16,427	\$ 903,691	\$ 3,611,816
2024	3,611,816	896,258	11,330	907,588	2,715,558
2025	2,715,558	377,595	7,380	384,975	2,337,963
2026	2,337,963	209,858	6,554	216,412	2,128,105
2027	2,128,105	210,504	5,908	216,412	1,917,601
2028 - 2032	1,917,601	1,062,288	19,773	1,082,061	855,313
2033 - 2037	855,313	645,257	3,979	649,236	210,056
2038 - 2040	210,056	210,056	3,416	213,472	-
Total	\$ 18,275,492	\$ 4,499,080	\$ 74,767	\$ 4,573,847	\$ 13,776,412

**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 \$2.1 million. Total deferred inflow of resources related to leases are \$8.4 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, 2022, 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:

**Principal and interest Expected to Maturity**

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 827,982	\$ 130,596	\$ 958,577
2024	802,575	121,051	923,626
2025	638,986	111,936	750,923
2026	567,610	103,790	671,400
2027	447,145	96,270	543,415
2028 - 2032	603,404	432,274	1,035,678
2033 - 2037	122,736	411,776	534,512
2038 - 2042	104,987	398,863	503,850
2043 - 2047	101,659	386,491	488,150
2048 - 2052	114,749	373,401	488,150
2053 - 2057	129,525	358,624	488,150
2058 - 2062	146,204	341,946	488,150
2063 - 2067	165,031	323,119	488,150
2068 - 2072	186,282	301,868	488,150
2073 - 2077	210,269	277,881	488,150
2078 - 2082	237,345	250,805	488,150
2083 - 2087	267,908	220,242	488,150
2088 - 2092	302,406	185,744	488,150
2093 - 2097	341,346	146,804	488,150
2098 - 2102	385,301	102,849	488,150
2103 - 2107	434,916	53,234	488,150
2108 - 2111	213,572	6,095	219,667
Total	\$ 7,351,937	\$ 5,135,659	\$ 12,487,596

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Fiscal Year	Business - Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 259,639	\$ 104,008	\$ 363,647
2024	248,636	102,876	351,512
2025	249,720	101,792	351,512
2026	240,184	100,746	340,930
2027	241,231	99,699	340,930
2028 - 2032	1,744,193	480,457	2,224,650
2033 - 2037	2,574,364	430,286	3,004,650
2038 - 2042	2,630,960	373,690	3,004,650
2043 - 2047	2,688,799	315,851	3,004,650
2048 - 2052	2,747,910	256,740	3,004,650
2053 - 2057	2,808,321	199,082	3,007,403
2058 - 2062	2,870,060	134,590	3,004,650
2063 - 2067	2,933,156	71,494	3,004,650
2069 - 2070	1,790,755	12,035	1,802,790
Total	<u>\$ 24,027,928</u>	<u>\$ 2,783,346</u>	<u>\$ 26,811,274</u>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
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**8. 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 two financial institutions. Bank of America provides services to the City while a \$3.5 million balance is maintained in a demand deposit account. 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, 2022, 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 internal investment pool.

		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Weighted Average Maturities (in months)
<b><u>Investments at Fair Value:</u></b>	<b><u>6/30/2022</u></b>				
Money Market funds	\$ 9,891,222	\$ -	\$ 9,891,222	\$ -	0.01
Negotiable Certificates of Deposits	250,157,738	-	250,157,738	-	1.50
Commercial Paper	44,365,911	-	44,365,911	-	0.20
U. S. Government Securities	134,969,728	-	134,969,728	-	2.23
Miscellaneous Coupon Securities	300,447,823	\$ -	300,447,823	-	4.52
	<u>\$ 739,832,422</u>	<u>\$ -</u>	<u>\$ 739,832,422</u>	<u>\$ -</u>	<u>0.04</u>
<b><u>Investments Measured at amortized Cost:</u></b>					
Certificates of Deposits	\$ 110,332,669				0.41
SNAP	29,009,950				0.04
LGIP	212,000,000				0.16
VIP	10,731,286				0.01
VIP - Liquidity Pool	209,582,725				0.16
Total Fair Value	<u>\$ 571,656,630</u>				
Total Investments					
Portfolio Weighted Average Maturity	<u>\$ 1,311,489,052</u>				<u>1.62</u>

The City has investments in U.S. Government securities valued at \$135.0 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' 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.



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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 \$571.7 million at June 30, 2022. Investments within the SNAP Investment Pool are held there to meet the 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, 2022:

	<b>Primary Government</b>	<b>School Board Component Unit</b>	<b>Total</b>
Cash and Investment	\$ 1,015,661,367	\$ 328,357,377	\$ 1,344,018,744
Restricted Cash and Cash Equivalents	246,652,713	-	246,652,713
Fiduciary Funds	53,593,618	39,779,906	93,373,524
Total	<u>\$ 1,315,907,698</u>	<u>\$ 368,137,283</u>	1,684,044,981
Less: Cash on Deposit			(372,555,929)
Total Fair Value of Investment at June 30, 2022			<u>\$ 1,311,489,052</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 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

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with securities approved for direct investment; State Treasurer's LGIP; and corporate notes with at least a rating of Aa by Moody's or AA by Standard and Poor's.

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, 2022 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	\$ 212,000,000	\$ -
U. S. Government Securities	134,969,728	-
SNAP	29,009,950	-
Commercial Paper	44,365,911	-

**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 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.

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**9. 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, 2022 of the permitted cells at the City landfill is 1.65 million tons. Total usage to date has been estimated at 3.85 million tons. Estimated remaining life of the landfill, based on current fill rates is 20 years for the existing developed capacity and 72 years for the permitted capacity.

As of January 1, 2022, approximately 70 percent (by tonnage) of the permitted landfill has been used. Based on a June 2022 analysis, the present value of the estimated cost for both closure and post-closure care is \$22,937,488, 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 \$308,547 as of June 30, 2022.

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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, 2022 the City had outstanding encumbrances as follows:

<b>General Fund</b>	
General Government	\$ 76,503
City Treasurer	947,665
Aquarium	189,517
Computer Replacement Program	2,001,606
Convention and Visitors Bureau	118,771
Cultural Affairs and Historic Houses	2,080,569
Economic Development	681,867
Finance	107,862
Housing	345,680
Information Technology	628,653
Library	181,130
Office Of Performance & Accountability	100,000
Parks and Recreation	165,266
Planning	122,744
Police	1,319,018
Public Works	3,010,538
Vehicle Replacement	2,955,746
Total General Fund	<u>15,033,135</u>
<b>Capital Projects Fund</b>	
Engineering and Highways	110,074,113
Buildings	82,689,280
Information Technology	23,213,660
Parks and Recreation	7,925,162
Coastal	7,843,564
Economic and Tourism	11,227,995
Total Capital Projects Fund	<u>242,973,774</u>
<b>Nonmajor Special Revenue Funds</b>	<u>2,456,701</u>
<b>Total</b>	<u><u>\$ 260,463,610</u></u>

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**10. 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)	Business License Incentive Program (BPOL)
	Cavalier	
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: FY2022 - \$549,159 FY2021 - \$989,594
9) Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement	Real Estate Tax: FY2022 - \$ - FY2021 - \$1,509,882  Sales Tax: FY2022 - \$646,346 (City's portion only) FY2021 - \$417,173 (City's portion only)	Business License Tax: FY2022 - \$276,525 FY2021 - \$350,220

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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	ViBE Creative District
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.	To attract creative industries to the City, new establishments at which creative activities are carried on, establish framework for broadening economic development through creative endeavors, and to encourage creative activities at existing venues.
2) Tax being abated	Real Estate Tax; Business License Tax and Fees	Real Estate Tax; Business License Tax and Fees
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.	Being a qualifying organization including one that is intended for unique production of works created by artists, a museum, theater, entity engaged in architecture, culinary arts, design, film, publishing, and software development, etc.; and shall be physically located within a Creative District designated by the City Council.
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. Through reimbursement of business, professional, and occupational license taxes. Reimbursement of fees.
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.	Real estate credit is amount equal to the greater of initial increase in assessed value of the structure above its base value resulting from the rehabilitation of the structure or an amount equal to fifty percent of the qualifying costs of rehabilitating the structure, for 10 years. Entitled to reimbursement for up to 10 years of BPOL taxes. Total reimbursement of fees if qualified.
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: FY2022 - \$71,248 FY2021 - \$81,436	Eligible for Economic Development Investment Program Grant. FY2022 - \$ - FY2021 - \$ -
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: FY2022 - \$74,748 FY2021 - \$55,647 No Real Estate Taxes have been credited to-date	There are currently four qualifying establishments under this program and due to Virginia Law this amount cannot be disclosed, therefore it is included with the amount in APZ-1.

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Virginia Beach Tax Abatement Disclosure as required by Statement No. 77 of the Governmental Accounting Standards	<b>Programs Administered by City of Virginia Beach</b>
	25th Street Parking Garage and iFLY
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.
2) Tax being abated	Admissions Tax
3) Authority under which abatement agreements are entered into	Virginia Public-Private Education Facilities and Infrastructure Act of 2002
4) Criteria to be eligible to receive abatement	The project's comprehensive agreement was approved by City Council February 2013.
5) How recipients' taxes are reduced	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.
7) Provisions for recapturing abated taxes	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.
9) Gross dollar amount, on accrual basis, by which the City's tax revenues were reduced as a result of abatement agreement	Admission Tax: FY2022 - \$97,446 FY2021 - \$91,003

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**11. INTERFUND BALANCES AND TRANSACTIONS, FUND RESULTS AND RECONCILIATIONS**

**A. Interfund Transfers**

Interfund transfers for the year ended June 30, 2022 were made up of the following:

**Purpose:**

**Transfers From General Fund:**

<b>Transfer To:</b>	<b>General Fund</b>	<b>Capital Projects</b>	<b>Nonmajor Governmental</b>	<b>Nonmajor Parking Enterprise</b>	<b>Internal Service</b>	<b>Total</b>
General Fund		\$ -	\$ 765,724	\$ -	\$ -	\$ 765,724
Capital Projects Fund	103,748,451	-	16,243,427	500,000	1,100,000	121,591,878
Storm Water Fund	14,000,000	-	2,526,941	-	-	16,526,941
Nonmajor Governmental	82,965,435	9,000,000	4,663,259	-	-	96,628,694
Nonmajor Enterprise Funds	-	-	68,500	-	-	68,500
Total	\$ 200,713,886	\$ 9,000,000	\$ 24,267,851	\$ 500,000	\$ 1,100,000	\$ 235,581,737

**Transfers From General Fund:**

\$ 103,748,451	Capital Projects Fund: Funding for Pay-As-You-Go Capital Projects Fund
14,000,000	Storm Water Projects Fund: Funding for Pay-As-You-Go Storm Water Projects Fund
82,965,435	Nonmajor Governmental Funds: Funding for Special Revenue programs and Debt Fund

**Transfers From Capital Projects:**

\$ 103,748,451	Capital Projects Fund: Funding for Pay-As-You-Go Capital Projects Fund
14,000,000	Storm Water Projects Fund: Funding for Pay-As-You-Go Storm Water Projects Fund
82,965,435	Nonmajor Governmental Funds: Funding for Special Revenue programs and Debt Fund

**Transfers From Nonmajor Governmental Funds:**

\$ 103,748,451	Capital Projects Fund: Funding for Pay-As-You-Go Capital Projects Fund
14,000,000	Storm Water Projects Fund: Funding for Pay-As-You-Go Storm Water Projects Fund
82,965,435	Nonmajor Governmental Funds: Funding for Special Revenue programs and Debt Fund

**Transfer From Nonmajor Enterprise Fund:**

\$ 500,000	Capital Project Funds: Economic and Tourism.
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**Transfer From Internal Service Fund:**

\$ 1,100,000	Capital Project Funds: Funding for support of Information Technology Capital Projects
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**B. Net Position Deficit**

The following funds have deficit balances in Fund Balance or Net Position at June 30, 2022:

**Governmental Funds:**

Sheriff's Department Fund	\$ (3,496,170)
Law Library Fund	\$ (59,055)

**Proprietary Funds:**

Risk Management Fund	\$ (7,223,945)
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The deficit in the Sheriff's Department Fund is a result of court closures due to COVID-19 for part of the year and decreasing inmate population, resulting in a loss of state revenues and the timing of federal reimbursements.

The deficit in the Law Library Fund is a result of record low civil action filing due to the COVID-19 pandemic.

The deficit in the Risk Management Fund represents the actuarially estimated liability for future claims. The rate structure for the Risk Management Fund is continually being evaluated for adjustments.

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**12. RISK MANAGEMENT**

**A. Primary Government Self-Insurance Program**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During Fiscal Year 1973, the City established an internal service Risk Management Fund to account for and finance its uninsured risks of loss. Under this program, the Fund provides coverage for up to a maximum of \$1,500,000 for each workers' compensation claim, \$2,000,000 for each general and auto liability claim, \$50,000 for each fire and property claim (\$100,000 for schools), and \$2,000,000 for each public officials (errors and omissions) claim.

The City is also exposed to the risk of loss for employee medical benefits. These medical benefits are accounted for in the School Health Insurance Internal Service Fund. This fund accounts for and finances this joint self-insured program between the City and the School Board.

The insurance coverage for each major category of risk is the same as those reported in the prior fiscal year. There have not been any reductions in commercial insurance coverage from the prior year and the amount of settlements applied against this coverage in each of the past three years did not exceed the commercial insurance. The City has \$10,000,000 of excess insurance coverage per claim and \$20,000,000 aggregate. In addition, the City purchased Cyber insurance with a \$5,000,000 limit for each claim and in aggregate policy. These coverages include data breach incident response, network security, privacy liability, data breach liability, regulatory liability, business interruption, data restoration, cyber extortion and media liability.

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 agency's loss experience. The City uses an actuary to aid in the determination of self-insurance liabilities.

The claims liability of \$49,400,980 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 biennially, and believes the estimates contained herein substantially reflect estimated claims and judgments for the period ending June 30, 2022.

<b>Fiscal Year</b>	<b>Beginning Liability</b>	<b>Claims &amp; Changes in Estimates</b>	<b>Claims Payments</b>	<b>Balance at Year-End</b>
2021	\$ 44,599,078	\$ 11,314,899	\$ 10,259,314	\$ 45,654,663
2022	45,654,663	13,720,658	9,974,341	49,400,980

**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 \$10,000 per occurrence; School Leaders Liability (errors and omissions) coverage is \$350,000 per occurrence; Crime (Employee Dishonesty) coverage is \$2,500 per occurrence; Environmental Impairment is \$25,000 and Cyber Liability coverage has a \$50,000 self-insured retention. Automobile Liability coverage (engine on) is \$450,000 per occurrence; Automobile Physical Damage coverage (engine off) is \$60,000 per occurrence; General and Automobile and Workers' Compensation self-insured retention is \$750,000 per claim.

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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 for the last three years are as follows:

<b>Fiscal Year</b>	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims &amp; Changes in Estimates</b>	<b>Claims Payments</b>	<b>Balance at Fiscal Year-End</b>
2021	\$ 7,808,151	\$ 7,974,335	\$ 5,725,394	\$ 10,057,092
2022	10,057,092	8,353,507	7,289,980	11,120,619

**Self-Insured Health Care Benefits Program**

Effective January 1, 2000, the School Board and City Council 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. The amount of settlements did not exceed insurance coverage for each of the past three fiscal years.

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 for the last three years are as follows:

<b>Fiscal Year</b>	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims &amp; Changes in Estimates</b>	<b>Claims Payments</b>	<b>Balance at Fiscal Year-End</b>
2021	\$ 8,255,000	\$ 147,366,000	\$ 147,083,000	\$ 8,538,000
2022	8,538,000	152,385,651	153,310,651	7,613,000

**C. Surety Bonds**

All City employees, including employees of elected constitutional officers (Commissioner of the Revenue, Treasurer, Commonwealth's Attorney, Sheriff, Clerk of the Circuit Court), are bonded in favor of the City in the amount of \$1,000,000. This bond is written by the Travelers Insurance Company.

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.

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**13. 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:

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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"> <li>• The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula.</li> <li>• 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.</li> <li>• 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.</li> </ul>
<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"> <li>• Political subdivision employees</li> <li>• 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.</li> </ul>

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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"> <li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees.</li> </ul> <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. 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**  
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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**  
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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"> <li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li> <li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li> <li>• After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</li> </ul> <p>Distribution is not required by law until age 70½.</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**  
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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**  
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PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Normal Retirement Age VRS: Age 65.</p> <p>Political subdivisions hazardous duty employees: Age 60.</p>	<p>Normal Retirement Age VRS: Normal Social Security retirement age.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Normal Retirement Age Defined Benefit Component: VRS: Same as Plan 2.</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>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.</p> <p>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.</p>	<p>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.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>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.</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>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
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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:  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**  
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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"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP).</li> <li>• 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.</li> <li>• 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.</li> </ul>	<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**  
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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 comprehensive annual 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://employers.varetire.org/pdfs/gasb/actuarial/gasb-68-2021.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500 Richmond, VA., 23218-2500.

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***Employees Covered by Benefit Terms***

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>City</u>	<u>School Board Non Professional</u>
Inactive Members or Their Beneficiaries Currently Receiving Benefits	4,623	1,768
Inactive Members:		
Vested	914	303
Non-Vested	1,575	998
Long Term Disability	5	7
Active Elsewhere in VRS	864	392
Total Inactive Members	3,358	1,700
Active Members	6,005	1,969
Total	<u>13,986</u>	<u>5,437</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, 2022 was 16.29% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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, 2022 was 8.04% of annual covered payroll. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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, 2021 and June 30, 2020 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
2022	\$ 54,759,166	\$ 16,143,295	\$ 70,274,556	\$ 67,989,422	\$ 3,629,076	\$ 3,404,642
2021	\$ 52,803,308	\$ 16,422,289	\$ 67,989,422	\$ 65,059,491	\$ 3,404,642	\$ 2,928,810

***Net Pension Liability***

The City's net pension liability measured as of June 30, 2021 totaled \$260,062,702. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

As of June 30, 2022, the School Board Professional Retirement Plan reported a liability of \$374,959,932 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2021 relative to the total actuarially determined employer contributions for all participating employers. At June 30, 2021, the School Board's proportion was 4.83003% as compared to 4.91132% at June 30, 2020. The School Board's net pension liability for the Non Professional Retirement Plan measured as of June 30, 2021 totaled \$1,594,224. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

***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, 2020, 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, 2021.

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 Page 13 of 27

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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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



**CITY OF VIRGINIA BEACH, VIRGINIA  
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***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, 2020, 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, 2021.

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, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2016 through June 30, 2020 except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

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**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
- 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, 2020, 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, 2021.

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 expense, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GAAP purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

**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:**

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Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally  
Mortality Improvements:  
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, 2020 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020 except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study 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
- No change to salary scale
- No change to discount rate

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, 2020, 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, 2021.

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 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, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study 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
- No change to salary scale
- No change to 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 allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return*</b>
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
<b>Total</b>	<b>100.00%</b>		<b>4.89%</b>
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

\* The above allocation provides a one-year return of 7.39%. 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 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at the time, providing a median return of 7.11%, including expected inflation of 2.50%.

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***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. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2021, on, participating employers 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.

***Changes in Net Pension Liability***

City	Increase/(Decrease)		
	Plan Fiduciary		
	Total Pension Liability (a)	Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at June 30, 2020</b>	<u>\$ 2,240,672,313</u>	<u>\$ 1,715,205,678</u>	<u>\$ 525,466,635</u>
Changes for the Year:			
Service Cost	41,628,460	-	41,628,460
Interest	147,077,745	-	147,077,745
Changes of Assumptions	99,509,870	-	99,509,870
Difference between expected and actual experience	(22,225,698)	-	(22,225,698)
Contribution - Employer	-	52,734,089	(52,734,089)
Contribution - Employee	-	16,143,295	(16,143,295)
Net Investment Income	-	463,673,957	(463,673,957)
Benefit payments, including refunds of			
Employee Contributions	(123,485,515)	(123,485,515)	-
Administrative Expense	-	(1,174,234)	1,174,234
Other Changes	-	17,203	(17,203)
Net Changes	<u>142,504,862</u>	<u>407,908,795</u>	<u>(265,403,933)</u>
<b>Balances at June 30, 2021</b>	<u><u>\$ 2,383,177,175</u></u>	<u><u>\$ 2,123,114,473</u></u>	<u><u>\$ 260,062,702</u></u>

School Board Non Professional	Increase/(Decrease)		
	Plan Fiduciary		
	Total Pension Liability (a)	Net Position (b)	Net Pension Liability / (Asset) (a) - (b)
<b>Balances at June 30, 2020</b>	<u>\$ 250,359,718</u>	<u>\$ 216,260,637</u>	<u>\$ 34,099,081</u>
Changes for the Year:			
Service Cost	3,964,435	-	3,964,435
Interest	16,427,054	-	16,427,054
Difference between expected and actual experience	(808,663)	-	(808,663)
Assumption Changes	8,249,072	-	8,249,072
Contribution - Employer	-	3,376,047	(3,376,047)
Contribution - Employee	-	2,129,012	(2,129,012)

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Net Investment Income	-	58,169,277	(58,169,277)
Benefit payments, including refunds of			
Employee Contributions	(13,991,919)	(13,991,919)	-
Refunds of contributions	-	-	
Administrative Expense	-	(148,821)	148,821
Other Changes	-	(312)	312
Net Changes	13,839,979	49,533,284	(35,693,305)
<b>Balances at June 30, 2021</b>	<u>\$ 264,199,697</u>	<u>\$ 265,793,921</u>	<u>\$ (1,594,224)</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 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:

	<b>1% Decrease (5.75)%</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75)%</b>
City's Net Pension Liability	\$ 558,833,564	\$ 260,062,702	\$ 11,990,147
School Board's Non Professional Net Pension Liability / (Asset)	\$ 29,280,276	\$ (1,594,224)	\$ (27,440,567)
School Board's Proportionate Share of the Professional/Teacher Retirement Plan	\$ 723,652,366	\$ 374,959,932	\$ 88,113,832

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

For the year ended June 30, 2022, the City recognized pension expense of \$32,208,052. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>City</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 12,098,916	\$ 16,683,130
Changes of assumptions	90,932,206	-
Net difference between projected and actual earnings on plan investments	-	229,626,640
Employer contributions subsequent to the measurement date	54,759,166	-
Total	<u>\$ 157,790,288</u>	<u>\$ 246,309,770</u>

The \$54,759,166 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources

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and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30:	
2023	\$ (13,510,501)
2024	(25,816,474)
2025	(34,188,473)
2026	(69,763,200)
	<u>\$ (143,278,648)</u>

***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, 2022, the School Board recognize pension expense of \$74,195,158 for the Professional/Teacher Retirement Plan. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>School Board Professional</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 31,936,817
Change of assumptions	65,691,999	-
Net difference between projected and actual earnings on plan investments	-	236,289,715
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	21,035,202
Employer contributions subsequent to the Measurement Date	70,274,556	
Total	<u>\$ 135,966,555</u>	<u>\$ 289,261,734</u>

The \$70,274,556 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, 2023. 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:	
2023	\$ (53,964,376)
2024	(48,190,009)
2025	(52,448,100)
2026	(69,009,947)
2027	42,697
	<u>\$ (223,569,735)</u>

In addition, for the year ended June 30, 2022, the School Board recognized pension expense was \$1,381,214 for the Non Professional Retirement Plan. At June 30, 2021, the School Board Non Professional

Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<b>School Board Non Professional</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 384,711	\$ 467,455
Changes in Assumptions	4,768,451	-
Net difference between projected and actual earnings on plan investments	-	28,727,970
Employer contributions subsequent to the measurement date	3,629,076	-
Total	<u>\$ 8,782,238</u>	<u>\$ 29,195,425</u>

The \$3,629,076 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, 2023. 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:	
2023	\$ (3,198,386)
2024	(5,385,376)
2025	(6,685,872)
2026	(8,772,629)
	<u>\$ (24,042,263)</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



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are skilled and knowledgeable about investments. Investments for the SDBA include mutual funds, exchange-traded funds (ETFs) and individual securities.

As of June 30, 2022, the composition of participants was as follows:

Active Not Contributing	245
Separated from Service	105
Separated Without Balance	1
Total	<u>351</u>

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:

<u>Years of Service</u>	<u>Vested Percentage</u>
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.

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*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.

*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, 2022:

Mutual funds, at fair value:

Bond Fund	\$	178,636
Global Real Estate Fund		520
High-Yield Bond Fund		330
Inflation-Protected Bond Fund		2,099
International Stock Fund		112,041
Money Market Fund		41,811
Retirement Portfolio		73,512
Small/Mid-Cap Stock Fund		343,373
Stable Value Fund		842,578
Stock Fund		1,029,898
TD Ameritrade		10,480
Target Date 2025 Portfolio		87,372
Target Date 2030 Portfolio		151,889
Target Date 2035 Portfolio		118,039
Target Date 2040 Portfolio		173,284
Target Date 2045 Portfolio		61,139
Target Date 2050 Portfolio		21,961
Target Date 2055 Portfolio		46
	\$	<u>3,249,009</u>

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**14. 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 Virginia State Code 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 Virginia Code to retirees and their spouses and eligible dependents.

In accordance with Article 8, Chapter 15, Subtitled II of Title 15.2 of the Virginia Code, 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 are required supplemental information for the OPEB Trust Fund. A copy of the most recent report may be obtained from the VML VACo website at <http://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 Virginia Code, 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, 2022 includes:

	<u>City</u>	<u>School Board</u>
Active Participants	5,747	10,207
Retirees and Surviving Spouses	662	601
Spouses of Current Retirees	90	62
Total	<u>6,499</u>	<u>10,870</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.

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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, 2022 the actuarially determined contribution was set at \$4,710,600 for the City and at \$5,942,500 for the School Board. Plan members from each organization 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. City and School Board retirees with coverage for the spouses contributed \$10,284 and \$6,159 annually for the Point of Service and Consumer Driven Health Plan, 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 are per Milliman's investment consulting practice as of June 30, 2022. The inflation assumption is based on the 2021 Social Security Trustees report.

The following is for the City and School Board:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Expected Geometric Real Rate of Return</b>
US Core Fixed Income	21.00%	1.39%	1.28%
US Large Caps	26.00%	4.94%	3.46%
US Small Caps	10.00%	6.73%	4.18%
Foreign Developed Equity	13.00%	6.27%	4.52%
Emerging Markets Equity	5.00%	8.82%	5.31%
Private Real Estate Property	7.00%	4.61%	3.58%
Private Equity	5.00%	10.36%	6.15%
Commodities	3.00%	1.99%	0.61%
Hedge FOF Strategic	10.00%	3.58%	2.67%
Assumed Inflation - Mean		2.40%	2.40%
Assumed Inflation - Standard Deviation		1.23%	1.23%
Portfolio Real Mean Return		4.76%	3.97%
Portfolio Nominal Mean Return		7.16%	6.46%
Portfolio Standard Deviation			12.28%
<b>Long-Term Expected Rate of Return</b>			<b>6.50%</b>

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***Net OPEB Liability***

The City's Net OPEB Liability was measured as of June 30, 2022 and totaled \$37,196,213. The School Board's Net OPEB Liability was measured as of June 30, 2022 and totaled \$51,269,500. 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 GASB 74 and 75.

***Changes in Net OPEB Liability***

	<b>City</b>		
	<b>Total OPEB Liability</b>	<b>Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balances as of June 30, 2021</b>	\$ 83,670,375	\$ 59,087,742	\$ 24,582,633
Changes for the year:			
Service Cost	1,741,329	-	1,741,329
Interest on Total OPEB Liability	5,305,431	-	5,305,431
Effect of economic/demographic gains or losses	7,501,875		7,501,875
Effect of assumptions changes or inputs	271,399		271,399
Benefit Payments	(7,700,578)	(7,700,578)	-
Employer Contributions	-	7,700,578	(7,700,578)
Net Investment Income	-	(5,452,397)	5,452,397
Administrative Expenses	-	(41,727)	41,727
<b>Balances as of June 30, 2022</b>	<u>\$ 90,789,831</u>	<u>\$ 53,593,618</u>	<u>\$ 37,196,213</u>

	<b>School Board</b>		
	<b>Total OPEB Liability</b>	<b>Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balances as of June 30, 2021</b>	\$ 83,799,046	\$ 43,858,053	\$ 39,940,993
Changes for the year:			
Service Cost	2,049,213	-	2,049,213
Interest on Total OPEB Liability	5,360,537	-	5,360,537
Effect of economic/demographic gains or losses	7,289,849	-	7,289,849
Effect of assumptions changes or inputs	(584,251)	-	(584,251)
Benefit Payments		6,864,988	(6,864,988)
Employer Contributions	-	(4,047,045)	4,047,045
Net Investment Income	(6,864,988)	(6,864,988)	-
Administrative Expenses	-	(31,102)	31,102
<b>Balances as of June 30, 2022</b>	<u>\$ 91,049,406</u>	<u>\$ 39,779,906</u>	<u>\$ 51,269,500</u>

***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.

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	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>5.50%</b>	<b>6.50%</b>	<b>7.50%</b>
City's Total OPEB Liability	\$ 44,294,052	\$ 37,196,213	\$ 30,785,591
School Board's Net OPEB Liability	\$ 57,851,177	\$ 51,269,500	\$ 45,190,054

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.

	<b>1% Decrease</b>	<b>Current Trend</b>	<b>1% Increase</b>
		<b>Rate</b>	
City's Net OPEB Liability	\$ 29,457,286	\$ 37,196,213	\$ 46,089,762
School Board's Net OPEB Liability	\$ 43,615,085	\$ 51,269,500	\$ 59,980,899

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

For the year ended June 30, 2022 the City's and School Board's recognized OPEB expenses was \$3,924,395 and \$6,497,757, respectively.

At June 30, 2022 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflow</b>	<b>Deferred Inflow</b>
	<b>of Resources</b>	<b>of Resources</b>
Differences between Expected and Actual Experience	\$ 8,075,933	(1,142,033)
Changes in Assumptions	6,414,931	(12,699,005)
Net Difference between Projected and Actual Earnings	1,815,860	-
Total	<u>\$ 16,306,724</u>	<u>\$ (13,841,038)</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:	
2023	\$ 874,120
2024	671,501
2025	(1,383,618)
2026	246,054
2027	1,143,129
Thereafter*	914,500
	<u>\$ 2,465,686</u>

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

At June 30, 2022 the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 7,965,805	\$ -
Changes in Assumptions	7,770,802	13,973,371
Net Difference between Projected and Actual Earnings	1,331,976	-
Total	<u>\$ 17,068,583</u>	<u>\$ 13,973,371</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:

2023	\$ 2,041,769
2024	1,895,969
2025	(823,155)
2026	(303,974)
2027	(34,709)
Thereafter*	319,312
	<u>\$ 3,095,212</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 6.50%. The plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of all current 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. The following represent the summary of information included in the January 1, 2020 actuarial valuation prepared for Milliman, Inc. for the period:

Measurement Date:	June 30, 2022
Inflation:	2.50%
Actuarial Cost Method:	Entry Age Normal
Salary Increases Per Year of Service (Including Inflation):	General Employees with 1 to 19 years of service, the increases range from 5.35% to 3.65% and for those with 20 or more years of service the increase is 3.50%.
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.

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***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 on the following page.

<b>GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS</b>	
<b>Eligible Employees</b>	The GLI Program 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 end for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.
<b>Benefit Amounts</b>	The benefits payable under the GLI Program have several components <u>Natural Death Benefit</u> The natural death benefit is equal to the employee's covered compensation rounded to the nearest highest thousand and then doubled <u>Accidental Death Benefit</u> The accidental death benefit is double the natural death benefit. <u>Other Benefit Provisions</u> In addition to the basic natural and accidental death benefit, the program provides additional benefits under specific circumstance. These Include: Accidental dismemberment benefit Safety Belt benefit Repatriation benefit Felony assault benefit Accelerated death benefit option
<b>Reduction in Benefit Amounts</b>	The benefit amounts provided to members covered under the GLI 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.
<b>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</b>	For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI 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. The minimum benefit adjusted for the COLA was \$8,722 as of June 30, 2022.



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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, and 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 anticipating program cost and the number of covered individuals associated with all participating employers. Specific information for the Line of Duty Act Program, including eligibility, coverage and benefits is set out in the table below.

<b>LINE OF DUTY ACT PROGRAM PLAN PROVISIONS</b>	
<b>Eligible Employees</b>	The eligible employees of the Line and Duty Act Program (LODA) are paid employees and volunteers in hazardous duty position 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).
<b>Benefit Amounts</b>	<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 vocered individual. amounts vary as follows:</p> <ul style="list-style-type: none"> <li>• \$100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after.</li> <li>• \$25,000 when the cause of death is attributed to one of the applicable resumptions and occurred earlier than five years after the retirement date.</li> <li>• An additional \$20,000 benefit is payable when certain members of the National Guard and US military reserves are killed in action in any armed conflict on or after October 7, 2001.</li> </ul> <p>Health Insurance - The LODA Program provides health insurance for eligible individuals:</p> <ul style="list-style-type: none"> <li>• Prior to July 1, 2017, these benefits were managed through carious employer plans and maintained the beenfits that existed prior to the employee's death or disability. These premiums were reimbursed to the employer by the LODA program.</li> <li>• Beginning July 1, 2017, the health insurance benefits are managed throug the Virginia Department of Human Resources Management. 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. Individuals receiving the health insurance benefits must continue to meet eligibility requirements as defined by the Line of Duty Act.</li> </ul>

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 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 employees either through a local plan or through the Virginia Local Disability Program. Specific information for the VLDP, including eligibility, coverage and benefits is set out in the table below.

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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 LLDP 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 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 System, 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 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.

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The specific information for the Teacher Health Insurance Credit Program OPEB, including eligibility, coverage, and benefits is set out in the table below:

<b>TEACHER EMPLOYEE HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS</b>
<p><b>Eligible Employees</b>  The Teacher Employee Retiree HIC 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:  Full-time permanent (professional) salaried employees of public school divisions covered under VRS.</p>
<p><b>Benefit Amounts</b>  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:</p> <ul style="list-style-type: none"> <li>• \$4.00 per month multiplied by twice the amount of service credit, or</li> <li>• \$4.00 per month multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.</li> </ul>
<p><b>HIC Notes:</b>  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 year of service credit to qualify for the health insurance credit as a retiree.</p>

***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 1.34% of covered employee compensation. This was allocated into an employee and employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34 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, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$1,821,273 and \$1,786,400 for the years ended June 30, 2022 and June 30, 2021, respectively. Contributions to the GLI Program for the School Board for combined professionals and nonprofessionals were \$2,637,640 and \$2,553,681 for the years ended June 30, 2022 and June 30, 2021, respectively.

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, 2022 was \$722.55 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019 and represents the pay-as-you-go funding

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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 \$1,361,098 and \$1,347,490 for the years ended June 30, 2022 and June 30, 2021, 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 state agencies 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, 2022 was 0.83% of covered employee compensation for employees in the VRS Political Subdivision Employee VLDP. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$657,963 and \$536,612 for the years ended June 30, 2022 and June 30, 2021, respectively. Contributions to the Teacher Employee VLDP for the School Board were \$659,550 and \$553,806 for the years ended June 30, 2022 and June 30, 2021, respectively. Contributions to the Political Subdivision Employee VLDP for the School Board were \$172,623 and \$145,229 for the years ended June 30, 2022 and June 30, 2021, 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, 2022 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 division to the VRS Teacher Employee HIC program were \$5,398,393 and \$4,143,628 for the years ended June 30, 2022 and June 30, 2021, respectively. Contributions from the School Board to the Political Subdivision HIC Program were \$430,973 and \$400,904 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

As June 30, 2022, the City and School Board reported the following liabilities 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	\$ 18,967,028	\$ 26,668,100
Line of Duty Act Program	44,028,199	-
Virginia Local Disability Program	(199,534)	(123,258)
Health Insurance Credit Program	-	61,684,868
	<u>\$ 62,795,693</u>	<u>\$ 88,229,710</u>

The net OPEB liabilities were measured as of June 30, 2021 and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation as of that date. 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, 2021 relative to the total of the employer contributions for all participating employers. A

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comparison of the City's and School Board's proportion of the City and School Board's contribution from June 30, 2021 to June 30, 2020 were as followed:

	<u>City</u>	<u>School Board</u>
<b>Proportionate Share of Contributions as of June 30, 2021</b>		
Group Life Insurance	1.62909%	2.29054%
Line of Duty Act Program	9.98391%	N/A
Virginia Local Disability Program - Political Subdivisions	19.71247%	4.35422%
Virginia Local Disability Program - Teachers	N/A	1750.81400%
Health Insurance Credit Program	N/A	4.80573%
<b>Proportionate Share of Contributions as of June 30, 2020</b>		
Group Life Insurance	1.66934%	2.32010%
Line of Duty Act Program	9.91526%	N/A
Virginia Local Disability Program - Political Subdivisions	19.99173%	4.54891%
Virginia Local Disability Program - Teachers	N/A	17.32958%
Health Insurance Credit Program	N/A	4.87922%

For the year ended June 30, 2021, the City and School Board recognized OPEB expenses were as followed:

<b>Recognized Net OPEB Expense:</b>	<u>City</u>	<u>School Board</u>
Group Life Insurance	\$ 600,164	\$ 737,177
Line of Duty Act Program	4,050,558	-
Virginia Local Disability Program - Political Subdivision	546,178	-
Virginia Local Disability Program - Teachers	-	415,393
Health Insurance Credit Program	-	4,833,862
<b>Total</b>	<u>\$ 5,196,900</u>	<u>\$ 5,986,432</u>

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, 2022 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Group Life Insurance</b>		
Difference between Expected & Actual Experience	\$ 2,163,256	\$ 144,518
Net Difference between Projected and Actual Earnings	-	4,527,023
Changes in Assumptions	1,045,647	2,595,094
Changes in Proportionate Share	123,860	1,050,771
Employer Contributions subsequent to the Measurement Date	1,821,273	-
<b>Total Group Life Insurance</b>	<u>5,154,036</u>	<u>8,317,406</u>
<b>Line of Duty Act</b>		
Difference between Expected & Actual Experience	3,670,770	6,666,258
Net Difference between Projected and Actual Earnings	-	254,960
Changes in Assumptions	12,184,062	2,106,076
Changes in Proportionate Share	1,483,966	1,505,861
Employer Contributions subsequent to the Measurement Date	1,361,098	-
<b>Total Line of Duty Act</b>	<u>18,699,896</u>	<u>10,533,155</u>

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**Virginia Local Disability Program - Political Subdivision**

Difference between Expected & Actual Experience	118,549	298,954
Net Difference between Projected and Actual Earnings	-	111,342
Changes in Assumptions	6,781	54,117
Changes in Proportionate Share	4,227	2,857
Employer Contributions subsequent to the Measurement Date	657,963	-
<b>Total Virginia Local Disability Program</b>	<b>787,520</b>	<b>467,270</b>
<b>Grand Total</b>	<b>\$ 24,641,452</b>	<b>\$ 19,317,831</b>

Employer Contributions subsequent to the measurement date totaled \$3,840,334 will be recognized as a reduction of the City's OPEB liability in the Fiscal Year ending June 30, 2023. 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
2023	\$(1,111,270)	\$ 1,007,701	\$ (46,572)
2024	(930,813)	1,019,428	(46,192)
2025	(957,664)	1,022,868	(47,933)
2026	(1,602,364)	1,026,545	(92,292)
2027	(382,532)	1,108,653	(31,517)
Thereafter	-	1,620,448	(73,207)
	<b>\$(4,984,643)</b>	<b>\$ 6,805,643</b>	<b>\$ (337,713)</b>

At June 30, 2021 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
<b>Group Life Insurance</b>		
Difference between Expected & Actual Experience	\$ 3,041,590	\$ 203,196
Net Difference between Projected and Actual Earnings	-	6,365,104
Changes in Assumptions	1,470,205	3,648,765
Changes in Proportionate Share	-	1,255,702
Employer Contributions subsequent to the Measurement Date	2,637,640	-
<b>Total Group Life Insurance</b>	<b>7,149,435</b>	<b>11,472,767</b>
<b>Virginia Local Disability Program - Political Subdivision</b>		
Difference between Expected & Actual Experience	26,185	66,036
Net Difference between Projected and Actual Earnings	-	24,593
Changes in Assumptions	1,496	11,953
Changes in Proportionate Share	-	4,091
Employer Contributions subsequent to the Measurement Date	172,623	-
<b>Total Virginia Local Disability Program</b>	<b>200,304</b>	<b>106,673</b>
<b>Virginia Local Disability Program - Teachers</b>		
Difference between Expected & Actual Experience	61,630	68,497
Net Difference between Projected and Actual Earnings	-	98,068
Changes in Assumptions	66,900	-
Changes in Proportionate Share	2,983	-
Employer Contributions subsequent to the Measurement Date	659,550	-
<b>Total Virginia Local Disability Program</b>	<b>791,063</b>	<b>166,565</b>

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**Health Insurance Credit Program**

Difference between Expected & Actual Experience	-	1,076,396
Net Difference between Projected and Actual Earnings	-	839,874
Changes in Assumptions	1,783,060	247,907
Changes in Proportionate Share	-	2,629,883
Employer Contributions subsequent to the Measurement Date	5,829,366	-
<b>Total Health Insurance Credit Program</b>	<u>7,612,426</u>	<u>4,794,060</u>
 <b>Grand Total</b>	 <u>\$ 15,753,228</u>	 <u>\$ 16,540,065</u>

Employer Contributions subsequent to the measurement date totaled \$9,299,179 will be recognized as a reduction of the School Board's OPEB liability in the Fiscal Year ending June 30, 2023. 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:

2023	\$ (2,371,376)
2024	(2,069,603)
2025	(1,939,948)
2026	(2,772,818)
2027	(760,160)
Thereafter	(172,111)
	<u>\$ (10,086,016)</u>

**Actuarial Assumptions**

The total Cost sharing OPEB liabilities administered by VRS were based on an actuarial valuation as of June 30, 2019, 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, 2020.

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	4.50 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	2.16Percent, including inflation*

\* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 2.21% 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

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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:

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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action 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, 2020 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action 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



**CITY OF VIRGINIA BEACH, VIRGINIA**  
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	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

**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 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.

BePub-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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action 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:

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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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action 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 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, 2020 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

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Salary Scale	No change
Line of Duty Disability	No change

**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, 2020 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

**CITY OF VIRGINIA BEACH, VIRGINIA**  
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rates.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on BRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action 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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action 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

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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Discount Rate	No change
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***Net OPEB Liability***

The net OPEB liability (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, 2021, NOL amounts for each program are as follows (amounts expressed in thousands):

	<b>Group Life Insurance</b>	<b>Line of Duty Act</b>	<b>Virginia Local Disability - Political Subdivision</b>	<b>Virginia Local Disability - Teachers</b>	<b>Health Insurance Credit</b>
Total OPEB Liability	\$ 3,577,345	\$ 448,544	\$ 5,155	\$ 4,884	\$ 1,477,873
Plan Fiduciary Net Position	2,413,074	7,553	6,168	5,588	194,304
Employers' Net OPEB Liability	<u>\$ 1,164,271</u>	<u>\$ 440,991</u>	<u>\$ (1,013)</u>	<u>\$ (704)</u>	<u>\$ 1,283,569</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	67.45%	1.68%	119.65%	114.41%	13.15%

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 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:

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return*</b>
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	2.10%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

\*The above allocation provides a one-year return of 7.39%. 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 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11% including expected inflation of 2.50%.

Line of Duty Act Program

The long-term expected rate of return on LODA OPEB Program's investments was set at 2.16% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS pooled Investments 6.75% assumption. Instead, the assumed annual rate of return of 2.16% was used since it approximates the risk-free rate of return. The Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyer General Obligation 20-year Municipal Bond Index published monthly by the Board of Governors of the Federal Reserve System as of the measurement date of June 30, 2021.

***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, 2021, 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 100% of the actuarially determined contribution rate. From July 1, 2021 on, all employer 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 GLI and VLDP OPEB liability.

Line of Duty Act Program

The discount rate used to measure the total LODA OPEB liability was 2.16%. 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, 2021, 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.

***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.

	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>5.75%</b>	<b>6.75%</b>	<b>7.75%</b>
<b>Group Life Insurance:</b>			
City	\$ 27,711,516	\$ 18,967,028	\$ 11,905,457
School Board	38,963,062	26,668,100	16,739,361
<b>Virginia Local Disability Program - Political Subdivision:</b>			
City	\$ (106,866)	\$ (199,534)	\$ (279,890)
School Board	(23,610)	(44,077)	(61,826)
<b>Virginia Local Disability Program - Teachers:</b>			
School Board	\$ (18,497)	\$ (123,258)	\$ (215,354)
<b>Health Insurance Credit Program:</b>			
School Board	\$ 75,373,780	\$ 67,056,153	\$ 60,010,783

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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Line of Duty Act Program

	<b>1% Decrease 1.16%</b>	<b>Discount Rate 2.16%</b>	<b>1% Increase 3.16%</b>
<b>Line of Duty Act</b>			
City	\$ 50,648,560	\$ 44,028,199	\$ 38,767,760

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:

	<b>1% Decrease 6.00% decreasing to 3.75%</b>	<b>Current Trend Rates 7.00% decreasing to 4.75%</b>	<b>1% Increase 8.00% decreasing to 5.75%</b>
<b>Line of Duty Act:</b>			
City	\$ 36,126,242	\$ 44,028,199	\$ 54,160,125

***OPEB Plan Fiduciary Net Position***

Detailed information about the Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (ACFR). A copy of the 2021 VRS ACFR may be downloaded from the VRS website at [varetire.org/pdf/publications/2021-annual-report.pdf](http://varetire.org/pdf/publications/2021-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  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

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**15. SUBSEQUENT EVENTS**

Management has evaluated all events subsequent to June 30, 2022 through December 6, 2022, which is the date these financial statements were available to be issued. Management has determined that there are no subsequent events that require disclosure pursuant to the GASB Accounting Standards Codification.



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**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, 2022**

	Budget Amounts			Variance Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
<b>REVENUES</b>				
General Property Taxes:				
Real Estate property taxes	\$ 592,591,018	\$ 592,591,018	\$ 593,777,725	\$ 1,186,707
Personal property taxes	119,007,921	118,671,789	136,544,911	17,873,122
Other Local Taxes	250,808,119	250,808,119	289,621,340	38,813,221
Permits, Privilege Fees, and Regulatory Licenses	8,365,385	8,365,385	7,940,028	(425,357)
From Use of Money and Property	5,985,656	5,985,656	6,956,900	971,244
Charges for Services	55,559,518	56,093,379	54,505,823	(1,587,556)
Miscellaneous	6,029,776	6,042,744	9,594,765	3,552,021
From Commonwealth	164,846,518	169,195,540	166,286,163	(2,909,377)
From Federal Government	24,097,388	28,637,183	27,731,350	(905,833)
Total Revenues	1,227,291,299	1,236,390,813	1,292,959,005	56,568,192
<b>EXPENDITURES</b>				
Legislative	1,265,469	1,298,665	1,136,896	161,769
Executive	5,586,330	6,468,873	5,814,781	654,092
Law	4,729,428	5,049,441	4,989,558	59,883
Finance	22,624,040	23,610,250	21,669,276	1,940,974
Human Resources	6,236,572	6,848,284	5,290,331	1,557,953
Judicial	16,860,367	18,152,015	16,901,046	1,250,969
Health	3,720,802	3,852,008	3,716,106	135,902
Police	107,691,627	113,983,552	109,068,186	4,915,366
Human Services	125,671,392	133,599,548	114,223,783	19,375,765
Public Works	90,252,242	94,830,273	81,043,070	13,787,203
Parks and Recreation	14,985,871	15,542,186	14,407,733	1,134,453
Library	18,384,735	19,441,927	17,733,387	1,708,540
Planning	18,750,469	19,371,185	18,115,861	1,255,324
Agriculture	947,321	1,010,184	847,801	162,383
Economic Development	8,728,904	11,284,919	9,172,817	2,112,102
Convention and Visitor Development	9,864,827	10,376,286	8,391,126	1,985,160
Cultural Affairs	3,586,718	5,029,148	2,801,561	2,227,587
Information Technology	22,113,999	27,021,244	25,828,253	1,192,991
Emergency Communications and Citizen Services	11,128,565	11,418,691	9,606,934	1,811,757
Fire	58,872,018	65,789,370	65,593,948	195,422
Budget and Management Services	1,307,448	1,338,143	1,149,059	189,084
Education	412,587,711	466,526,533	445,454,767	21,071,766
Housing and Neighborhood Preservation	6,782,257	7,848,590	6,359,423	1,489,167
Aquariums	12,701,247	13,999,642	11,732,959	2,266,683
General Registrar	2,295,701	2,896,243	2,460,307	435,936
General Government	46,970,867	50,666,735	41,942,825	8,723,910
Emergency Medical Services	13,248,696	14,498,216	14,371,504	126,712
Contingencies	19,788,905	11,345,734	-	11,345,734
Debt Service:				
Principal Retirement	41,758,045	41,758,045	38,070,223	3,687,822
Interest and Fiscal Charges	17,554,667	17,455,167	15,742,362	1,712,805
Total Expenditures	1,126,997,240	1,222,311,097	1,113,635,883	108,675,214
Excess (Deficiency) of Revenues over (under) Expenditures	100,294,059	14,079,716	179,323,122	165,243,406
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	676,216	765,724	765,724	-
Transfers Out	(106,255,246)	(200,713,886)	(200,713,886)	-
Premium on Bonds Sold	-	-	29,995	29,995
Use of Fund Balance	5,284,971	185,868,446	-	(185,868,446)
Total Other Financing Sources (uses)	(100,294,059)	(14,079,716)	(199,918,167)	(185,838,451)
Net Change in Fund Balance	-	-	(20,595,045)	(20,595,045)
Fund Balance at Beginning of Year	349,491,284	349,491,284	349,491,284	-
Fund Balance at End of Year	\$ 349,491,284	\$ 349,491,284	\$ 328,896,239	\$ (20,595,045)

**CITY OF VIRGINIA BEACH, VIRGINIA**

	City							
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>Total Pension Liability</b>								
Service Cost	\$ 35,838,242	\$ 35,932,562	\$ 36,304,048	\$ 36,385,569	\$ 38,749,786	\$ 39,607,023	\$ 42,513,760	\$ 41,628,460
Interest	114,650,965	119,573,242	122,642,141	127,496,045	132,764,815	137,584,382	141,392,693	147,077,745
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)
Benefit Payments, including refunds of employee contributions	(77,985,409)	(82,356,519)	(91,525,484)	(94,739,837)	(100,731,357)	(109,436,121)	(116,831,594)	(123,485,515)
<b>Net change in total pension liability</b>	<b>72,503,798</b>	<b>48,425,885</b>	<b>70,948,663</b>	<b>78,263,913</b>	<b>73,203,334</b>	<b>132,913,133</b>	<b>87,549,948</b>	<b>142,504,862</b>
<b>Total pension liability - beginning</b>	<b>1,676,863,639</b>	<b>1,749,367,437</b>	<b>1,797,793,322</b>	<b>1,868,741,985</b>	<b>1,947,005,898</b>	<b>2,020,209,232</b>	<b>2,153,122,365</b>	<b>2,240,672,313</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 1,749,367,437</b>	<b>\$ 1,797,793,322</b>	<b>\$ 1,868,741,985</b>	<b>\$ 1,947,005,898</b>	<b>\$ 2,020,209,232</b>	<b>\$ 2,153,122,365</b>	<b>\$ 2,240,672,313</b>	<b>\$ 2,383,177,175</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 45,827,648	\$ 48,703,360	\$ 49,521,364	\$ 43,305,500	\$ 44,514,635	\$ 47,363,487	\$ 48,245,963	\$ 52,734,089
Contributions - employee	14,813,559	14,937,006	15,185,917	15,780,809	16,102,282	16,153,428	16,422,289	16,143,295
Net investment income	194,451,721	64,442,330	24,961,833	175,963,753	117,134,461	109,869,540	33,123,371	463,673,957
Benefit Payments, including refunds of employee contributions	(77,985,409)	(82,356,519)	(91,525,484)	(94,739,837)	(100,731,357)	(109,436,121)	(116,831,594)	(123,485,515)
Administrative expenses	(1,053,309)	(887,459)	(910,017)	(1,029,901)	(1,022,764)	(1,110,715)	(1,141,131)	(1,174,234)
Other	10,242	(13,597)	(10,675)	(156,044)	(103,817)	(71,080)	(43,405)	17,203
<b>Net change in plan fiduciary net position</b>	<b>176,064,452</b>	<b>44,825,121</b>	<b>(2,777,062)</b>	<b>139,124,280</b>	<b>75,893,440</b>	<b>62,768,539</b>	<b>(20,224,507)</b>	<b>407,908,795</b>
<b>Plan fiduciary net position - beginning</b>	<b>1,239,531,415</b>	<b>1,415,595,867</b>	<b>1,460,420,988</b>	<b>1,457,643,926</b>	<b>1,596,768,206</b>	<b>1,672,661,646</b>	<b>1,735,430,185</b>	<b>1,715,205,678</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 1,415,595,867</b>	<b>\$ 1,460,420,988</b>	<b>\$ 1,457,643,926</b>	<b>\$ 1,596,768,206</b>	<b>\$ 1,672,661,646</b>	<b>\$ 1,735,430,185</b>	<b>\$ 1,715,205,678</b>	<b>\$ 2,123,114,473</b>

\*Schedule is intended to show information for 10 years. Additional years will be included as they become available.

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	School Board Non Professional							
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>Total Pension Liability</b>								
Service Cost	\$ 4,171,321	\$ 4,089,939	\$ 4,079,432	\$ 4,027,098	\$ 3,831,060	\$ 3,788,974	\$ 3,961,923	\$ 3,964,435
Interest	13,051,394	13,574,596	14,020,741	14,519,133	14,994,765	15,432,954	15,856,267	16,427,054
Differences between expected and actual experience		(747,303)	264,387	1,300,649	(114,972)	2,127,992	2,409,511	(808,663)
Changes in assumptions	-	-	-	(1,332,150)	-	6,306,405	-	8,249,072
Benefit Payments, including refunds of employee contributions	(9,473,141)	(10,023,655)	(11,063,812)	(11,425,531)	(12,014,444)	(12,468,334)	(13,083,421)	(13,991,919)
Refunds of contributions	(469,524)	(465,012)	(482,631)	(358,994)	(461,154)	(419,254)	(467,858)	-
<b>Net change in total pension liability</b>	<b>7,749,574</b>	<b>6,893,577</b>	<b>7,300,748</b>	<b>7,089,199</b>	<b>6,696,409</b>	<b>14,768,737</b>	<b>8,676,422</b>	<b>13,839,979</b>
<b>Total pension liability - beginning</b>	<b>191,185,052</b>	<b>198,934,626</b>	<b>205,828,203</b>	<b>213,128,951</b>	<b>220,218,150</b>	<b>226,914,559</b>	<b>241,683,296</b>	<b>250,359,718</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 198,934,626</b>	<b>\$ 205,828,203</b>	<b>\$ 213,128,951</b>	<b>\$ 220,218,150</b>	<b>\$ 226,914,559</b>	<b>\$ 241,683,296</b>	<b>\$ 250,359,718</b>	<b>\$ 264,199,697</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 3,646,317	\$ 3,739,486	\$ 3,876,348	\$ 2,959,847	\$ 2,967,419	\$ 2,880,916	\$ 2,906,100	\$ 3,376,047
Contributions - employee	2,000,972	2,041,468	2,113,676	2,124,981	2,121,653	2,161,296	2,209,656	2,129,012
Net investment income	25,850,848	8,507,018	3,214,427	22,825,346	15,092,474	14,049,158	4,171,983	58,169,277
Benefit Payments, including refunds of employee contributions	(9,003,617)	(9,558,643)	(10,581,181)	(11,066,537)	(11,553,290)	(12,468,334)	(13,083,421)	(13,601,312)
Refunds of contributions	(469,524)	(465,012)	(482,631)	(358,994)	(461,154)	(419,254)	(467,858)	(390,607)
Administrative expenses	(141,126)	(118,985)	(120,635)	(135,200)	(133,315)	(143,574)	(145,905)	(148,821)
Other	1,363	(1,792)	(1,394)	(20,191)	(13,321)	(8,810)	(4,932)	(312)
<b>Net change in plan fiduciary net position</b>	<b>21,885,233</b>	<b>4,143,540</b>	<b>(1,981,390)</b>	<b>16,329,252</b>	<b>8,020,466</b>	<b>6,051,398</b>	<b>(4,414,377)</b>	<b>49,533,284</b>
<b>Plan fiduciary net position - beginning</b>	<b>166,226,515</b>	<b>188,111,748</b>	<b>192,255,288</b>	<b>190,273,898</b>	<b>206,603,150</b>	<b>214,623,616</b>	<b>220,675,014</b>	<b>216,260,637</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 188,111,748</b>	<b>\$ 192,255,288</b>	<b>\$ 190,273,898</b>	<b>\$ 206,603,150</b>	<b>\$ 214,623,616</b>	<b>\$ 220,675,014</b>	<b>\$ 216,260,637</b>	<b>\$ 265,793,921</b>

\*Schedule is intended to show information for 10 years. Additional years will be included as they become available.

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS**  
**JUNE 30, 2022**

<b>Date</b>	<b>Contractually Required Contribution (1)</b>	<b>Contributions in Relation to Contractually Required Contributions (2)</b>	<b>Contribution Deficiency (Excess) (3)</b>	<b>Employer's Covered Payroll (4)</b>	<b>Contributions as a % of Covered Payroll (5)</b>
<b>City</b>					
June 30, 2013	\$ 44,694,773	N/A	N/A	\$ 285,349,525	-
June 30, 2014	45,827,648	\$ 45,827,648	\$ -	292,873,927	15.65%
June 30, 2015	48,703,360	48,703,360	-	299,462,518	16.26%
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%
<b>School Board Non Professional</b>					
June 30, 2013	\$ 3,671,537	N/A	N/A	\$ 40,302,269	-
June 30, 2014	3,645,565	\$ 3,645,565	\$ -	40,017,176	9.11%
June 30, 2015	3,732,422	3,732,422	-	40,970,605	9.11%
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%
<b>School Board Professional / Teacher</b>					
June 30, 2013	\$ 44,228,510	N/A	N/A	\$ 379,318,265	-
June 30, 2014	43,992,831	\$ 43,992,831	\$ -	377,297,007	11.66%
June 30, 2015	55,858,551	55,858,551	-	385,231,385	14.50%
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%

Schedule is intended to show information for 10 years. Since 2015 is the first year of this presentation, not all data is available. However, additional years will be included as they become available.



**CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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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, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. 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
- 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 a more current mortality table - RP 2014 projected to 2020
- Increased retirement 50 rates, and lowered rates at older ages
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- Decreased line of duty rate from 60% to 45%
- Decreased discount rate from 7.00% to 6.75%

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY**  
**JUNE 30, 2022**

<b>School Board Professional / Teacher</b>					
<b>Date</b>	<b>Employer's Proportion of the Net Pension Liability (a)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (b)</b>	<b>Employer's Covered Payroll (c)</b>	<b>Employer's Proportionate Share of the NPL as a % of its Covered Payroll (d)</b>	<b>Plan Fiduciary Net Position as a % of the Total Pension Liability (e)</b>
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%

*\*Schedule is intended to show information for 10 years. Additional years will be included as they become available.  
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				
<b>Total OPEB Liability</b>					
Service Cost	\$ 2,092,692	\$ 1,452,138	\$ 2,038,460	\$ 2,124,026	\$ 1,568,824
Interest	5,784,254	5,558,785	6,656,348	6,702,911	5,331,978
Economic/Demographic Gains or Losses		(3,737,558)	-	-	-
Assumption Changes	-	15,718,896	3,781,224	(19,288,032)	-
Benefit Payments	(6,074,717)	(7,387,237)	(7,894,660)	(7,013,877)	(7,269,625)
<b>Net change in total OPEB liability</b>	<b>1,802,229</b>	<b>11,605,024</b>	<b>4,581,372</b>	<b>(17,474,972)</b>	<b>(368,823)</b>
<b>Total OPEB liability - beginning</b>	<b>83,525,542</b>	<b>85,327,774</b>	<b>96,932,798</b>	<b>101,514,170</b>	<b>84,039,198</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 85,327,771</b>	<b>\$ 96,932,798</b>	<b>\$ 101,514,170</b>	<b>\$ 84,039,198</b>	<b>\$ 83,670,375</b>
<b>Plan Fiduciary Net Position</b>					
Employer Contributions	\$ 6,074,717	\$ 7,387,237	\$ 7,894,660	\$ 7,013,877	\$ 7,269,625
Benefit Payments	(6,074,717)	(7,387,237)	(7,894,660)	(7,013,877)	(7,269,625)
Net Investment Income (Loss)	4,405,718	3,693,879	1,942,585	1,349,790	13,666,374
Administrative Expenses	(34,423)	(35,921)	(36,956)	(37,255)	(38,953)
<b>Net change in plan fiduciary net position</b>	<b>4,371,295</b>	<b>3,657,958</b>	<b>1,905,629</b>	<b>1,312,535</b>	<b>(5,494,124)</b>
<b>Plan fiduciary net position - beginning</b>	<b>34,212,904</b>	<b>38,584,199</b>	<b>42,242,157</b>	<b>44,147,786</b>	<b>45,460,321</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 38,584,199</b>	<b>\$ 42,242,157</b>	<b>\$ 44,147,786</b>	<b>\$ 45,460,321</b>	<b>\$ 59,087,742</b>
<b>Political subdivisions's net OPEB liability, ending (a) - (b)</b>	<b>\$ 46,743,572</b>	<b>\$ 54,690,641</b>	<b>\$ 57,366,384</b>	<b>\$ 38,578,877</b>	<b>\$ 24,582,633</b>
<b>Fiduciary net position as a percentage of the total OPEB liability</b>	<b>45.22%</b>	<b>43.58%</b>	<b>43.49%</b>	<b>54.09%</b>	<b>70.62%</b>
<b>Covered Payroll</b>					
<b>City's OPEB liability as a percentage of covered payroll</b>	<b>15.27%</b>	<b>16.71%</b>	<b>17.53%</b>	<b>11.33%</b>	<b>7.22%</b>
<b>Net Money-Weighted Rate of Return</b>	<b>12.89%</b>	<b>9.58%</b>	<b>4.60%</b>	<b>3.06%</b>	<b>30.08%</b>

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
<b>Total OPEB Liability</b>					
Service Cost	\$ 1,529,672	\$ 1,239,627	\$ 2,429,766	\$ 2,566,620	\$ 1,934,661
Interest	4,928,893	5,027,382	6,508,729	6,616,759	5,305,457
Economic/Demographic Gains or Losses	-	1,400,273	-	2,340,909	-
Assumption Changes	-	20,370,070	3,705,597	(22,674,032)	-
Benefit Payments	(5,661,710)	(6,679,101)	(6,650,666)	(5,945,243)	(6,160,668)
<b>Net change in total OPEB liability</b>	796,855	21,358,251	5,993,426	(17,094,987)	1,079,450
<b>Total OPEB liability - beginning</b>	71,666,051	72,462,906	93,821,157	99,814,583	82,719,596
<b>Total OPEB liability - ending (a)</b>	\$ 72,462,906	\$ 93,821,157	\$ 99,814,583	\$ 82,719,596	\$ 83,799,046
<b>Plan Fiduciary Net Position</b>					
Employer Contributions	\$ 5,661,710	\$ 7,369,401	\$ 6,650,666	\$ 6,950,743	\$ 6,160,668
Benefit Payments	(5,661,710)	(6,679,101)	(6,650,666)	(5,945,243)	(6,160,668)
Net Investment Income (Loss)	3,098,316	2,597,704	1,397,854	997,100	10,143,922
Administrative Expenses	(24,357)	(25,409)	(26,592)	(27,508)	(29,042)
<b>Net change in plan fiduciary net position</b>	3,073,959	3,262,595	1,371,262	1,975,092	10,114,880
<b>Plan fiduciary net position - beginning</b>	24,060,265	27,134,224	30,396,819	31,768,081	33,743,173
<b>Plan fiduciary net position - ending (b)</b>	\$ 27,134,224	\$ 30,396,819	\$ 31,768,081	\$ 33,743,173	\$ 43,858,053
<b>Political subdivision's net OPEB liability, ending (a) - (b)</b>	\$ 45,328,682	\$ 63,424,338	\$ 68,046,502	\$ 48,976,423	\$ 39,940,993
<b>Fiduciary net position as a percentage of the total OPEB liability</b>	37.45%	32.40%	31.83%	40.79%	52.34%
<b>Covered Payroll</b>					
<b>School Board's OPEB liability as a percentage of covered payroll</b>	\$ 426,884,300	\$ 444,517,100	\$ 444,517,100	\$ 466,464,228	\$ 466,464,228
<b>Net Money-Weighted Rate of Return</b>	10.62%	14.27%	15.31%	10.50%	8.56%
	12.89%	9.56%	4.60%	3.04%	30.08%

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					
<b>Fiscal Year Ending June 30</b>	<b>Actuarially Determined Contributions</b>	<b>Actual Employer Contribution 1</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contribution as a Percent of Covered Payroll</b>
2013	\$ 8,871,000	\$ 8,871,000	\$ -	\$ 283,026,400	3.13%
2014	7,101,900	7,101,900	-	290,297,000	2.45%
2015	7,259,200	7,259,200	-	290,297,000	2.50%
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%

School Board					
<b>Fiscal Year Ending June 30</b>	<b>Actuarially Determined Contributions</b>	<b>Actual Employer Contribution 1</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contribution as a Percent of Covered Payroll</b>
2013	\$ 7,858,100	\$ 7,858,100	\$ -	\$ 409,662,700	1.92%
2014	5,700,900	5,700,900	-	421,065,100	1.35%
2015	5,832,200	5,832,200	-	421,065,100	1.39%
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%

*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, 2022.
Actuarial Cost Method	Projected unit credit
Amortization Method	Level dollar
Amortization Period	24 years remaining as of January 1, 2022
Asset Valuation Method	5-year asset smoothing
Inflation	2.50%
Salary Increases	Not applicable.
Discount Rate	6.50%
Healthcare Trend Rates	Please see 01/01/2022 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	6/30/2021	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	1.62909%	1.66934%	1.70784%	1.72678%	1.71960%
Employers Proportionate Share of the Net GLI OPEB Liability	\$ 18,967,028	\$ 27,858,552	\$ 27,791,102	\$ 26,225,000	\$ 25,877,000
Employer's Covered Payroll	\$ 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	5.64%	8.11%	8.30%	7.99%	8.16%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	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	9.98391%	9.91526%	10.27005%	10.29832%	9.48107%
Employers Proportionate Share of the Net LODA OPEB Liability	\$ 44,028,199	\$ 41,526,639	\$ 36,847,507	\$ 32,288,000	\$ 24,916,000
Employer's Covered Employee Payroll	\$ 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	40.84%	37.77%	33.39%	29.14%	24.07%
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	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	19.71247%	19.99173%	19.66871%	19.35404%	18.65503%
Employers Proportionate Share of the Net VLDP OPEB Liability/(Asset)	\$ (199,534)	\$ 657,261	\$ 398,444	\$ 156,000	\$ 100,000
Employer's Covered Payroll	\$ 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	-0.25%	0.88%	0.66%	0.33%	0.29%
Plan Fiduciary Net Position as a Percentage of the Total VLDP OPEB Liability	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	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
School Board:					
<u>Group Life Insurance (GLI)</u>					
Employer's Portion of the Net GLI OPEB Liability	2.06530%	2.32010%	2.36880%	2.39294%	2.41666%
Employers Proportionate Share of the Net GLI OPEB Liability	\$ 26,668,100	\$ 38,718,670	\$ 38,546,680	\$ 36,342,000	\$ 36,367,000
Employer's Covered Payroll	\$ 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	5.63%	8.11%	8.30%	7.99%	8.35%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	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	4.80573%	4.87922%	4.96761%	5.04954%	5.06312%
Employers Proportionate Share of the Net HIC OPEB Liability	\$ 61,684,868	\$ 63,650,230	\$ 65,030,846	\$ 64,113,000	\$ 64,231,000
Employer's Covered Payroll	\$ 425,016,085	\$ 427,749,309	\$ 416,667,852	\$ 408,375,692	\$ 393,580,000
Employer's Proportionate Share of the Net LODA OPEB Liability as a Percentage of its Covered Payroll	14.51%	14.88%	15.61%	15.70%	16.32%
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability	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	4.35422%	4.54891%	4.62460%	4.93874%	5.20662%
Employers Proportionate Share of the Net VLDP OPEB Liability/(Asset)	\$ (44,077)	\$ 45,409	\$ 93,686	\$ 38,000	\$ 30,000
Employer's Covered Payroll	\$ 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	-0.25%	0.27%	0.66%	0.32%	0.31%
Plan Fiduciary Net Position as a Percentage of the Total VLDP OPEB Liability	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	17.50814%	17.32958%	16.94127%	16.82241%	16.44512%
Employers Proportionate Share of the Net VLDP OPEB Liability/(Asset)	\$ (123,258)	\$ 139,032	\$ 98,486	\$ 127,000	\$ 98,000
Employer's Covered Payroll	\$ 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	-0.10%	0.14%	0.12%	0.20%	0.21%
Plan Fiduciary Net Position as a Percentage of the Total VLDP OPEB Liability	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					
2013	\$ 1,512,352	\$ 1,369,678	\$ 142,674	\$ 285,349,525	0.48%
2014	1,552,232	1,405,795	146,437	292,873,827	0.48%
2015	1,587,151	1,437,420	149,731	299,462,518	0.48%
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	1,786,400	1,786,400	-	336,346,740	0.53%
2022	1,821,273	1,821,273	-	349,853,870	0.52%
School Board - Nonprofessional					
2013	\$ 214,874	\$ 194,603	\$ 20,271	\$ 40,542,262	0.48%
2014	214,578	194,335	20,243	40,486,356	0.48%
2015	221,058	200,204	20,854	41,709,123	0.48%
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%
School Board - Teachers					
2013	\$ 2,020,542	\$ 1,829,925	\$ 190,617	\$ 381,234,424	0.48%
2014	2,011,839	1,822,043	189,796	379,592,250	0.48%
2015	2,053,604	1,859,868	193,736	387,472,533	0.48%
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%



**CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF OPEB LINE OF DUTY ANNUAL CONTRIBUTIONS**

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<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 Employee Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
Primary Government					
2013	\$ 849,069	\$ 849,069	\$ -	\$ 90,935,125	0.93%
2014	984,695	984,695	-	91,967,153	1.07%
2015	957,130	957,130	-	94,604,103	1.01%
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	1,378,367	1,378,367	-	110,370,707	1.25%
2020	1,368,198	1,368,198	-	110,338,548	1.24%
2021	1,347,490	1,347,490	-	107,799,200	1.25%
2022	1,361,098	1,361,098	-	107,833,520	1.26%

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULES OF REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF OPEB VIRGINIA LOCAL DISABILITY PROGRAM ANNUAL CONTRIBUTIONS**

<b>Date</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
Primary Government					
2013	N/A**	N/A**	N/A**	N/A**	N/A**
2014	\$ 8,612	\$ 8,612	\$ -	\$ 1,435,308	0.60%
2015	68,668	68,668	-	11,444,652	0.60%
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	376,838	376,838	-	60,780,141	0.62%
2020	536,372	536,372	-	74,495,268	0.72%
2021	536,612	536,612	-	79,188,866	0.68%
2022	657,963	657,963	-	89,713,494	0.73%
School Board - Nonprofessional					
2013	N/A**	N/A**	N/A**	N/A**	N/A**
2014	\$ 1,611	\$ 1,611	\$ -	\$ 268,436	0.60%
2015	18,242	18,242	-	3,040,304	0.60%
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%
School Board - Teachers					
2013	N/A**	N/A**	N/A**	N/A**	N/A**
2014	\$ 2,253	\$ 2,253	\$ -	\$ 776,969	0.29%
2015	14,772	14,772	-	15,383,610	0.10%
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%

\*\*FY 2014 was the first year for the Virginia Local Disability Program

**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					
2013	N/A**	N/A**	N/A**	N/A**	N/A**
2014	N/A**	N/A**	N/A**	N/A**	N/A**
2015	N/A**	N/A**	N/A**	N/A**	N/A**
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%
School Board - Teachers					
2013	\$ 4,440,741	\$ 4,213,011	\$ 227,730	\$ 379,550,508	1.11%
2014	4,417,613	4,191,068	226,545	377,573,722	1.11%
2015	4,556,498	4,093,125	463,373	386,143,862	1.06%
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%

\*\* 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 separately issued VRS 2021 Annual Comprehensive Annual Financial Report (ACFR). A copy of the 2021 VRS ACFR may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**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, 2022**

	<b>Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b><u>ASSETS</u></b>			
Cash and Investments	\$ 111,504,547	\$ 1,901,892	\$ 113,406,439
Cash and Investments - Restricted	2,800,383	35,507,277	38,307,660
Receivables (net of allowance for uncollectibles, where applicable):			
Accounts	2,673,744	-	2,673,744
Loans	4,785,525	-	4,785,525
Due from:			
Due from Other Funds	179,810	-	179,810
Commonwealth	1,457,006	-	1,457,006
Federal Government	5,273,140	-	5,273,140
Inventories	195,777	-	195,777
Total Assets	<u>128,869,932</u>	<u>37,409,169</u>	<u>166,279,101</u>
<b><u>LIABILITIES</u></b>			
Vouchers and Accounts Payable	6,456,435	-	6,456,435
Due to Other Funds	4,829,501	-	4,829,501
Unearned Revenues	1,016,341	-	1,016,341
Total Liabilities	<u>12,302,277</u>	<u>-</u>	<u>12,302,277</u>
<b><u>FUND BALANCES</u></b>			
Restricted for:			
Debt Service	-	37,409,169	37,409,169
General Government	2,833,179	-	2,833,179
Housing and Community Development	9,744,012	-	9,744,012
Judicial	574,330	-	574,330
Public Safety	2,619,862	-	2,619,862
Special Service District	6,615,580	-	6,615,580
Committed to:			
Agriculture	17,407,043	-	17,407,043
Convention and Visitor Development	47,331,820	-	47,331,820
Parks and Recreation	14,647,635	-	14,647,635
Public Safety	221,592	-	221,592
Tax Increment Financing	6,588,107	-	6,588,107
Assigned to:			
Convention and Visitor Development	10,203,398	-	10,203,398
Special Service District	1,336,322	-	1,336,322
Unassigned	(3,555,225)	-	(3,555,225)
Total Fund Balances	<u>116,567,655</u>	<u>37,409,169</u>	<u>153,976,824</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 128,869,932</u>	<u>\$ 37,409,169</u>	<u>\$ 166,279,101</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, 2022**

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds
<b><u>REVENUES</u></b>			
General Property Taxes - Real Estate	\$ 39,379,122	\$ -	\$ 39,379,122
Other Local Taxes	77,448,200	-	77,448,200
Permits, Privilege Fees, and Regulatory Licenses	205,558	-	205,558
From Use of Money and Property	2,921,059	(4,437,022)	(1,515,963)
Charges for Services	17,616,420	-	17,616,420
Miscellaneous	2,344,188	-	2,344,188
From Commonwealth	26,892,381	-	26,892,381
From Federal Government	73,420,267	244,107	73,664,374
Total Revenues	<u>240,227,195</u>	<u>(4,192,915)</u>	<u>236,034,280</u>
<b><u>EXPENDITURES</u></b>			
Current Operating:			
Finance	160,689	-	160,689
Human Resources	49,654	-	49,654
Judicial	57,290,612	-	57,290,612
Health	386,285	-	386,285
Police	867,885	-	867,885
Human Services	10,483,991	-	10,483,991
Public Works	6,525,921	-	6,525,921
Parks and Recreation	31,154,408	-	31,154,408
Library	242,973	-	242,973
Planning	1,339,872	-	1,339,872
Agriculture	183,029	-	183,029
Economic Development	75,070	-	75,070
Convention and Visitor Development	19,764,953	-	19,764,953
Cultural Affairs	688,333	-	688,333
Information Technology	(9,135)	-	(9,135)
Emergency Communications and Citizen Services	3,000	-	3,000
Fire	7,191,766	-	7,191,766
Housing and Neighborhood Preservation	33,162,599	-	33,162,599
General Government	23,590,907	-	23,590,907
Emergency Medical Services	342,029	-	342,029
Debt Service:			
Principal Retirement	33,302,234	30,299,674	63,601,908
Interest and Fiscal Charges	11,097,504	15,577,921	26,675,425
Total Expenditures	<u>237,894,579</u>	<u>45,877,595</u>	<u>283,772,174</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>2,332,616</u>	<u>(50,070,510)</u>	<u>(47,737,894)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers In	50,693,013	45,935,681	96,628,694
Transfers Out	(22,056,785)	(2,211,066)	(24,267,851)
Total Other Financing Sources and (Uses)	<u>28,636,228</u>	<u>43,724,615</u>	<u>72,360,843</u>
Net Change in Fund Balance	30,968,844	(6,345,895)	24,622,949
Fund Balance at Beginning of Year	85,598,811	43,755,064	129,353,875
Fund Balance at End of Year	<u>\$ 116,567,655</u>	<u>\$ 37,409,169</u>	<u>\$ 153,976,824</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>General Property Taxes</u></b>				
Real Estate	\$ 590,287,668	\$ 590,287,668	\$ 590,228,736	\$ (58,932)
Personal Property	115,754,064	115,417,932	131,076,093	15,658,161
Interest and Penalties on Personal Property	3,253,857	3,253,857	5,468,818	2,214,961
Interest and Penalties on Real Estate Taxes	2,303,350	2,303,350	3,548,989	1,245,639
Total General Property Taxes	711,598,939	711,262,807	730,322,636	19,059,829
<b><u>Other Local Taxes</u></b>				
General Sales	72,833,624	72,833,624	87,383,198	14,549,574
Utility	44,494,069	44,494,069	45,707,678	1,213,609
Business Licenses	53,181,894	53,181,894	55,489,629	2,307,735
Automobile Licenses	11,420,785	11,420,785	10,474,573	(946,212)
Bank Stock	3,348,538	3,348,538	4,367,291	1,018,753
City Tax on Deeds	9,494,352	9,494,352	13,006,544	3,512,192
City Tax on Wills	59,798	59,798	140,275	80,477
Cigarette	8,976,450	8,976,450	8,217,145	(759,305)
Amusement	-	-	15,000	15,000
Hotel Taxes	7,165,684	7,165,684	10,012,992	2,847,308
Restaurant Meals	39,832,925	39,832,925	54,807,015	14,974,090
Total Other Local Taxes	250,808,119	250,808,119	289,621,340	38,813,221
<b><u>Permits, Privilege Fees, and Regulatory Licenses</u></b>				
Police Permits and Licenses	474,965	474,965	464,149	(10,816)
Planning Permits and Licenses	4,483,429	4,483,429	4,547,063	63,634
Other Permits, Fees and Licenses	3,185,120	3,185,120	2,749,506	(435,614)
Public Works Fees	1,871	1,871	13,150	11,279
Fire Permits	220,000	220,000	166,160	(53,840)
Total Permits, Privilege Fees, and Regulatory Licenses	8,365,385	8,365,385	7,940,028	(425,357)
<b><u>From Use of Money and Property</u></b>				
<b><u>Revenue from Use of Money:</u></b>				
Interest on Bank Deposits	3,311,051	3,311,051	3,666,233	355,182
<b><u>Revenue from Use of Property:</u></b>				
Farmers Market Fees	31,880	31,880	29,671	(2,209)
Photocopying Machines	100,134	100,134	49,801	(50,333)
Convention Center Rent	1,544,839	1,544,839	1,979,430	434,591
Lease of Land and Property	997,752	997,752	1,231,765	234,013
Total from Use of Money and Property	5,985,656	5,985,656	6,956,900	971,244
<b><u>Charges For Services</u></b>				
Court Costs	2,712,376	2,712,376	2,926,834	214,458
Police - False Alarm Fees	540,000	540,000	477,557	(62,443)
Fire Services	374,000	374,000	261,615	(112,385)
Animal Adoption Fees	31,000	31,000	26,482	(4,518)
Other Charges and Fees	4,693,193	4,703,586	2,699,734	(2,003,852)
Human Services	24,193,213	24,263,213	24,053,770	(209,443)
Aquarium and Historical Houses	9,747,125	10,197,125	12,909,514	2,712,389
Planning Maps, Publications, and Fees	316,580	316,580	345,863	29,283
Convention Center	166,200	166,200	88,722	(77,478)
Other Services Provided	1,033,382	1,033,382	560,581	(472,801)
Reimbursement - Freedom of Information Act Costs	27,400	27,400	50,083	22,683
Water and Sewer Direct Charges	9,902,304	9,902,304	8,278,855	(1,623,449)
Storm Water Direct Charges	1,822,745	1,826,213	1,826,213	-
Total Charges for Services	55,559,518	56,093,379	54,505,823	(1,587,556)

**CITY OF VIRGINIA BEACH, VIRGINIA  
GENERAL FUND  
SCHEDULE OF REVENUES COMPARED TO FINAL BUDGET  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Miscellaneous Revenue</u></b>				
Returned Check Processing Charges	54,511	54,511	77,323	22,812
Donations	1,280,371	1,289,249	920,500	(368,749)
City Treasurer Charges	1,389,422	1,389,422	1,637,886	248,464
Sale of Salvage Materials	502,000	502,000	1,180,142	678,142
Miscellaneous	<u>2,803,472</u>	<u>2,807,562</u>	<u>5,778,914</u>	<u>2,971,352</u>
Total Miscellaneous Revenue	<u>6,029,776</u>	<u>6,042,744</u>	<u>9,594,765</u>	<u>3,552,021</u>
<b><u>From Commonwealth</u></b>				
Rolling Stock Tax	6,502	6,502	22,823	16,321
Mobile Homes Sales Tax	25,248	25,248	18,759	(6,489)
Passenger Car Rental Tax	1,148,776	1,148,776	1,391,762	242,986
Reimbursement - Treasurer	702,317	702,317	641,239	(61,078)
Reimbursement - Commissioner of the Revenue	775,228	775,228	774,577	(651)
Reimbursement - General Registrar's Salary	76,954	76,954	124,002	47,048
Reimbursement - Clerk of Circuit Court	2,327,672	2,327,672	2,347,911	20,239
Reimbursement - Commonwealth's Attorney	2,935,013	2,935,013	2,690,427	(244,586)
Reimbursement - Health Department Automobile	18,015	18,015	15,206	(2,809)
Reimbursement - State Aid Law Enforcement	13,055,855	13,055,855	12,163,775	(892,080)
Personal Property Paid by Commonwealth	53,412,868	53,412,868	53,412,868	-
State Prisoner Transportation	350,000	350,000	150,781	(199,219)
Mental Health, Developmental Services and Substance Abuse	14,757,150	17,191,958	16,996,843	(195,115)
Juvenile Justice Block Grant	4,347,856	4,347,856	4,746,543	398,687
Circuit Court Clerk Technology	-	-	430,838	430,838
Maintenance of Roads	52,007,032	52,007,032	52,453,439	446,407
Public Assistance Grants	16,906,988	18,820,502	14,888,772	(3,931,730)
DMV Select Program	150,000	150,000	163,522	13,522
Virginia Commission For The Arts	4,500	4,500	4,500	-
Wireless E-911 Services Board	1,169,717	1,169,717	1,996,649	826,932
State Aid Library	254,827	254,827	254,644	(183)
Other State Revenues	<u>414,000</u>	<u>414,700</u>	<u>596,283</u>	<u>181,583</u>
Total From Commonwealth	<u>164,846,518</u>	<u>169,195,540</u>	<u>166,286,163</u>	<u>(2,909,377)</u>
<b><u>From Federal Government</u></b>				
Indirect Costs - Social Services	927,906	927,906	1,076,189	148,283
SEVAMP Grant	107,500	107,500	165,967	58,467
Mental Health, Developmental Services and Substance Abuse	60,196	60,196	322,627	262,431
USDA Juvenile Detention	99,471	99,471	122,387	22,916
Public Assistance Grants	22,619,552	27,159,347	26,044,180	(1,115,167)
Federal Reimbursement of Interest	<u>282,763</u>	<u>282,763</u>	<u>-</u>	<u>(282,763)</u>
Total From Federal Government	<u>24,097,388</u>	<u>28,637,183</u>	<u>27,731,350</u>	<u>(905,833)</u>
<b>TOTAL REVENUES</b>	<u>1,227,291,299</u>	<u>1,236,390,813</u>	<u>1,292,959,005</u>	<u>56,568,192</u>
<b><u>Other Financing Sources</u></b>				
Transfers In	676,216	765,724	765,724	-
Use of Fund Balance	5,284,971	185,868,446	-	(185,868,446)
Premium on Bonds Sold	-	-	29,995	29,995
Total Other Financing Sources	<u>5,961,187</u>	<u>186,634,170</u>	<u>795,719</u>	<u>(185,838,451)</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 1,233,252,486</u>	<u>\$ 1,423,024,983</u>	<u>\$ 1,293,754,724</u>	<u>\$ (129,270,259)</u>

**CITY OF VIRGINIA BEACH, VIRGINIA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO FINAL BUDGET  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>City Manager</u></b>				
Admin & Support	\$ 2,486,971	\$ 2,587,023	\$ 2,408,248	\$ 178,775
Office of Volunteer Resources	432,931	447,110	435,330	11,780
Total City Manager	2,919,902	3,034,133	2,843,578	190,555
<b><u>Communications</u></b>				
Admin & Support	1,833,048	2,482,848	2,219,898	262,950
Total Communications	1,833,048	2,482,848	2,219,898	262,950
<b><u>City Clerk</u></b>				
Admin & Support	603,096	619,392	557,811	61,581
Total City Clerk	603,096	619,392	557,811	61,581
<b><u>City Council</u></b>				
Admin & Support	662,373	679,273	579,085	100,188
Total City Council	662,373	679,273	579,085	100,188
<b><u>City Attorney</u></b>				
Admin & Support	4,729,428	5,049,441	4,989,558	59,883
Total City Attorney	4,729,428	5,049,441	4,989,558	59,883
<b><u>City Auditor</u></b>				
Admin & Support	879,989	901,839	825,785	76,054
Total City Auditor	879,989	901,839	825,785	76,054
<b><u>City Real Estate Assessor</u></b>				
Admin & Support	3,312,019	3,407,691	3,154,196	253,495
Board & Commissions	2,774	2,774	1,440	1,334
Total City Real Estate Assessor	3,314,793	3,410,465	3,155,636	254,829
<b><u>City Treasurer</u></b>				
Admin & Support	6,429,767	6,677,794	6,481,836	195,958
Total City Treasurer	6,429,767	6,677,794	6,481,836	195,958
<b><u>Commissioner of the Revenue</u></b>				
Admin & Support	5,459,303	5,685,341	5,403,354	281,987
Total Commissioner of the Revenue	5,459,303	5,685,341	5,403,354	281,987
<b><u>Finance</u></b>				
Admin & Support	2,428,637	2,447,880	1,933,334	514,546
Accounting	1,226,526	1,258,599	1,023,226	235,373
Accounts Payable	396,736	415,661	490,419	(74,758)
Payroll	844,927	871,402	827,492	43,910
Purchasing	1,839,429	2,144,284	1,841,939	302,345
Technical Services	683,922	698,824	512,040	186,784
Total Finance	7,420,177	7,836,650	6,628,450	1,208,200
<b><u>Agriculture</u></b>				
Admin & Support	325,660	361,716	345,967	15,749
Cooperative Extension	317,886	340,346	296,944	43,402
Farmers Market	303,775	308,122	204,890	103,232
Total Agriculture	947,321	1,010,184	847,801	162,383
<b><u>Cultural Affairs</u></b>				
Admin & Support	2,269,292	3,520,186	1,521,913	1,998,273
Board & Commissions	630,000	630,000	631,272	(1,272)
Historic Museums	687,426	878,962	648,376	230,586
Total Culture Affairs	3,586,718	5,029,148	2,801,561	2,227,587

**CITY OF VIRGINIA BEACH, VIRGINIA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO FINAL BUDGET  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Library</u></b>				
Admin & Support	1,596,428	1,950,843	1,554,509	396,334
Records Management	450,158	455,576	410,343	45,233
Support Services	4,493,974	4,528,125	4,344,569	183,556
Adult Services	340,085	18,377	9,985	8,392
Programming & Operations	11,504,090	12,220,660	11,244,374	976,286
Technical Services	-	268,346	169,607	98,739
Total Library	18,384,735	19,441,927	17,733,387	1,708,540
<b><u>Parks &amp; Recreation</u></b>				
Landscape Management	14,985,871	15,542,186	14,407,733	1,134,453
Total Parks & Recreation	14,985,871	15,542,186	14,407,733	1,134,453
<b><u>Virginia Aquarium</u></b>				
Programming & Operations	12,701,247	13,999,642	11,732,959	2,266,683
Total Virginia Aquarium	12,701,247	13,999,642	11,732,959	2,266,683
<b><u>Clerk of the Circuit Court - Judicial</u></b>				
Admin & Support	3,844,214	4,536,866	4,402,442	134,424
Total Clerk of the Circuit Court	3,844,214	4,536,866	4,402,442	134,424
<b><u>Commonwealth's Attorney - Judicial</u></b>				
Admin & Support	9,638,466	10,085,633	9,641,732	443,901
Total Commonwealth's Attorney	9,638,466	10,085,633	9,641,732	443,901
<b><u>Circuit Court - Judicial</u></b>				
Support Services	1,185,567	1,233,991	1,212,069	21,922
Juvenile Probations CHINS	-	6,938	4,403	2,535
Total Circuit Court	1,185,567	1,240,929	1,216,472	24,457
<b><u>Juvenile Probation - Judicial</u></b>				
Support Services	-	-	895,845	(895,845)
Juvenile Probations CHINS	1,391,361	1,394,055	83,543	1,310,512
Total Juvenile Probation	1,391,361	1,394,055	979,388	414,667
<b><u>General District Court - Judicial</u></b>				
Support Services	531,845	602,609	449,761	152,848
Total General District Court	531,845	602,609	449,761	152,848
<b><u>Juvenile &amp; Domestic Relations Court - Judicial</u></b>				
Support Services	217,841	238,421	173,402	65,019
Total Juvenile & Domestic Relations Court	217,841	238,421	173,402	65,019
<b><u>Magistrate - Judicial</u></b>				
Support Services	51,073	53,502	37,849	15,653
Total Magistrate	51,073	53,502	37,849	15,653
<b><u>Health Department</u></b>				
Admin & Support	3,720,802	3,852,008	3,716,106	135,902
Total Health Department	3,720,802	3,852,008	3,716,106	135,902
<b><u>Human Services</u></b>				
Admin & Support	8,724,425	9,250,417	5,911,847	3,338,570
Business Services	3,581,529	3,845,852	2,976,486	869,366
Substance Use Disorder	9,965,496	10,786,737	7,187,099	3,599,638
Mental Health	19,029,341	20,993,337	16,785,793	4,207,544
Welfare & Family Services	18,455,309	18,833,063	18,082,043	751,020
Childrens Services Act	13,938,399	16,615,373	15,384,156	1,231,217
Development Services	28,305,063	29,944,664	25,708,526	4,236,138
Benefit Program	11,059,212	10,349,435	10,266,508	82,927
Juvenile Detention Center	5,780,428	6,000,432	5,926,645	73,787
Support Services	1,090,740	1,259,371	1,498,114	(238,743)
Adult Services	5,741,450	5,720,867	4,496,566	1,224,301
Total Human Services	125,671,392	133,599,548	114,223,783	19,375,765



**CITY OF VIRGINIA BEACH, VIRGINIA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO FINAL BUDGET  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Human Resources</u></b>				
Admin & Support	710,417	730,230	729,428	802
Employee Relations	1,636,706	1,703,712	1,233,973	469,739
Employee Services	877,293	932,119	177,333	754,786
Occupational Safety & Health	1,573,182	1,729,587	1,521,511	208,076
Staffing & Compensation	1,360,281	1,672,793	1,562,565	110,228
Board & Commissions	78,693	79,843	65,521	14,322
Total Human Resources	6,236,572	6,848,284	5,290,331	1,557,953
<b><u>Emergency Communications &amp; Citizen Services</u></b>				
Admin & Support	1,732,774	1,839,129	2,198,130	(359,001)
Citizen Services	954,540	1,036,330	841,925	194,405
Emergency Communications	8,441,251	8,543,232	6,566,879	1,976,353
Total Emergency Communications & Citizen Services	11,128,565	11,418,691	9,606,934	1,811,757
<b><u>Emergency Management</u></b>				
Admin & Support	625,120	826,032	812,390	13,642
Total Emergency Management	625,120	826,032	812,390	13,642
<b><u>Emergency Medical Services</u></b>				
Admin & Support	949,295	991,786	947,924	43,862
Regulation & Enforcement	274,251	278,722	294,250	(15,528)
Operational Management	9,612,317	10,770,125	10,608,500	161,625
Lifeguard Services	2,412,833	2,457,583	2,520,830	(63,247)
Total Emergency Medical Services	13,248,696	14,498,216	14,371,504	126,712
<b><u>Fire</u></b>				
Admin & Support	2,634,645	2,715,291	2,833,595	(118,304)
Operations & Training	52,160,007	58,669,198	58,133,301	535,897
Prevention	3,452,246	3,578,849	3,814,662	(235,813)
Total Fire	58,246,898	64,963,338	64,781,558	181,780
<b><u>Police</u></b>				
Admin & Support	8,963,666	10,542,309	11,995,834	(1,453,525)
Business Services	5,892,710	6,175,269	6,678,811	(503,542)
Investigations	19,274,648	20,114,016	19,618,341	495,675
Uniform Patrol	73,560,603	77,151,958	70,775,200	6,376,758
Total Police	107,691,627	113,983,552	109,068,186	4,915,366
<b><u>Convention &amp; Visitor Bureau</u></b>				
Admin & Support	1,503,969	1,690,724	1,356,542	334,182
Programming & Operations	6,329,249	6,559,000	4,996,932	1,562,068
Sales & Marketing	1,535,771	1,614,801	1,573,080	41,721
Tourism Promotion	495,838	511,761	464,572	47,189
Total Convention & Visitor Bureau	9,864,827	10,376,286	8,391,126	1,985,160
<b><u>Economic Development</u></b>				
Admin & Support	8,127,641	10,655,600	9,081,512	1,574,088
Strategic Growth Areas	601,263	629,319	91,305	538,014
Total Economic Development	8,728,904	11,284,919	9,172,817	2,112,102
<b><u>Housing &amp; Neighborhood Preservation</u></b>				
SWAM Office	2,120,744	2,163,428	2,011,969	151,459
Homeless Services	4,261,513	5,257,862	4,320,699	937,163
Section 8 Housing	400,000	427,300	26,755	400,545
Total Housing & Neighborhood Preservation	6,782,257	7,848,590	6,359,423	1,489,167

**CITY OF VIRGINIA BEACH, VIRGINIA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO FINAL BUDGET  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Planning</u></b>				
Admin & Support	1,429,399	1,599,827	1,402,197	197,630
Planning Administration	3,569,965	3,702,509	3,066,541	635,968
Permits & Inspections	4,051,624	3,983,165	3,833,445	149,720
Transportation Planning	7,038,592	7,276,592	7,190,522	86,070
Development Services	2,660,889	2,809,092	2,623,156	185,936
Planning	18,750,469	19,371,185	18,115,861	1,255,324
<b><u>Information Technology</u></b>				
Business Services	1,776,960	1,943,748	1,958,386	(14,638)
Computer Replacements	-	11,450	390	11,060
Information Services	8,693,409	12,462,375	11,421,183	1,041,192
Information Systems	11,643,630	12,603,671	12,448,294	155,377
Total Information Technology	22,113,999	27,021,244	25,828,253	1,192,991
<b><u>Budget &amp; Management Services</u></b>				
Admin & Support	1,307,448	1,338,143	1,149,059	189,084
Budget & Management Services	1,307,448	1,338,143	1,149,059	189,084
<b><u>Office of Performance &amp; Accountability</u></b>				
Admin & Support	833,380	951,892	751,305	200,587
Total Office of Performance & Accountability	833,380	951,892	751,305	200,587
<b><u>Public Works</u></b>				
Admin & Support	8,418,039	8,441,286	7,900,937	540,349
Real Estate	935,379	977,327	1,254,337	(277,010)
Engineering	10,139,586	10,158,425	9,008,927	1,149,498
Facilities Management	23,966,987	24,799,216	21,922,998	2,876,218
Infrastructure Maintenance	30,696,733	31,936,019	27,270,458	4,665,561
Operational Management	4,105,876	5,274,048	1,939,637	3,334,411
Vehicle Replacement	-	38,805	38,805	-
Storm Water Operations	11,989,642	13,205,147	11,706,971	1,498,176
Total Public Works	90,252,242	94,830,273	81,043,070	13,787,203
<b><u>Voter Registration &amp; Elections</u></b>				
Admin & Support	2,295,701	2,896,243	2,460,307	435,936
Total Voter Registration & Elections	2,295,701	2,896,243	2,460,307	435,936
<b><u>Non Departmental</u></b>				
Computer Replacements	1,766,444	3,524,843	979,825	2,545,018
Independent Financial Services	164,999	198,569	176,160	22,409
Subscriptions	6,011,150	6,011,150	5,260,072	751,078
Employee Services	9,721,437	9,736,437	8,546,424	1,190,013
Facilities Management	5,651,889	5,756,447	5,494,902	261,545
Vehicle Replacement	4,357,514	5,921,257	2,689,304	3,231,953
Revenue Reimbursement	11,870,919	11,870,919	10,558,172	1,312,747
Community & Organization Contributions	3,440,078	3,440,078	3,576,613	(136,535)
Community Organization Grant	501,568	501,568	486,568	15,000
General	-	959,980	495,397	464,583
Total Non Departmental	43,485,998	47,921,248	38,263,437	9,657,811
<b><u>General Government</u></b>				
General	2,604,880	1,843,648	2,853,603	(1,009,955)
Contingencies	19,788,905	11,345,734	-	11,345,734
Total General Government	22,393,785	13,189,382	2,853,603	10,335,779

**CITY OF VIRGINIA BEACH, VIRGINIA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO FINAL BUDGET  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b><u>Debt Service</u></b>				
Retirement	41,758,045	41,758,045	38,070,223	3,687,822
Interest and Fiscal Charges	17,554,667	17,455,167	15,742,362	1,712,805
Total Debt Service	59,312,712	59,213,212	53,812,585	5,400,627
<b><u>Education</u></b>				
School Operating	401,587,711	411,094,351	390,022,585	21,071,766
Capital Projects	-	44,432,182	44,432,182	-
School Operating from Reserves	11,000,000	11,000,000	11,000,000	-
Total Education	412,587,711	466,526,533	445,454,767	21,071,766
Total Department Expenditures	1,126,997,240	1,222,311,097	1,113,635,883	108,675,214
<b><u>Other Financing Uses</u></b>				
Transfers Out:				
General Debt Service	45,633,488	45,633,488	45,633,488	-
General Government Capital Projects	28,103,708	103,748,451	103,748,451	-
Grants Consolidated	821,611	815,714	815,714	-
Sheriff's Department	24,626,465	28,705,942	28,705,942	-
Parks and Recreation	6,454,790	7,195,107	7,195,107	-
Storm Water Utility Capital Projects	-	14,000,000	14,000,000	-
Federal Section 8	76,000	76,000	76,000	-
Housing and Neighborhood Preservation	539,184	539,184	539,184	-
Total Other Financing Uses	106,255,246	200,713,886	200,713,886	-
<b>TOTAL EXPENDITURES AND OTHER FINANCING SOURCES</b>	<u>1,233,252,486</u>	<u>1,423,024,983</u>	<u>1,314,349,769</u>	<u>108,675,214</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, 2022**

	<b>Agriculture Reserve Program</b>	<b>Central Business District South Tax Increment Financing</b>	<b>Combined Area Dredging Projects</b>	<b>Emergency FEMA</b>
<b><u>ASSETS</u></b>				
Cash and Investments	\$ 17,407,043	\$ 6,588,107	\$ 688,417	\$ -
Restricted Cash	-	-	-	-
Accounts Receivable	-	-	-	-
Loans Receivable	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Commonwealth	-	-	-	-
Due from Federal Government	-	-	-	2,069,954
Inventories	-	-	-	-
Total Assets	<u>17,407,043</u>	<u>6,588,107</u>	<u>688,417</u>	<u>2,069,954</u>
<b><u>LIABILITIES</u></b>				
Vouchers and Accounts Payable	-	-	-	-
Due to Other Funds	-	-	-	1,369,866
Unearned Revenues	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,369,866</u>
<b><u>FUND BALANCES</u></b>				
Restricted for:				
General Government	-	-	-	-
Housing and Community Development	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	-	-	700,088
Special Service District	-	-	162,022	-
Committed for:				
Agriculture	17,407,043	-	-	-
Convention and Visitor Development	-	-	-	-
Parks and Recreation	-	-	-	-
Public Safety	-	-	-	-
Tax Increment Financing	-	6,588,107	-	-
Assigned to:				
Convention and Visitor Development	-	-	-	-
Special Service District	-	-	526,395	-
Unassigned	-	-	-	-
Total Fund Balances	<u>17,407,043</u>	<u>6,588,107</u>	<u>688,417</u>	<u>700,088</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,407,043</u>	<u>\$ 6,588,107</u>	<u>\$ 688,417</u>	<u>\$ 2,069,954</u>

**CITY OF VIRGINIA BEACH, VIRGINIA  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2022**

<b>Federal Section Eight Program</b>	<b>Forfeited Assets</b>	<b>Grants Consolidated</b>	<b>Housing and Neighborhood Preservation</b>	<b>Law Library</b>
\$ 219,063	\$ -	\$ 4,118,750	\$ 1,578,444	\$ -
90,558	2,709,825	-	-	-
1,720,882	-	-	69,563	-
-	-	-	4,785,525	-
554	-	-	-	-
-	84	40,041	26,862	-
380,256	5,787	1,398,300	1,418,843	-
-	-	-	-	-
<u>2,411,313</u>	<u>2,715,696</u>	<u>5,557,091</u>	<u>7,879,237</u>	<u>-</u>
144,110	-	2,435,078	33,641	8,856
307,537	-	-	-	50,199
61,250	-	288,834	-	-
<u>512,897</u>	<u>-</u>	<u>2,723,912</u>	<u>33,641</u>	<u>59,055</u>
-	-	2,833,179	-	-
1,898,416	-	-	7,845,596	-
-	574,330	-	-	-
-	1,919,774	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	221,592	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	(59,055)
<u>1,898,416</u>	<u>2,715,696</u>	<u>2,833,179</u>	<u>7,845,596</u>	<u>(59,055)</u>
<u>\$ 2,411,313</u>	<u>\$ 2,715,696</u>	<u>\$ 5,557,091</u>	<u>\$ 7,879,237</u>	<u>\$ -</u>

**CITY OF VIRGINIA BEACH, VIRGINIA  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2022**

	<b>Open Space</b>	<b>Parks and Recreation</b>	<b>Sandbridge Special Service District</b>	<b>Sheriff's Department</b>
<b><u>ASSETS</u></b>				
Cash and Investments	\$ 4,464,059	\$ 10,894,859	\$ 4,064,339	\$ -
Restricted Cash	-	-	-	-
Accounts Receivable	-	102,170	-	-
Loans Receivable	-	-	-	-
Due from Other Funds	-	179,256	-	-
Due from Commonwealth	-	-	-	1,390,019
Due from Federal Government	-	-	-	-
Inventories	-	-	-	195,777
Total Assets	<u>4,464,059</u>	<u>11,176,285</u>	<u>4,064,339</u>	<u>1,585,796</u>
<b><u>LIABILITIES</u></b>				
Vouchers and Accounts Payable	33	788,198	-	1,980,067
Due to Other Funds	-	-	-	3,101,899
Unearned Revenues	-	666,257	-	-
Total Liabilities	<u>33</u>	<u>1,454,455</u>	<u>-</u>	<u>5,081,966</u>
<b><u>FUND BALANCES</u></b>				
Restricted for:				
General Government	-	-	-	-
Housing and Community Development	-	-	-	-
Judicial	-	-	-	-
Public Safety	-	-	-	-
Special Service District	-	-	3,873,327	-
Committed for:				
Agriculture	-	-	-	-
Convention and Visitor Development	-	-	-	-
Parks and Recreation	4,464,026	9,721,830	-	-
Public Safety	-	-	-	-
Tax Increment Financing	-	-	-	-
Assigned to:				
Convention and Visitor Development	-	-	-	-
Special Service District	-	-	191,012	-
Unassigned	-	-	-	(3,496,170)
Total Fund Balances	<u>4,464,026</u>	<u>9,721,830</u>	<u>4,064,339</u>	<u>(3,496,170)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,464,059</u>	<u>\$ 11,176,285</u>	<u>\$ 4,064,339</u>	<u>\$ 1,585,796</u>

**CITY OF VIRGINIA BEACH, VIRGINIA  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2022**

<b>Tourism Advertising Program</b>	<b>Tourism Investment Program</b>	<b>Town Center Special Service District</b>	<b>Wetlands Board Mitigation</b>	<b>Totals</b>
\$ 7,577,361	\$ 50,090,128	\$ 3,352,198	\$ 461,779	\$ 111,504,547
-	-	-	-	2,800,383
-	781,129	-	-	2,673,744
-	-	-	-	4,785,525
-	-	-	-	179,810
-	-	-	-	1,457,006
-	-	-	-	5,273,140
-	-	-	-	195,777
<u>7,577,361</u>	<u>50,871,257</u>	<u>3,352,198</u>	<u>461,779</u>	<u>128,869,932</u>
85,853	827,547	153,052	-	6,456,435
-	-	-	-	4,829,501
-	-	-	-	1,016,341
<u>85,853</u>	<u>827,547</u>	<u>153,052</u>	<u>-</u>	<u>12,302,277</u>
-	-	-	-	2,833,179
-	-	-	-	9,744,012
-	-	-	-	574,330
-	-	-	-	2,619,862
-	-	2,580,231	-	6,615,580
-	-	-	-	17,407,043
7,412,414	39,919,406	-	-	47,331,820
-	-	-	461,779	14,647,635
-	-	-	-	221,592
-	-	-	-	6,588,107
79,094	10,124,304	-	-	10,203,398
-	-	618,915	-	1,336,322
-	-	-	-	(3,555,225)
<u>7,491,508</u>	<u>50,043,710</u>	<u>3,199,146</u>	<u>461,779</u>	<u>116,567,655</u>
<u>\$ 7,577,361</u>	<u>\$ 50,871,257</u>	<u>\$ 3,352,198</u>	<u>\$ 461,779</u>	<u>\$ 128,869,932</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, 2022**

	Agriculture Reserve Program	Central Business District South Tax Increment Financing	Combined Area Dredging Projects	Emergency FEMA
<b><u>REVENUES</u></b>				
General Property Taxes	\$ 5,558,004	\$ 8,916,670	\$ 575,902	\$ -
Other Local Taxes	-	500,000	-	-
Permits, Privilege Fees, and Regulatory Licenses	-	-	-	-
From Use of Money and Property	66,056	7,185	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	13,500
From Commonwealth	-	-	-	-
From Federal Government	-	-	-	3,011,923
Total Revenues	<u>5,624,060</u>	<u>9,423,855</u>	<u>575,902</u>	<u>3,025,423</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Finance	-	-	-	-
Human Resources	-	-	-	-
Judicial	-	-	-	-
Health	-	-	-	-
Police	-	-	-	-
Human Services	-	-	-	-
Public Works	-	-	-	-
Parks and Recreation	-	-	-	-
Library	-	-	-	-
Planning	-	-	-	-
Agriculture	183,029	-	-	-
Economic Development	-	-	-	-
Convention and Visitor Development	-	-	-	-
Cultural Affairs	-	-	-	-
Information Technology	-	-	-	-
Emergency Communications and Citizen Services	-	-	-	-
Fire	-	-	-	3,116,713
Housing and Neighborhood Preservation	-	-	-	-
General Government	-	-	-	-
Emergency Medical Services	-	-	-	-
Debt Service:				
Principal Retirement	2,211,066	6,900,015	-	-
Interest and Fiscal Charges	2,503,782	1,505,311	-	-
Total Expenditures	<u>4,897,877</u>	<u>8,405,326</u>	<u>-</u>	<u>3,116,713</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>726,183</u>	<u>1,018,529</u>	<u>575,902</u>	<u>(91,290)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers In	2,211,066	-	-	-
Transfers Out	(1,293,873)	(150,000)	(272,978)	-
Total Other Financing Sources (Uses)	<u>917,193</u>	<u>(150,000)</u>	<u>(272,978)</u>	<u>-</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>1,643,376</u>	<u>868,529</u>	<u>302,924</u>	<u>(91,290)</u>
<b>FUND BALANCES - JULY 1</b>	<u>15,763,667</u>	<u>5,719,578</u>	<u>385,493</u>	<u>791,378</u>
<b>FUND BALANCES - JUNE 30</b>	<u>\$ 17,407,043</u>	<u>\$ 6,588,107</u>	<u>\$ 688,417</u>	<u>\$ 700,088</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, 2022**

<b>Federal Section Eight Program</b>	<b>Forfeited Assets</b>	<b>Grants Consolidated</b>	<b>Housing and Neighborhood Preservation</b>	<b>Law Library</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
4,900	13,323	-	34,483	321
2,501,667	-	194,276	-	164,038
26,065	290	1,904,237	249,928	138
-	283,376	4,631,504	1,568,548	-
21,856,138	220,793	44,572,726	3,730,640	-
24,388,770	517,782	51,302,743	5,583,599	164,497
-	-	160,689	-	-
-	-	49,654	-	-
-	489,477	794,381	-	-
-	-	386,285	-	-
-	544,040	323,845	-	-
-	-	10,483,991	-	-
-	-	130,677	-	-
-	-	71,757	-	-
-	-	30,075	-	212,898
-	-	90,584	-	-
-	-	-	-	-
-	-	75,070	-	-
-	-	-	-	-
-	-	333,333	-	-
-	-	(9,135)	-	-
-	-	3,000	-	-
-	-	4,075,053	-	-
23,815,682	-	3,725,384	5,621,533	-
-	-	21,509,649	-	-
-	-	342,029	-	-
-	-	-	-	-
-	-	(399,518)	-	-
23,815,682	1,033,517	42,176,803	5,621,533	212,898
573,088	(515,735)	9,125,940	(37,934)	(48,401)
76,000	-	815,714	539,184	-
-	-	(7,981,153)	(1,396,368)	(40,000)
76,000	-	(7,165,439)	(857,184)	(40,000)
649,088	(515,735)	1,960,501	(895,118)	(88,401)
1,249,328	3,231,431	872,678	8,740,714	29,346
\$ 1,898,416	\$ 2,715,696	\$ 2,833,179	\$ 7,845,596	\$ (59,055)

**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, 2022**

	Open Space	Parks and Recreation	Sandbridge Special Service District	Sheriff's Department
<b>REVENUES</b>				
General Property Taxes	\$ -	\$ 21,466,248	\$ 549,305	\$ -
Other Local Taxes	6,849,498	-	5,269,211	-
Permits, Privilege Fees, and Regulatory Licenses	-	59,961	-	2,099
From Use of Money and Property	-	1,665,127	12,010	6,350
Charges for Services	-	10,234,234	-	4,406,497
Miscellaneous	-	7,079	-	3,936
From Commonwealth	-	14,564	-	20,394,389
From Federal Government	-	-	-	28,047
Total Revenues	6,849,498	33,447,213	5,830,526	24,841,318
<b>EXPENDITURES</b>				
Current:				
Finance	-	-	-	-
Human Resources	-	-	-	-
Judicial	-	-	-	56,006,754
Health	-	-	-	-
Police	-	-	-	-
Human Services	-	-	-	-
Public Works	-	3,123,629	307,773	-
Parks and Recreation	326,120	29,760,100	-	-
Library	-	-	-	-
Planning	-	-	-	-
Agriculture	-	-	-	-
Economic Development	-	-	-	-
Convention and Visitor Development	-	-	-	-
Cultural Affairs	-	-	-	-
Information Technology	-	-	-	-
Emergency Communications and Citizen Services	-	-	-	-
Fire	-	-	-	-
Housing and Neighborhood Preservation	-	-	-	-
General Government	-	-	-	-
Emergency Medical Services	-	-	-	-
Debt Service:				
Principal Retirement	2,128,211	2,640,113	-	-
Interest and Fiscal Charges	308,551	1,328,776	-	-
Total Expenditures	2,762,882	36,852,618	307,773	56,006,754
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	4,086,616	(3,405,405)	5,522,753	(31,165,436)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	7,195,107	-	28,705,942
Transfers Out	(2,000,000)	(1,536,218)	(4,601,341)	(63,620)
Total Other Financing Sources (Uses)	(2,000,000)	5,658,889	(4,601,341)	28,642,322
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	2,086,616	2,253,484	921,412	(2,523,114)
<b>FUND BALANCES - JULY 1</b>	2,377,410	7,468,346	3,142,927	(973,056)
<b>FUND BALANCES - JUNE 30</b>	\$ 4,464,026	\$ 9,721,830	\$ 4,064,339	\$ (3,496,170)

**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, 2022**

<b>Tourism Advertising Program</b>	<b>Tourism Investment Program</b>	<b>Town Center Special Service District</b>	<b>Wetlands Board Mitigation</b>	<b>Totals</b>
\$ -	\$ -	\$ 2,312,993	\$ -	\$ 39,379,122
15,519,576	49,309,915	-	-	77,448,200
-	87,893	37,342	18,263	205,558
39,651	949,408	120,329	1,916	2,921,059
4,056	4,165	107,487	-	17,616,420
-	1,510	137,505	-	2,344,188
-	-	-	-	26,892,381
-	-	-	-	73,420,267
15,563,283	50,352,891	2,715,656	20,179	240,227,195
-	-	-	-	160,689
-	-	-	-	49,654
-	-	-	-	57,290,612
-	-	-	-	386,285
-	-	-	-	867,885
-	-	-	-	10,483,991
-	2,963,842	-	-	6,525,921
-	943,044	53,387	-	31,154,408
-	-	-	-	242,973
-	1,249,288	-	-	1,339,872
-	-	-	-	183,029
-	-	-	-	75,070
11,971,327	7,793,626	-	-	19,764,953
-	355,000	-	-	688,333
-	-	-	-	(9,135)
-	-	-	-	3,000
-	-	-	-	7,191,766
-	-	-	-	33,162,599
-	-	2,081,258	-	23,590,907
-	-	-	-	342,029
-	19,422,829	-	-	33,302,234
-	5,850,602	-	-	11,097,504
11,971,327	38,578,231	2,134,645	-	237,894,579
3,591,956	11,774,660	581,011	20,179	2,332,616
-	11,000,000	150,000	-	50,693,013
(2,056,838)	(30,170)	(634,226)	-	(22,056,785)
(2,056,838)	10,969,830	(484,226)	-	28,636,228
1,535,118	22,744,490	96,785	20,179	30,968,844
5,956,390	27,299,220	3,102,361	441,600	85,598,811
\$ 7,491,508	\$ 50,043,710	\$ 3,199,146	\$ 461,779	\$ 116,567,655



**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, 2022**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b><u>REVENUES</u></b>				
Real Estate Property Taxes	\$ 5,614,420	\$ 5,614,420	\$ 5,558,004	\$ (56,416)
From Use of Money and Property	72,670	72,670	66,056	(6,614)
Total Revenues	5,687,090	5,687,090	5,624,060	(63,030)
<b><u>EXPENDITURES</u></b>				
Ag Admin & Support	229,154	236,921	183,029	53,892
Contingencies	3,981	-	-	-
Debt Service:				
Principal Retirement	-	2,211,066	2,211,066	-
Interest and Fiscal Charges	4,955,498	4,955,498	2,503,782	2,451,716
Total Expenditures	4,959,479	7,166,564	4,714,848	2,451,716
<b><u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	498,457	(1,716,395)	726,183	2,442,578
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers In	-	2,211,066	2,211,066	-
Transfers Out	(990,000)	(991,680)	(1,293,873)	(302,193)
Use of Fund Balance	491,543	497,009	-	(497,009)
Total Other Financing Sources (Uses)	(498,457)	1,716,395	917,193	(799,202)
<b><u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u></b>	-	-	1,643,376	1,643,376
<b><u>FUND BALANCE - JULY 1</u></b>	15,763,667	15,763,667	15,763,667	-
<b><u>FUND BALANCE - JUNE 30</u></b>	<u>\$ 15,763,667</u>	<u>\$ 15,763,667</u>	<u>\$ 17,407,043</u>	<u>\$ 1,643,376</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, 2022**

	<b>Budget Amounts</b>			<b>Variance Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b><u>REVENUES</u></b>				
Real Estate Property Taxes	\$ 9,098,095	\$ 9,098,095	\$ 8,916,670	\$ (181,425)
Other Local Taxes	500,000	500,000	500,000	-
From Use of Money and Property	2,000	2,000	7,185	5,185
Total Revenues	9,600,095	9,600,095	9,423,855	(176,240)
<b><u>EXPENDITURES</u></b>				
Contingencies	1,033,352	1,033,352	-	1,033,352
Debt Service:				
Principal Retirement	6,900,015	6,900,015	6,900,015	-
Interest and Fiscal Charges	1,516,728	1,516,728	1,505,311	11,417
Total Expenditures	9,450,095	9,450,095	8,405,326	1,044,769
<b><u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	150,000	150,000	1,018,529	868,529
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers Out	(150,000)	(150,000)	(150,000)	-
Total Other Financing Sources (Uses)	(150,000)	(150,000)	(150,000)	-
<b><u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u></b>	-	-	868,529	868,529
<b><u>FUND BALANCE - JULY 1</u></b>	5,719,578	5,719,578	5,719,578	-
<b><u>FUND BALANCE - JUNE 30</u></b>	<u>\$ 5,719,578</u>	<u>\$ 5,719,578</u>	<u>\$ 6,588,107</u>	<u>\$ 868,529</u>

**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, 2022**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b><u>REVENUES</u></b>				
Real Estate Property Taxes	\$ 754,386	\$ 754,386	\$ 575,902	\$ (178,484)
Total Revenues	<u>754,386</u>	<u>754,386</u>	<u>575,902</u>	<u>(178,484)</u>
<b><u>EXPENDITURES</u></b>				
Contingencies	<u>575,611</u>	<u>575,611</u>	<u>-</u>	<u>575,611</u>
<b><u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>178,775</u>	<u>178,775</u>	<u>575,902</u>	<u>397,127</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers Out	(272,978)	(272,978)	(272,978)	-
Use of Fund Balance	<u>94,203</u>	<u>94,203</u>	<u>-</u>	<u>(94,203)</u>
Total Other Financing Sources (Uses)	<u>(178,775)</u>	<u>(178,775)</u>	<u>(272,978)</u>	<u>(94,203)</u>
<b><u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u></b>	<u>-</u>	<u>-</u>	<u>302,924</u>	<u>302,924</u>
<b><u>FUND BALANCE - JULY 1</u></b>	<u>385,493</u>	<u>385,493</u>	<u>385,493</u>	<u>-</u>
<b><u>FUND BALANCE - JUNE 30</u></b>	<u>\$ 385,493</u>	<u>\$ 385,493</u>	<u>\$ 688,417</u>	<u>\$ 302,924</u>

**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, 2022**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b><u>REVENUES</u></b>				
From Use of Money and Property	\$ -	\$ -	\$ 4,900	\$ 4,900
Charges for Services	3,239,147	3,239,147	2,501,667	(737,480)
Miscellaneous	-	-	26,065	26,065
From Federal Government	20,744,092	21,224,587	21,856,138	631,551
Total Revenues	23,983,239	24,463,734	24,388,770	(74,964)
<b><u>EXPENDITURES</u></b>				
HNP Section 8 Housing	24,058,815	25,000,493	23,815,682	1,184,811
Contingencies	41,158	47,158	-	47,158
Total Expenditures	24,099,973	25,047,651	23,815,682	1,231,969
<b><u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	(116,734)	(583,917)	573,088	1,157,005
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers In	76,000	76,000	76,000	-
Use of Fund Balance	40,734	507,917	-	(507,917)
Total Other Financing Sources (Uses)	116,734	583,917	76,000	(507,917)
<b><u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u></b>	-	-	649,088	649,088
<b><u>FUND BALANCE - JULY 1</u></b>	1,249,328	1,249,328	1,249,328	-
<b><u>FUND BALANCE - JUNE 30</u></b>	<u>\$ 1,249,328</u>	<u>\$ 1,249,328</u>	<u>\$ 1,898,416</u>	<u>\$ 649,088</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, 2022**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b><u>REVENUES</u></b>				
From Use of Money and Property	\$ -	\$ -	\$ 13,323	\$ 13,323
Miscellaneous	-	-	290	290
From Commonwealth	-	-	283,376	283,376
From Federal Government	-	-	220,793	220,793
Total Revenues	-	-	517,782	517,782
<b><u>EXPENDITURES</u></b>				
CW Attorney Admin & Support	100,000	522,500	489,477	33,023
Police Admin & Support	-	135,000	21,096	113,904
Police Business Services	-	50,000	-	50,000
Police Investigations	-	134,000	89,182	44,818
Police Uniform Patrol	-	822,600	433,762	388,838
Total Expenditures	100,000	1,664,100	1,033,517	630,583
<b><u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	(100,000)	(1,664,100)	(515,735)	1,148,365
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Use of Fund Balance	100,000	1,664,100	-	(1,664,100)
Total Other Financing Sources (Uses)	100,000	1,664,100	-	(1,664,100)
<b><u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u></b>	-	-	(515,735)	(515,735)
<b><u>FUND BALANCE - JULY 1</u></b>	3,231,431	3,231,431	3,231,431	-
<b><u>FUND BALANCE - JUNE 30</u></b>	\$ 3,231,431	\$ 3,231,431	\$ 2,715,696	\$ (515,735)

**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, 2022**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b><u>REVENUES</u></b>				
From Use of Money and Property	\$ 2,000	\$ 2,000	\$ 321	\$ (1,679)
Charges for Services	255,000	255,000	164,038	(90,962)
Miscellaneous	-	-	138	138
Total Revenues	<u>257,000</u>	<u>257,000</u>	<u>164,497</u>	<u>(92,503)</u>
<b><u>EXPENDITURES</u></b>				
L Admin & Support	-	-	172,323	(172,323)
L Programming & Operations	214,578	217,111	40,575	176,536
Contingencies	2,422	-	-	-
Total Expenditures	<u>2,422</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>40,000</u>	<u>39,889</u>	<u>(48,401)</u>	<u>(88,290)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers Out	(40,000)	(40,000)	(40,000)	-
Use of Fund Balance	-	111	-	(111)
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>(39,889)</u>	<u>(40,000)</u>	<u>(111)</u>
<b><u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u></b>	<u>-</u>	<u>-</u>	<u>(88,401)</u>	<u>(88,401)</u>
<b><u>FUND BALANCE - JULY 1</u></b>	<u>29,346</u>	<u>29,346</u>	<u>29,346</u>	<u>-</u>
<b><u>FUND BALANCE - JUNE 30</u></b>	<u>\$ 29,346</u>	<u>\$ 29,346</u>	<u>\$ (59,055)</u>	<u>\$ (88,401)</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, 2022**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b><u>REVENUES</u></b>				
Other Local Taxes	\$ 4,994,996	\$ 4,994,996	\$ 6,849,498	\$ 1,854,502
Total Revenues	<u>4,994,996</u>	<u>4,994,996</u>	<u>6,849,498</u>	<u>1,854,502</u>
<b><u>EXPENDITURES</u></b>				
P&R Landscape Management	231,118	239,708	141,848	97,860
P&R Open Space Program	179,542	179,543	184,272	(4,729)
Contingencies	193,567	186,364	-	186,364
Debt Service:				
Principal Retirement	2,128,211	2,128,211	2,128,211	-
Interest and Fiscal Charges	312,459	312,459	308,551	3,908
Total Expenditures	<u>2,634,237</u>	<u>2,627,034</u>	<u>2,436,762</u>	<u>190,272</u>
<b><u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>1,950,099</u>	<u>1,948,711</u>	<u>4,086,616</u>	<u>2,137,905</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers Out	(2,000,000)	(2,000,000)	(2,000,000)	-
Use of Fund Balance	49,901	51,289	-	(51,289)
Total Other Financing Sources (Uses)	<u>(1,950,099)</u>	<u>(1,948,711)</u>	<u>(2,000,000)</u>	<u>(51,289)</u>
<b><u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u></b>	<u>-</u>	<u>-</u>	<u>2,086,616</u>	<u>2,086,616</u>
<b><u>FUND BALANCE - JULY 1</u></b>	<u>2,377,410</u>	<u>2,377,410</u>	<u>2,377,410</u>	<u>-</u>
<b><u>FUND BALANCE - JUNE 30</u></b>	<u>\$ 2,377,410</u>	<u>\$ 2,377,410</u>	<u>\$ 4,464,026</u>	<u>\$ 2,086,616</u>

**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, 2022**

	Budget Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Real Estate Property Taxes	\$ 21,684,140	\$ 21,684,140	\$ 21,466,248	\$ (217,892)
Permits, Privilege Fees, and Regulatory Licenses	38,250	38,250	59,961	21,711
From Use of Money and Property	1,515,552	1,515,552	1,665,127	149,575
Charges for Services	14,577,744	14,613,035	10,234,234	(4,378,801)
Miscellaneous	55,400	55,400	7,079	(48,321)
From Commonwealth	11,000	11,000	14,564	3,564
Total Revenues	37,882,086	37,917,377	33,447,213	(4,470,164)
<b><u>EXPENDITURES</u></b>				
P&R Business Services	3,297,824	3,355,177	2,897,930	457,247
P&R Landscape Management	30,698,340	31,651,260	26,129,226	5,522,034
P&R Open Space Program	711,303	711,303	732,944	(21,641)
P&R Contingencies	316,070	756,926	-	756,926
PW Facilities Management	3,232,878	3,380,528	3,123,629	256,899
Contingencies	575,788	575,788	-	575,788
Debt Service:				
Principal Retirement	2,640,113	2,640,113	2,640,113	-
Interest and Fiscal Charges	1,331,810	1,331,810	1,328,776	3,034
Total Expenditures	42,804,126	44,402,905	36,852,618	7,550,287
<b><u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	(4,922,040)	(6,485,528)	(3,405,405)	3,080,123
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers In	6,454,790	7,195,107	7,195,107	-
Transfers Out	(1,532,750)	(1,536,218)	(1,536,218)	-
Use of Fund Balance	-	826,639	-	(826,639)
Total Other Financing Sources (Uses)	4,922,040	6,485,528	5,658,889	(826,639)
<b><u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u></b>	-	-	2,253,484	2,253,484
<b><u>FUND BALANCE - JULY 1</u></b>	7,468,346	7,468,346	7,468,346	-
<b><u>FUND BALANCE - JUNE 30</u></b>	<u>\$ 7,468,346</u>	<u>\$ 7,468,346</u>	<u>\$ 9,721,830</u>	<u>\$ 2,253,484</u>



**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, 2022**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b><u>REVENUES</u></b>				
Real Estate Property Taxes	\$ 542,975	\$ 542,975	\$ 549,305	\$ 6,330
Other Local Taxes	4,364,023	4,364,023	5,269,211	905,188
From Use of Money and Property	3,017	3,017	12,010	8,993
Total Revenues	4,910,015	4,910,015	5,830,526	920,511
<b><u>EXPENDITURES</u></b>				
PW Infrastructure Maintenance	526,815	566,704	307,773	258,931
Total Expenditures	526,815	566,704	307,773	258,931
<b><u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	4,383,200	4,343,311	5,522,753	1,179,442
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers Out	(4,601,341)	(4,601,341)	(4,601,341)	-
Use of Fund Balance	218,141	258,030	-	(258,030)
Total Other Financing Sources (Uses)	(4,383,200)	(4,343,311)	(4,601,341)	(258,030)
<b><u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u></b>	-	-	921,412	921,412
<b><u>FUND BALANCE - JULY 1</u></b>	3,142,927	3,142,927	3,142,927	-
<b><u>FUND BALANCE - JUNE 30</u></b>	\$ 3,142,927	\$ 3,142,927	\$ 4,064,339	\$ 921,412

**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, 2022**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b><u>REVENUES</u></b>				
Permits, Privilege Fees, and Regulatory Licenses	\$ 4,000	\$ 4,000	\$ 2,099	\$ (1,901)
From Use of Money and Property	14,000	14,000	6,350	(7,650)
Charges for Services	5,626,608	5,626,608	4,406,497	(1,220,111)
Miscellaneous	3,000	3,000	3,936	936
From Commonwealth	20,563,054	21,819,330	20,394,389	(1,424,941)
From Federal Government	150,000	150,000	28,047	(121,953)
Total Revenues	26,360,662	27,616,938	24,841,318	(2,775,620)
<b><u>EXPENDITURES</u></b>				
Judicial	50,975,527	56,561,984	56,006,754	555,230
<b><u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	(24,614,865)	(28,945,046)	(31,165,436)	(2,220,390)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers In	24,626,465	28,705,942	28,705,942	-
Transfers Out	(11,600)	(63,620)	(63,620)	-
Use of Fund Balance	-	302,724	-	(302,724)
Total Other Financing Sources (Uses)	24,614,865	28,945,046	28,642,322	(302,724)
<b><u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u></b>	-	-	(2,523,114)	(2,523,114)
<b><u>FUND BALANCE - JULY 1</u></b>	(973,056)	(973,056)	(973,056)	-
<b><u>FUND BALANCE - JUNE 30</u></b>	<u>\$ (973,056)</u>	<u>\$ (973,056)</u>	<u>\$ (3,496,170)</u>	<u>\$ (2,523,114)</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, 2022**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b><u>REVENUES</u></b>				
Other Local Taxes	\$ 11,305,421	\$ 11,305,421	\$ 15,519,576	\$ 4,214,155
From Use of Money and Property	49,100	49,100	39,651	(9,449)
Charges for Services	-	-	4,056	4,056
Miscellaneous	4,000	4,000	-	(4,000)
Total Revenues	11,358,521	11,358,521	15,563,283	4,204,762
<b><u>EXPENDITURES</u></b>				
CVB Admin & Support	150,023	150,023	6,432	143,591
CVB Sales & Marketing	12,069,863	12,692,201	11,106,338	1,585,863
CVB Tourism Promotion	1,019,301	1,036,305	858,557	177,748
Contingencies	32,976	32,976	-	32,976
Total Expenditures	13,272,163	13,911,505	11,971,327	1,940,178
<b><u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	(1,913,642)	(2,552,984)	3,591,956	6,144,940
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers Out	(2,056,838)	(2,056,838)	(2,056,838)	-
Use of Fund Balance	3,970,480	4,609,822	-	(4,609,822)
Total Other Financing Sources (Uses)	1,913,642	2,552,984	(2,056,838)	(4,609,822)
<b><u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u></b>	-	-	1,535,118	1,535,118
<b><u>FUND BALANCE - JULY 1</u></b>	5,956,390	5,956,390	5,956,390	-
<b><u>FUND BALANCE - JUNE 30</u></b>	\$ 5,956,390	\$ 5,956,390	\$ 7,491,508	\$ 1,535,118

**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, 2022**

	Budget Amounts		Actual Amounts	Variance
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Other Local Taxes	\$ 33,954,885	\$ 33,954,885	\$ 49,309,915	\$ 15,355,030
Permits, Privilege Fees, and Regulatory Licenses	84,150	84,150	87,893	3,743
From Use of Money and Property	886,887	886,887	949,408	62,521
Charges for Services	230,420	230,420	4,165	(226,255)
Miscellaneous	1,760	1,760	1,510	(250)
Total Revenues	35,158,102	35,158,102	50,352,891	15,194,789
<b>EXPENDITURES</b>				
CA Admin & Support	355,500	355,500	1,103,956	(748,456)
P&R Landscape Management	879,934	1,043,445	943,044	100,401
P&R Contingencies	750,000	9,237,500	-	9,237,500
CVB Programming & Operations	7,506,344	8,980,475	6,353,594	2,626,881
CVB Sales & Marketing	483,731	996,231	761,642	234,589
Planning Transportation Planning	1,249,288	1,249,288	1,249,288	-
PW Facilities Management	777,386	902,684	466,095	436,589
PW Infrastructure Maintenance	3,098,051	3,634,961	2,427,181	1,207,780
Debt Service:				
Principal Retirement	19,426,162	19,426,162	19,422,829	3,333
Interest and Fiscal Charges	5,937,835	5,937,835	5,850,602	87,233
Total Expenditures	40,464,231	51,764,081	38,578,231	13,185,850
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(5,306,129)	(16,605,979)	11,774,660	28,380,639
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,000,000	11,000,000	11,000,000	-
Transfers Out	(15,170)	(30,170)	(30,170)	-
Use of Fund Balance	3,321,299	5,636,149	-	(5,636,149)
Total Other Financing Sources (Uses)	5,306,129	16,605,979	10,969,830	(5,636,149)
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	-	-	22,744,490	22,744,490
<b>FUND BALANCE - JULY 1</b>	27,299,220	27,299,220	27,299,220	-
<b>FUND BALANCE - JUNE 30</b>	\$ 27,299,220	\$ 27,299,220	\$ 50,043,710	\$ 22,744,490

**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, 2022**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b><u>REVENUES</u></b>				
Real Estate Property Taxes	\$ 2,409,195	\$ 2,409,195	\$ 2,312,993	\$ (96,202)
Permits, Privilege Fees, and Regulatory Licenses	-	-	37,342	37,342
From Use of Money and Property	365,500	365,500	120,329	(245,171)
Charges for Services	194,300	194,300	107,487	(86,813)
Miscellaneous	-	-	137,505	137,505
Total Revenues	<u>2,968,995</u>	<u>2,968,995</u>	<u>2,715,656</u>	<u>(253,339)</u>
<b><u>EXPENDITURES</u></b>				
P&R Landscape Management	62,438	64,663	53,387	11,276
Parking Operations	2,422,331	2,933,247	2,081,258	851,989
Total Expenditures	<u>2,484,769</u>	<u>2,997,910</u>	<u>2,134,645</u>	<u>863,265</u>
<b><u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>484,226</u>	<u>(28,915)</u>	<u>581,011</u>	<u>609,926</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers In	150,000	150,000	150,000	-
Transfers Out	(634,226)	(634,226)	(634,226)	-
Use of Fund Balance	-	513,141	-	(513,141)
Total Other Financing Sources (Uses)	<u>(484,226)</u>	<u>28,915</u>	<u>(484,226)</u>	<u>(513,141)</u>
<b><u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u></b>	<u>-</u>	<u>-</u>	<u>96,785</u>	<u>96,785</u>
<b><u>FUND BALANCE - JULY 1</u></b>	<u>3,102,361</u>	<u>3,102,361</u>	<u>3,102,361</u>	<u>-</u>
<b><u>FUND BALANCE - JUNE 30</u></b>	<u>\$ 3,102,361</u>	<u>\$ 3,102,361</u>	<u>\$ 3,199,146</u>	<u>\$ 96,785</u>

## **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, 2022**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b><u>REVENUES</u></b>				
From Use of Money and Property	\$ 2,211,066	\$ 2,211,066	\$ (4,437,022)	\$ (6,648,088)
Federal Reimbursement of Interest	-	-	244,107	244,107
Total Revenues	2,211,066	2,211,066	(4,192,915)	(6,403,981)
<b><u>EXPENDITURES</u></b>				
Principal	35,127,091	32,916,025	30,299,674	2,616,351
Interest	16,526,787	16,526,787	15,577,921	948,866
Total Expenditures	51,653,878	49,442,812	45,877,595	3,565,217
<b><u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	(49,442,812)	(47,231,746)	(50,070,510)	(2,838,764)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers In	49,442,812	49,442,812	45,935,681	(3,507,131)
Transfers Out	-	(2,211,066)	(2,211,066)	-
Total Other Financing Sources (Uses)	49,442,812	47,231,746	43,724,615	(3,507,131)
<b><u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u></b>	-	-	(6,345,895)	(6,345,895)
<b><u>FUND BALANCE - JULY 1</u></b>	43,755,064	43,755,064	43,755,064	-
<b><u>FUND BALANCE - JUNE 30</u></b>	<u>\$ 43,755,064</u>	<u>\$ 43,755,064</u>	<u>\$ 37,409,169</u>	<u>\$ (6,345,895)</u>

**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 fixed assets and infrastructure. The categories of projects accounted for in this fund are engineering and highways, buildings and assets, 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, 2022**

Project Number	Project Name	Budget to Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
100041	BIRDNECK ROAD - PHASE II	\$ 8,415,975	\$ -	\$ 8,069,815	\$ -	\$ -	\$ 346,160
100050	BUS STOP INFRASTRUCTURE-ACCESS IMP	1,417,126	75,753	433,081	433,081	39,948	944,097
100055	CAVALIER DRIVE IMPROVEMENTS	2,449,040	-	2,059,972	-	-	389,068
100057	CENTERVILLE TURNPIKE - PHASE II	36,326,854	210,545	3,677,370	3,677,370	3,022,190	29,627,294
100058	CENTERVILLE TURNPIKE - PHASE III	21,547,567	79,291	1,676,400	1,676,400	1,261,837	18,609,330
100122	STREET LIGHTING IMPROVEMENTS - PHASE II	820,000	19,586	666,939	-	16,818	136,243
100123	CLEVELAND STREET IMPROVEMENTS IV	14,973,693	167,494	168,694	168,694	2,423,325	12,381,674
100159	ELBOW ROAD EXTENDED - PHASE II-C	14,112,795	84,966	438,006	438,006	79,785	13,595,004
100160	ELBOW ROAD EXTENDED II-D	500,000	2,911	2,911	2,911	-	497,089
100171	FERRELL PARKWAY	4,132,500	72,590	92,548	92,548	610,525	3,429,427
100183	FIRST COLONIAL RD-VB BLVD INTERSECTION	31,962,696	85,869	11,952,644	-	16,691,204	3,318,848
100192	GENERAL BOOTH-CAMP PENDLETON INTERS IMPR	1,909,000	43,369	192,809	192,809	312,525	1,403,666
100199	GREENWICH RD-CLEVELAND ST CROSSOVER	14,881,314	55,572	8,568,876	8,568,876	109,092	6,203,346
100205	HOLLAND ROAD - PHASE VI	5,632,883	-	5,294,581	-	-	338,302
100211	I-264 INDEPENDENCE INTERCHANGE IMPROVEMENTS	500,000	-	-	-	-	500,000
100212	INDEPENDENCE BLVD-BAXTER RD SIDEWALK	1,631,809	897,755	1,069,509	1,069,509	391,221	171,079
100213	INDIAN RIVER ROAD - PHASE VII-B	11,200,485	-	-	-	-	11,200,485
100214	INDIAN RIVER ROAD-KEMPSVILLE ROAD IMPROVEMENT	20,863,848	55,664	19,689,127	-	1,112,054	62,667
100217	INDIAN RIVER ROAD - PHASE VII-A	53,481,000	1,072,291	9,022,250	9,022,250	1,308,526	43,150,224
100218	INDIAN RIVER-PROVIDENCE INTER IMPROVE	2,052,200	726,416	1,207,327	1,207,327	627,359	217,514
100235	LANDSTOWN ROAD IMPROVEMENTS PHASE I	4,457,565	-	1,216,860	1,216,860	156,362	3,084,343
100239	LASKIN ROAD PHASE I-B	2,278,981	-	2,266,061	2,266,061	-	12,920
100240	LASKIN ROAD BRIDGE REPLACEMENT	20,530,598	102	320	320	20,530,278	-
100242	LASKIN ROAD - PHASE I-A (VDOT)	23,619,480	10,480	10,677	10,677	23,608,803	-
100246	LESNER BRIDGE REPLACEMENT	111,304,439	8,809	110,200,842	-	538,752	564,845
100261	LYNNHAVEN PARKWAY - PHASE XI	1,769,125	-	1,402,919	-	-	366,206
100268	MAJOR BRIDGE REHABILITATION - PHASE II	12,460,284	3,312,676	7,749,414	7,749,414	1,581,466	3,129,404
100276	NIMMO PARKWAY PHASE II-A	3,277,261	1,691,731	2,956,948	-	224,763	95,550
100278	NIMMO PARKWAY - PHASE VII-B	9,011,438	200,876	1,289,773	1,289,773	687,732	7,033,933
100296	PACIFIC AVENUE IMPROVEMENTS	15,080,000	313	14,386,457	-	562	692,981
100301	PARLIAMENT DRIVE SIDEWALK PHASE II	966,353	30,317	141,407	141,407	121,964	702,982
100306	PLEASURE HOUSE ROAD STREET IMPROVE - PHASE II	800,000	61,982	61,982	61,982	122,443	615,575
100317	PRINCESS ANNE ROAD - PHASE V11-A	350,000	-	218,763	218,763	-	131,237
100318	PRINCESS ANNE PHASE VII	30,109,843	4,126,749	28,161,037	-	1,948,806	-
100319	PRINCESS ANNE-KEMPSVILLE ROAD INTERSECTION	86,171,045	426	86,063,718	-	1,249	106,078
100322	PROVIDENCE ROAD SIDEWALK	1,099,000	283,851	456,311	-	463,509	179,180
100329	INDIAN RIVER RD/PRINCESS ANNE RD INT IMP	210,211	-	210,211	210,211	-	-
100340	ROSEMONT ROAD - PHASE V	11,593,559	291,747	1,244,078	1,244,078	852,814	9,496,667
100347	RURAL ROAD IMPROVEMENTS - PHASE II	1,504,424	16,305	37,861	37,861	22,017	1,444,546
100355	SANDBRIDGE ROAD BRIDGE REPLACEMENT	7,887,467	18,753	7,498,142	-	389,325	-
100356	SANDBRIDGE ROAD-NIMMO - PHASE VII-A	21,690,581	781,585	2,091,630	2,091,630	17,475,521	2,123,430
100379	SHIPPS CORNER ROAD IMPROVEMENTS	750,240	45,061	402,904	402,904	347,336	-
100381	SHORE DRIVE CORRIDOR IMPRV-PHASE III	30,901,426	42,716	2,218,654	2,218,654	2,044,527	26,638,245
100383	SHORE DRIVE CORRIDOR IMPRV-PHASE IV	6,587,025	-	398,437	398,437	857,871	5,330,717
100401	STREET RECONSTRUCTION - PHASE II	22,350,000	1,986,346	17,057,912	847,430	347,438	4,944,650
100422	TRAFFIC CALMING	500,000	50,389	50,389	50,389	-	449,611
100423	TRAFFIC SAFETY IMPROVEMENTS - PHASE IV	15,851,003	3,758,177	8,637,265	8,637,265	4,830,165	2,383,573
100424	TRAFFIC SAFETY IMPROVEMENTS - PHASE III	17,062,305	8,751	15,969,975	8,751	138,960	953,370
100425	TRAFFIC SIGNAL REHAB - PHASE II	4,030,250	549,802	1,976,564	1,976,564	827,682	1,226,004
100428	TRANSPORTATION NETWORK ANALYSIS	2,632,250	-	2,444,486	-	93,315	94,449
100429	UPTON DR EXT-DAM NECK IMPROVEMENTS	1,300,000	-	13,219	13,219	-	1,286,781
100447	VAR COST PARTICIPATION PROJECTS II	300,000	-	-	-	-	300,000
100481	WEST GREAT NECK RD SIDEWALK	1,042,869	5,197	808,652	-	89,041	145,176
100483	WEST NECK ROAD - PHASE IV	9,366,533	382,427	1,809,972	1,809,972	7,556,561	-
100484	WETLANDS MITIGATION BANKING - PHASE II	100,000	500	500	500	-	99,500
100492	WITCHDUCK ROAD - PHASE II	58,788,998	817,187	56,125,924	-	2,663,074	-
100501	LASKIN ROAD - PHASE II	783,111	-	625,465	-	-	157,646
100502	CITY WIDE STREET LIGHTING IMPROVEMENTS III	140,000	17,771	17,771	17,771	50,287	71,942
100522	TRAFFIC SIGNAL RETIMING II	1,211,180	197,687	197,687	197,687	98,806	914,687
100524	PLEASURE HOUSE ROAD STREET IMPROVEMENTS - PHASE I	300,000	39,867	39,867	39,867	75,439	184,694
100529	ELBOW ROAD EXTENDED - PHASE II - B	47,625,000	134,229	7,290,268	7,290,268	820,995	39,513,737
100537	DAM NECK RD-HOLLAND RD INTERSECTION IMPROVEMENTS	250,000	-	-	-	-	250,000
100554	INDEPENDENCE BLVD-COLUMBUS ST PEDESTRIAN IMP	511,385	23,155	23,155	23,155	56,402	431,828
100555	PARLIAMENT DR-SIDEWALK PHASE I	1,083,386	-	-	-	-	1,083,386
100556	SANDBRIDGE RD-SIDEWALK	787,602	-	-	-	-	787,602
TOTAL ENGINEERING & HIGHWAYS CAPITAL PROJECTS		\$ 839,237,002	\$ 22,546,036	\$ 458,057,336	\$ 67,021,651	\$ 117,630,674	\$ 263,548,992

**CITY OF VIRGINIA BEACH, VIRGINIA  
BUILDINGS CAPITAL PROJECTS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2022**

Project Number	Project Name	Budget to Date	Current Year Expenditures	Total Expenditures	Construction In Progress	Outstanding Encumbrances	Available Balance
100015	AQUARIUM MARSH PAVILION ENHANCEMENTS	\$ 15,252,933	\$ 1,429,658	\$ 14,856,169	\$ -	\$ 223,622	\$ 173,142
100016	AQUARIUM MARSH PAVILION - PHASE II	13,418,683	1,372,441	12,311,597	-	264,488	842,598
100019	ARC FLASH MITIGATION	4,780,000	506,274	3,383,987	-	287,776	1,108,237
100042	BUILDING 2 ELECTRICAL UPGRADE	67,778	-	67,778	-	-	-
100047	BUILDING SECURITY	675,000	17,041	197,415	17,041	6,567	471,018
100120	CITY HALL REPLACEMENT	50,250,000	12,514,726	48,247,404	1,592,200	2,002,596	-
100138	CONVENTION CENTER CAPITAL MAINTENANCE	11,229,489	414,368	4,996,114	-	444,669	5,788,706
100140	CORRECTION CENTER MASTER CONTROL UPGRADE	5,000,000	793,770	4,931,993	-	20,128	47,879
100164	ENERGY PERFORMANCE CONTRACTS - PHASE I	5,459,915	279,813	4,916,955	-	542,960	-
100165	ENERGY PERFORMANCE CONTRACTS - PHASE II	1,650,000	398,908	398,908	398,908	563,535	687,557
100166	EOC SPACE REVISION, TECH & SECURITY UPGRADE	545,000	-	525,814	-	-	19,186
100170	FACILITIES PLANNING SERVICES	870,467	157,738	427,620	-	23,043	419,804
100175	FIRE APPARATUS - PHASE IV	13,884,875	4,045,142	11,755,050	7,866,116	1,944,393	185,432
100176	FIRE FACILITY REHAB & RENEWAL - PHASE III	5,815,791	353,982	5,298,111	-	485,419	32,261
100178	FIRE TRAINING CENTER IMPROVEMENTS - PHASE IV	1,973,155	665,497	665,497	665,497	1,307,658	-
100180	FIRE TRAINING CENTER IMPROVEMENTS - PHASE III	5,152,170	2,770,156	3,493,379	3,493,379	3	1,658,788
100181	FIRE-RESCUE STATION BURTON STATION	7,810,000	4,062,103	4,762,311	4,762,311	3,047,689	-
100202	HERITAGE BUILDING MAINTENANCE - PHASE I	2,094,746	10,349	2,061,792	-	26,862	6,092
100203	HERITAGE BUILDING MAINTENANCE - PHASE II	2,475,000	373,711	790,575	373,711	449,736	1,234,689
100224	INTERMEDIATE CARE FACILITIES REN-REP - PHASE I	1,549,776	7,008	203,518	-	28	1,346,230
100225	JUDICIAL CENTER MAINTENANCE	899,356	131,269	728,899	-	80,629	89,828
100233	LANDFILL #2 - PHASE I CAPPING	21,677,000	58,521	7,844,828	7,844,828	10,106,529	3,725,643
100248	LIBRARY ENHANCEMENTS	5,496,039	476,099	3,890,878	-	39,872	1,565,289
100291	OPERATIONS FACILITIES RENOVATIONS	84,640,000	19,806,864	30,434,763	-	54,205,237	-
100308	POLICE DEPT HELICOPTER	9,127,667	-	8,890,650	4,556,560	-	237,017
100309	POLICE FOURTH PRECINCT-REPLACEMENT	9,051,779	185,726	8,967,598	-	58,617	25,564
100325	PUBLIC SAFETY EQUIPMENT REPLACEMENT	8,085,573	1,054,538	6,024,866	6,024,866	175,683	1,885,024
100392	CITY SECURITY ENHANCEMENTS	2,877,818	475,632	475,632	475,632	73,205	2,328,981
100435	VA AQUARIUM ANIMAL CARE ANNEX	19,261,914	728,275	19,087,520	-	62,439	111,955
100436	VA AQUARIUM BLDG SYS REHAB & RENEWAL	13,706,589	23,516	13,203,675	-	36,785	466,129
100437	VA AQUARIUM BUILDING SYSTEMS & FACILITY	4,303,620	447,170	2,062,519	-	11,063	2,230,038
100438	VA AQUARIUM RENEWAL & REPLACEMENT - PHASE II	2,341,776	995	2,232,211	995	47,442	62,123
100441	VAR BLDGS HVAC REHAB & RENEWAL - PHASE III	11,259,331	5,795	11,213,094	-	33,656	12,581
100444	VAR BLDGS REHAB & RENEWAL - PHASE III	14,289,599	42,445	14,158,300	-	85,758	45,541
100445	VAR BLDGS HVAC REHAB & RENEWAL - PHASE IV	10,000,000	1,468,880	6,242,995	-	674,668	3,082,337
100446	VAR BLDGS REHAB & RENEWAL - PHASE IV	16,920,572	2,514,000	11,689,228	-	3,093,450	2,137,894
100454	VARIOUS SITE ACQUISITIONS PHASE - II	8,748,525	-	8,748,525	-	-	-
100455	VARIOUS SITE ACQUISITIONS PHASE - III	172,091	2,240	5,540	5,540	-	166,551
100457	VETERANS MEMORIAL SUSTAINMENT	700,000	323,205	457,911	-	-	242,089
100463	VIRGINIA AQUARIUM RENEW & REPLACE - PHASE III	2,099,204	118,882	345,484	-	446,568	1,307,152
100503	JUDICIAL CENTER ESCALATOR REPLACEMENT	4,073,055	27,168	90,185	-	603,099	3,379,771
100513	VIRGINIA AQUARIUM MONUMENT SIGNS	600,000	1,925	1,925	-	8,842	589,233
100584	HOUSING RESOURCE CENTER ACCESSIBILITY	1,464,000	3,777	3,777	3,777	43,843	1,416,380
100588	HVAC REC CENTERS HVAC REHAB & RENEWAL ARPA	3,650,000	-	-	-	152,175	3,497,825
100589	HVAC CENT UTIL PLANT HVAC REHAB & RENEWAL ARPA	6,100,000	-	-	-	153,125	5,946,875
100590	HVAC COURTS BUILDING HVAC REHAB & RENEWAL ARPA	2,070,000	-	-	-	131,892	1,938,108
100591	PARKS & RECREATION LANDSCAPE YARD ARPA	9,420,098	143,466	143,466	143,466	446,185	8,830,447
100608	VIRGINIA AQUARIUM ANIMAL HOLDING FACILITY RENO	4,321,715	36,166	36,166	36,166	277,346	4,008,203
TOTAL BUILDINGS CAPITAL PROJECTS		<u>\$ 427,312,099</u>	<u>\$ 58,249,239</u>	<u>\$ 281,272,622</u>	<u>\$ 38,260,993</u>	<u>\$ 82,689,280</u>	<u>\$ 63,350,197</u>

**CITY OF VIRGINIA BEACH, VIRGINIA  
FLOOD PROTECTION PROGRAM CAPITAL PROJECTS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2022**

<b>Project Number</b>	<b>Project Name</b>	<b>Budget to Date</b>	<b>Current Year Expenditures</b>	<b>Total Expenditures</b>	<b>Construction In Progress</b>	<b>Outstanding Encumbrances</b>	<b>Available Balance</b>
100061	CENTRAL RESORT DISTRICT - 24TH ST CULVER	\$ 5,100,000	\$ -	\$ -	\$ -	\$ -	\$ 5,100,000
100062	CENTRAL RESORT DISTRICT DRAINAGE IMPROVEMENT	92,000,000	325,920	325,920	325,920	469,486	91,204,594
100280	NORTH LAKE HOLLY WATERSHED	24,071,135	-	620,000	-	5,962,937	17,488,198
100353	ATLANTIC OCEAN WATER QUALITY	700,000	-	321,729	-	-	378,271
100418	THE LAKES HOLLAND ROAD GATE	8,507,000	-	-	-	104,696	8,402,304
100465	LITTLE CREEK WATER QUALITY	200,000	-	-	-	-	200,000
100487	WINDSOR WOODS PUMP STATION	39,750,000	261,791	261,791	261,791	462,598	39,025,611
100516	BOW CREEK STORMWATER PARK	76,895,850	1,614,761	1,614,761	1,614,761	2,623,209	72,657,880
100517	PRINCESS ANNE PLAZA N LONDON BRIDGE PUMP STATION	60,900,000	3,163,687	4,182,367	3,163,687	380,248	56,337,385
100538	EASTERN SHORE DR-ELEVATE LYNNHAVEN DR	3,600,000	-	-	-	-	3,600,000
100548	PUNGO FERRY RD IMPROVEMENTS	11,500,000	-	-	-	-	11,500,000
100551	STORMWATER GREEN INFRASTRUCTURE	39,925,000	-	-	-	1,858,879	38,066,121
100553	WINDSOR WOODS-THALIA CREEK-LAKE TRASHMORE IMP	5,200,000	-	-	-	-	5,200,000
100578	STORMWATER PROJECT ADMINISTRATION	2,000,000	855,526	855,526	855,526	413,873	730,601
100595	CHUBB LAKE/LAKE BRADFORD PUMP STATION AND OUTFALL	78,200,000	-	-	-	1,472,012	76,727,988
100596	CHURCH POINT/THOROUGHGOOD DRAINAGE IMPROV	35,900,000	-	-	-	137,663	35,762,337
100597	EASTERN SHORE DRIVE - PH 1 SECTION 1F IMPROVEMENTS	1,560,000	-	-	-	-	1,560,000
100598	EASTERN SHORE DRIVE - PH 1 SECTION 1G IMPROVEMENTS	940,000	-	-	-	-	940,000
100599	EASTERN SHORE DRIVE - POINCIANA PUMP STATION	8,200,000	-	-	-	-	8,200,000
100600	SEATAACK NEIGHBORHOOD DRAINAGE IMPROVEMENTS	4,325,000	-	-	-	475,575	3,849,425
100601	FIRST COLONIAL & OCEANA BLVD DRAINAGE IMPROVEMENTS	2,325,000	-	-	-	-	2,325,000
100602	WEST NECK CREEK BRIDGE	69,000,000	-	-	-	-	69,000,000
100603	SANDBRIDGE/NEW BRIDGE INTERSECTION IMPROVEMENTS	7,990,000	-	-	-	-	7,990,000
100604	THE LAKES - FLOOD BARRIERS	3,600,000	-	-	-	104,696	3,495,304
100605	WINDSOR WOODS - FLOOD BARRIERS	14,000,000	-	-	-	-	14,000,000
TOTAL FLOOD PROTECTION PROGRAM CAPITAL PROJECTS		<u>\$ 596,388,985</u>	<u>\$ 6,221,685</u>	<u>\$ 8,182,094</u>	<u>\$ 6,221,685</u>	<u>\$ 14,465,872</u>	<u>\$ 573,741,019</u>

**CITY OF VIRGINIA BEACH, VIRGINIA  
COMMUNICATIONS AND INFORMATION TECHNOLOGY CAPITAL PROJECTS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2022**

<b>Project Number</b>	<b>Project Name</b>	<b>Budget to Date</b>	<b>Current Year Expenditures</b>	<b>Total Expenditures</b>	<b>Construction In Progress</b>	<b>Outstanding Encumbrances</b>	<b>Available Balance</b>
100067	NEXT GENERATION CONTENT MANAGMENT	\$ 450,000	\$ 80,850	\$ 272,302	\$ -	\$ 176,203	\$ 1,495
100068	SHERIFF INMATE TRACKING & STATUS M	988,009	87,609	817,293	817,293	-	170,716
100074	21ST CENTURY ENTERPRISE RESOURCE (HCM)	8,863,226	150,000	150,000	150,000	-	8,713,226
100075	21ST CENTURY ENTERPRISE RESOURCE (ERP)	13,617,284	1,614,541	12,602,750	-	847,074	167,460
100076	ACCELA SUSTAINMENT	1,446,532	602,301	1,373,943	-	37,253	35,336
100081	BUS REV-PERS PROP RACS IMPLEMENTATION	4,300,500	60,000	4,218,554	-	81,946	-
100082	CABLE ACCESS INFRASTRUCTURE REPLACE - PHASE I	3,797,261	222,160	2,734,937	-	104,662	957,662
100083	CABLE ACCESS INFRASTRUCTURE REPLACE - PHASE II	1,260,000	-	-	-	-	1,260,000
100084	CITY SOFTWARE UPGRADE-REPLACE	10,195,800	2,375,797	8,277,934	-	1,576,575	341,291
100086	COMMUNICATION INFRASTRUCTURE REPLACE - PHASE II	32,106,051	1,426,000	30,919,704	1,426,000	187,529	998,818
100087	COMMUNICATION INFRASTRUCTURE REPLACE - PHASE III	16,000,040	4,286,155	4,714,050	-	3,477,213	7,808,777
100094	ENTERPRISE CUST RELATIONSHIP MGMT SY	671,219	-	599,001	-	67,435	4,783
100095	ENTERPRISE SCHEDULING-TIMEKEEPING SY	5,240,015	1,242,018	3,878,541	-	575,846	785,628
100097	FIRE MOBILE RADIO REPEATERS	475,520	-	308,208	308,208	48,354	118,958
100100	HS COMPREHENSIVE HEALTH RECORDS SYSTEM	1,496,168	352,020	861,320	-	616,132	18,716
100103	IT SERVICE CONTINUITY - PHASE II	6,410,681	573,133	5,120,589	-	264,313	1,025,779
100105	MAINTAIN & SECURE CORPORATE DATA	2,636,960	1,736,294	2,273,254	-	19,210	344,496
100106	NEXT GENERATION NETWORK	12,634,989	1,604,638	8,825,301	-	3,479,967	329,721
100107	NETWORK INFRASTRUCTURE REPLACE - PHASE III	17,808,961	2,971,211	10,792,619	-	1,279,721	5,736,621
100110	POLICE OCEANFRONT CAMERAS	4,965,400	877,635	4,029,416	-	97,182	838,802
100112	POLICE RADIO ENCRYPTION	4,958,165	4,393,665	4,405,905	4,405,905	157,074	395,186
100113	ENTERPRISE PUBLIC SAFETY SYSTEMS	18,030,162	1,104,506	9,978,507	-	8,051,655	-
100116	STORM SURGE AND SUSTAIN MODELING	306,158	2,614	236,743	-	1,074	68,341
100118	TELECOMMUNICATIONS REPLACEMENT - PHASE II	4,554,494	425,480	3,140,397	-	2,469	1,411,628
100412	E-BUSINESS SUITE UPGRADE	943,188	603,653	806,777	-	2,760	133,651
100533	NEXT GENERATION 911	1,561,397	91,845	168,126	168,126	773,996	619,275
100569	LIBRARIES MEETING SPACE TECHNOLOGY MODERNIZATION	397,442	-	-	-	268,433	129,009
100571	ELECTRONIC POLLBOOK REPLACEMENT	517,608	-	-	-	-	517,608
100572	HR/FINANCE SOFTWARE SUSTAINMENT	1,240,836	732,363	732,363	732,363	-	508,473
100574	COURTS TECHNOLOGY SYSTEM SUSTAINMENT	1,393,064	380,083	380,083	380,083	657,796	355,185
100579	JUVENILE DETENTION CENTER SECURITY REPLACEMENT	598,266	52,923	52,923	52,923	12,481	532,862
100580	GUNSHOT DETECTION SYSTEM	1,386,000	280,000	280,000	280,000	-	1,106,000
100581	CRIME PREVENTION THROUGH ENVIRONMENTAL DESIGN	1,117,000	158,235	293,235	293,235	29,580	794,185
100583	WIFI IN CITY PARKS	61,400	25,668	25,668	25,668	-	35,732
100592	TELEHEALTH & CASE MANAGEMENT ARPA	2,224,000	319,241	319,241	319,241	319,727	1,585,032
100593	SOUTHSIDE NETWORK AUTH REG BROADBAND RING ARPA	7,000,000	5,000,000	5,000,000	5,000,000	-	2,000,000
100594	LIBRARIES MEETING SPACE TECH MODERNIZATION ARPA	743,000	-	-	-	-	743,000
TOTAL COMMUNICATIONS AND INFORMATION TECHNOLOGY CAPITAL PROJECTS		<u>\$ 192,396,796</u>	<u>\$ 33,832,638</u>	<u>\$ 128,589,684</u>	<u>\$ 14,359,045</u>	<u>\$ 23,213,660</u>	<u>\$ 40,593,452</u>



**CITY OF VIRGINIA BEACH, VIRGINIA  
PARKS AND RECREATION CAPITAL PROJECTS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2022**

<b>Project Number</b>	<b>Project Name</b>	<b>Budget to Date</b>	<b>Current Year Expenditures</b>	<b>Total Expenditures</b>	<b>Construction In Progress</b>	<b>Outstanding Encumbrances</b>	<b>Available Balance</b>
100023	ATHLETIC FIELDS LIGHTING-RENOV - PHASE III	\$ 2,877,277	\$ 40,918	\$ 1,863,417	\$ 1,863,417	\$ -	\$ 1,013,860
100040	BIKEWAYS-TRAILS REPAIRS-RENOVATIONS - PHASE I	1,960,000	240,127	704,685	374,488	488,436	766,879
100119	CITY BIKEWAYS & TRAILS PLAN IMPLEM - PHASE II	3,007,978	198,165	2,383,638	2,383,638	208,206	416,134
100127	RECREATION CENTERS REPAIRS & RENOV - PHASE III	21,087,768	1,556,628	11,244,200	-	291,022	9,552,546
100190	FOXFIRE TRAIL PEDESTRIAN BRIDGE	1,123,530	78,466	200,895	200,895	82,253	840,382
100194	GOLF COURSES CONTRACTUAL OBLIGATIONS	1,320,000	52,104	904,993	-	-	415,007
100198	GREENWAY SCENIC WATER & NAT AREA - PHASE III	2,725,000	129,140	1,518,944	1,518,944	89,920	1,116,136
100200	GROMMET ISLAND PARK REPAIRS & RENOV - PHASE I	144,000	-	144,000	-	-	-
100249	LITTLE ISLAND PARK PARKING LOT IMPROVEMENTS	497,400	38,730	305,532	305,532	57,532	134,336
100256	LYNNHAVEN BOAT RAMP-BEACH FAC REP-RENOV	512,221	113,032	361,358	-	45,272	105,591
100259	LYNNHAVEN MARINA BULKHEAD RPLC - FAC REN	1,583,000	-	1,578,884	-	-	4,116
100289	OPEN SPACE PARK DEVELOPMENT-MAINT-PHASE II	18,171,100	1,363,674	10,922,229	-	3,664,551	3,584,320
100295	PAAC MULTI-PURPOSE ATHLETIC FIELD RENOV	5,250,000	-	5,229,681	-	13,352	6,967
100299	PARK PLAYGROUND RENOVATIONS - PHASE III	6,067,327	1,132,391	4,527,534	-	97,558	1,442,235
100320	PARKS-SPEC USE FACILIT DEV-RENOV-PHASE III	16,547,068	847,599	10,551,783	-	947,036	5,048,249
100393	SPORTSPLEX-NATL TRNG CTR REN & REPLACE	10,683,768	1,128,869	5,892,826	-	680,959	4,109,983
100402	STUMPY LAKE GOLF COURSE LEASE OBLIGATION	323,503	56,637	173,408	157,995	1,220	148,875
100413	TENNIS COURT RENOVATIONS - PHASE III	2,775,000	23,603	1,619,891	-	-	1,155,109
100414	THALIA CREEK GREENWAY TRAIL	800,000	67	791,842	67	2,933	5,225
100415	THALIA CREEK GREENWAY - PHASE I	3,400,157	10,261	485,850	485,850	79,640	2,834,667
100495	WOODSTOCK COVE SHORELINE RE-CONSTRUCT	712,067	-	712,067	-	-	-
100496	WOODSTOCK PARK HRSD COST CONTRIBUTION	2,000,000	1,802,337	1,802,337	-	2,635	195,028
100511	SOUTHERN RIVERS WATERSHED SITE ACQUISITION PROG	2,000,000	-	-	-	-	2,000,000
100532	PARKS INFRASTRUCTURE RENEWAL OR REPLACEMENT	3,648,379	-	3,570,911	-	20,994	56,474
100558	VIOLET BANK TRAIL	1,300,000	-	-	-	-	1,300,000
100559	THREE OAKS PATH	545,873	350	350	-	-	545,523
100587	PARKS CAPITAL INFRASTRUCTURE REPLACEMENT - ARPA	15,200,000	664,165	664,165	664,165	1,151,643	13,384,192
TOTAL PARKS AND RECREATION CAPITAL PROJECTS		<u>126,262,416</u>	<u>\$ 9,477,263</u>	<u>\$ 68,155,420</u>	<u>\$ 7,954,991</u>	<u>\$ 7,925,162</u>	<u>\$ 50,181,834</u>

**CITY OF VIRGINIA BEACH, VIRGINIA  
COASTAL CAPITAL PROJECTS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2022**

<b>Project Number</b>	<b>Project Name</b>	<b>Budget to Date</b>	<b>Current Year Expenditures</b>	<b>Total Expenditures</b>	<b>Construction In Progress</b>	<b>Outstanding Encumbrances</b>	<b>Available Balance</b>
100030	BAY BEACHES RESTORATION	\$ 4,125,000	\$ 21,581	\$ 385,522	\$ -	\$ 120,463	\$ 3,619,015
100036	BEACH PROFILE MONITORING - PHASE II	645,000	128,578	560,344	-	40,897	43,759
100038	BEACH REPLENISHMENT - PHASE II	13,341,921	46,022	8,286,794	-	5,055,127	-
100064	CHESAPEAKE BEACH RESTORATION	5,878,079	36,600	5,840,951	-	14,492	22,636
100065	CHESOPELAN COLONY NEIGHBORHOOD DREDGING II	2,677,034	-	2,647,641	-	14,740	14,653
100142	CROATAN BEACH RESTORATION	1,760,000	-	227,300	227,300	45,827	1,486,873
100149	DREDGE OPERATIONS REHAB & MODIFICATIONS	2,000,000	-	-	-	-	2,000,000
100152	EASTERN BRANCH LYNNHAVEN RIVER DREDGING	5,589,935	2,019,904	2,702,402	-	981,713	1,905,820
100193	GILLS COVE NEIGHBORHOOD DREDGING	781,786	1,181	135,193	-	152,034	494,559
100210	HURDS COVE NEIGHBORHOOD DREDGING	3,462,000	17,656	407,773	-	15,211	3,039,016
100253	BAYVILLE CREEK NEIGHBORHOOD DREDGING II	73,000	8,158	8,158	-	-	64,842
100258	LYNNHAVEN INLET MAINT DREDGING - PHASE II	2,342,450	451,156	1,718,883	-	56,775	566,792
100274	NEIGHBORHOOD DREDGING SPUR CHANNELS	354,660	31,972	48,033	48,033	104,422	202,205
100304	PLEASURE HOUSE POINT MITIGATION - PHASE I	426,493	-	385,420	-	41,073	-
100305	PLEASURE HOUSE POINT MITIGATION - PHASE II	230,000	-	225	-	-	229,775
100334	RUDEE INLET DREDGE REPLACEMENT	8,582,769	453,662	453,662	453,662	514,772	7,614,335
100344	RUDEE INLET FEDERAL DREDGING - PHASE II	5,160,000	718,718	4,837,234	-	119,477	203,289
100345	RUDEE INLET OUTER CHAN MAINT DREDG - PHASE II	5,025,000	462,778	3,032,619	-	-	1,992,381
100349	SANDBRIDGE BEACH ACCESS IMPROV - PHASE II	3,000,000	186,878	2,250,533	-	54,412	695,055
100351	SANDBRIDGE EMERGENCY BEACH RESTORATION	39,133,051	-	39,133,051	-	-	-
100352	SANDBRIDGE BEACH RESTORATION - PHASE II	22,550,000	94,785	22,001,139	-	47,393	501,468
100364	SCHILLING POINT NEIGHBORHOOD DREDGING	543,893	103,766	149,348	149,348	394,545	-
100450	VAR MINOR DREDGING - PHASE II	3,075,000	486,205	3,004,809	-	70,191	-
100510	SANDBRIDGE BEACH RESTORATION IV	19,126,442	-	-	-	-	19,126,442
100534	OLD DONATION CREEK AREA DREDGING-PHASE II	189,107	13,272	13,272	13,272	-	175,835
100636	SANDBRIDGE BEACH RESTORATION - PHASE III	20,737,922	-	-	-	-	20,737,922
TOTAL COASTAL CAPITAL PROJECTS		<u>\$ 170,810,542</u>	<u>\$ 5,282,872</u>	<u>\$ 98,230,306</u>	<u>\$ 891,615</u>	<u>\$ 7,843,564</u>	<u>\$ 64,736,672</u>

**CITY OF VIRGINIA BEACH, VIRGINIA  
ECONOMIC AND TOURISM CAPITAL PROJECTS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2022**

<b>Project Number</b>	<b>Project Name</b>	<b>Budget to Date</b>	<b>Current Year Expenditures</b>	<b>Total Expenditures</b>	<b>Construction In Progress</b>	<b>Outstanding Encumbrances</b>	<b>Available Balance</b>
100001	17TH STREET IMPROVEMENTS - PHASE I	\$ 26,000,000	\$ 494,434	\$ 1,331,983	\$ 1,331,983	\$ 785,493	\$ 23,882,524
100002	17TH STREET IMPROVEMENTS - PHASE II	1,250,000	49,411	293,631	293,631	2,879	953,490
100006	19TH STREET INFRASTRUCTURE IMPROVEMENTS	14,926,700	235,728	13,654,489	-	1,272,211	-
100008	29TH STREET IMPROVEMENTS	2,504,771	195,720	2,042,847	-	144,386	317,538
100014	APZ-1 ECONOMIC INCENTIVES	1,857,692	75,854	704,807	-	-	1,152,885
100048	BURTON STATION ROAD IMPROVEMNTS-PHASE III	5,541,465	-	2,484,194	2,484,194	453,704	2,603,567
100049	BURTON STATION ROADWAY IMPROVEMENTS	12,989,931	507,317	11,023,087	-	48,560	1,918,284
100059	RESORT PARKING DISTRICT	11,125,000	-	9,753,309	-	-	1,371,691
100145	ATLANTIC PARK DEVELOPMENT ACQUISITION	12,700,000	70,093	5,564,168	5,564,168	5,897,570	1,238,262
100146	ATLANTIC PARK ENTERTAINMENT VENUE	39,225,000	881,674	1,394,698	1,394,698	-	37,830,302
100147	ATLANTIC PARK PARKING	49,500,000	732,165	980,103	980,103	-	48,519,897
100148	ATLANTIC PARK STREETSAPES	7,500,000	87,337	87,337	87,337	-	7,412,663
100156	ECONOMIC DEVEL INVESTMENT PROGRAM - PHASE I	57,892,016	-	57,325,833	-	-	566,183
100157	ECONOMIC DEVEL INVESTMENT PROGRAM - PHASE II	5,451,977	-	2,067,087	-	-	3,384,890
100204	HISTORIC KEMPSVILLE	4,550,000	2,371	4,355,970	-	-	194,030
100206	HOUSING & NEIGHBORHOOD STRATEGY	200,000	92,806	92,806	92,806	84,765	22,429
100251	LONDON BRIDGE COMMERCE CENTER - PHASE I	3,895,100	-	90,754	90,754	-	3,804,346
100262	LYNNHAVEN PARKWAY CORRIDOR IMPROVEMENTS	4,000,000	22,545	485,113	485,113	172,620	3,342,267
100282	OCEANA & ITA CONFORMITY & ACQUISITION - PHASE II	7,704,381	137,252	4,662,862	-	25,892	3,015,627
100283	OCEANFRONT CAPITAL PROJECTS REINVEST	5,980,877	397,575	5,299,179	-	251,339	430,359
100284	OCEANFRONT GARAGES CAPTIAL MAINTENANCE	6,337,991	97,012	6,214,266	-	31,716	92,009
100285	OCEANFRONT PARKING FACILITY CAP MAIN-DEV	3,331,269	125,950	1,204,222	-	165,712	1,961,335
100286	OCEANFRONT RESTROOM	1,250,000	197,290	532,180	197,290	621,682	96,138
100300	ATLANTIC AVENUE STREET IMPROVEMENTS	1,500,000	352,597	352,597	352,597	1,041	1,146,362
100399	STRATEGIC GROWTH AREA PROGRAM	10,579,687	17,931	9,953,990	-	152,718	472,979
100419	TOWN CENTER GARAGE & PLAZA CAP MAINT - PHASE I	3,368,179	82,070	2,309,728	-	337,162	721,289
100420	TOWN CENTER GARAGE & PLAZA CAP MAINT - PHASE II	1,410,904	-	-	-	-	1,410,904
100421	TOWN CENTER REINVESTMENT	600,000	33,117	272,843	-	13,252	313,905
100439	VA BEACH BIO INFRASTRUCTURE - PHASE I	3,734,928	25,928	3,734,870	25,928	-	58
100456	VB AMPHITHEATER CAPITAL MAINTENANCE	2,641,446	22,146	2,160,512	-	-	480,934
100459	VIBE DISTRICT STREET INF - PHASE I	8,801,058	917,733	2,193,642	2,193,642	298,847	6,308,569
100466	VIRGINIA BEACH SPORTS CENTER	68,561,047	34,260	67,913,656	9,787,569	97,000	550,391
100489	WINSTON-SALEM AVENUE IMPROVEMENTS	8,320,000	84,070	747,870	747,870	296,872	7,275,258
100509	RESORT MOBILITY PLANNING	200,000	91,578	198,302	-	-	1,698
100575	31ST STREET STAGE CANOPY	2,470,000	160,754	160,754	160,754	72,574	2,236,672
100577	STRATEGIC SITE ACQUISITION & DISPOSITION	1,250,000	-	-	-	-	1,250,000
100606	ATLANTIC PARK OFFSITE INFASCTURE	17,729,147	615,531	615,531	615,531	-	17,113,616
TOTAL ECONOMIC & TOURISM CAPITAL PROJECTS		<u>\$ 416,880,566</u>	<u>\$ 6,840,249</u>	<u>\$ 222,259,220</u>	<u>\$ 26,885,968</u>	<u>\$ 11,227,995</u>	<u>\$ 183,393,351</u>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**SUMMARY OF GENERAL GOVERNMENT CAPITAL PROJECTS REVENUES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Revenues	Actual Revenues		
		Prior Years	Current Year	Total
FEDERAL FUNDING	\$ 138,132,987	\$ 120,911,510	\$ 7,276,676	\$ 128,188,186
STATE FUNDING	215,924,345	122,968,678	8,608,410	\$ 131,577,088
LOCAL FUNDING	2,415,231,074	1,130,670,810	161,286,969	\$ 1,291,957,779
TOTAL GENERAL GOVERNMENT CAPITAL PROJECTS REVENUES	<u>\$ 2,769,288,406</u>	<u>\$ 1,374,550,998</u>	<u>\$ 177,172,055</u>	<u>\$ 1,551,723,053</u>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**SUMMARY OF GENERAL GOVERNMENT CAPITAL PROJECTS EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

<b>Project Name</b>	<b>Budget to Date</b>	<b>Current Year Expenditures</b>	<b>Total Expenditures</b>	<b>Construction In Progress</b>	<b>Outstanding Encumbrances</b>	<b>Available Balance</b>
ENGINEERING AND HIGHWAYS	\$ 839,237,002	\$ 22,546,036	\$ 458,057,336	\$ 67,021,651	\$ 117,630,674	\$ 263,548,992
BUILDINGS	427,312,099	58,249,239	281,272,622	38,260,993	82,689,280	63,350,197
FLOOD PROTECTION PROGRAM	596,388,985	6,221,685	8,182,094	6,221,685	14,465,872	573,741,019
COMMUNICATIONS & INFORMATION TECHNOLOGY	192,396,796	33,832,638	128,589,684	14,359,045	23,213,660	40,593,452
PARKS AND RECREATION	126,262,416	9,477,263	68,155,420	7,954,991	7,925,162	50,181,834
COASTAL	170,810,542	5,282,872	98,230,306	891,615	7,843,564	64,736,672
ECONOMIC AND TOURISM	<u>416,880,566</u>	<u>6,840,249</u>	<u>222,259,220</u>	<u>26,885,968</u>	<u>11,227,995</u>	<u>183,393,351</u>
GENERAL GOVERNMENT EXPENDITURES	<u>\$ 2,769,288,406</u>	142,449,982	<u>\$ 1,264,746,682</u>	<u>\$ 161,595,948</u>	<u>\$ 264,996,207</u>	<u>\$ 1,239,545,517</u>
CLOSED CAPITAL PROJECTS EXPENDITURES		<u>2,015,906</u>				
TOTAL CURRENT YEAR CAPITAL PROJECTS EXPENDITURES AND OTHER FINANCING USES		<u>\$ 144,465,888</u>				
TOTAL GENERAL GOVERNMENT CAPITAL PROJECTS REVENUES			\$ 1,551,723,053			
TOTAL GENERAL GOVERNMENT CAPITAL PROJECTS EXPENDITURES			<u>(1,264,746,682)</u>			
GENERAL GOVERNMENT CAPITAL PROJECT FUND BALANCE			<u>\$ 286,976,371</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, 2022**

**ASSETS**

Current Assets:	
Cash and Investments	\$ 117,235,321
Accounts Receivable - Net of Estimated Uncollectibles	17,375,398
Lease Receivable	12,082
Intergovernmental Receivables	504,144
Inventory	2,692,815
Total Current Assets	<u>137,819,760</u>
Noncurrent Assets:	
Cash and Investments - Restricted	106,962,413
Capital Assets:	
Land	14,618,544
Buildings	21,037,299
Utility System	1,255,223,567
Machinery and Equipment	35,474,141
Construction in Progress	15,156,303
Less: Accumulated Depreciation	(628,720,933)
Total Capital Assets	<u>712,788,921</u>
Total Noncurrent Assets	<u>819,751,334</u>
Total Assets	<u>957,571,094</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Outflows for Pensions	7,399,506
Deferred Outflows for OPEB	1,317,865
Total Deferred Outflow of Resources	<u>8,717,371</u>

**LIABILITIES**

Current Liabilities:	
Vouchers and Accounts Payable	3,430,635
Deposits Payable	217,126
Accrued Interest Payable	1,936,402
Construction Contracts Payable	442,348
Unearned Revenue	2,725,463
Current Portion of Long-term Liabilities	14,914,407
Total Current Liabilities	<u>23,666,381</u>
Long-Term Liabilities:	
Compensated Absences	609,462
Bonds and Notes Payable	209,320,915
Leases Payable	1,653,851
Net Pension Liability	13,367,223
Net OPEB Liability	3,446,458
Total Long-Term Liabilities	<u>228,397,909</u>
Total Liabilities	<u>252,064,290</u>

**DEFERRED INFLOWS OF RESOURCES**

Debt Refundings Resulting in Gain Transactions	135,834
Deferred Inflows for Leases	13,243
Deferred Inflows for Pensions	10,960,784
Deferred Inflows for OPEB	1,359,262
Total Deferred Inflow of Resources	<u>12,469,123</u>

**NET POSITION**

Net Investment in Capital Assets	488,198,738
Restricted for Debt Service	19,811,071
Unrestricted	193,745,243
Total Net Position	<u>\$ 701,755,052</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, 2022**

**OPERATING REVENUES**

Service Charges	\$ 76,111,522
Sale of Water	50,729,093
Tap Fees	139,054
Fire Hydrant Rental	2,790
Navy Wheelage Charges	176,188
Interfund Services Provided	1,832,634
Miscellaneous	1,077,917
Total Operating Revenues	<u>130,069,198</u>

**OPERATING EXPENSES**

Cost of Goods Sold - Water Purchases	31,389,093
Personal Services	25,852,361
Contractual Services	8,560,027
Internal Services	3,676,147
Other Charges	16,816,326
Leases and Rentals	-
Depreciation	30,126,857
Total Operating Expenses	<u>116,420,811</u>

**OPERATING INCOME (LOSS)**

13,648,387

**NONOPERATING REVENUES (EXPENSES)**

Interest Income	839,948
Gain From Sale of Assets	109,033
Interest and Fiscal Charges	(5,999,669)
Total Non Operating Expenses, net	<u>(5,050,688)</u>

**INCOME (LOSS) BEFORE CONTRIBUTIONS**

8,597,699

Capital Contributions

3,764,902

**CHANGE IN NET POSITION**

12,362,601

**TOTAL NET POSITION - BEGINNING**

689,392,451

**TOTAL NET POSITION - ENDING**

\$ 701,755,052

**CITY OF VIRGINIA BEACH, VIRGINIA  
WATER AND SEWER ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Receipts from Customers and Users	\$ 129,581,115
Receipts from Interfund Services Provided	1,819,823
Other Operating Cash Receipts	953,767
Cash Payments to Suppliers of Goods and Services	(58,621,886)
Cash Payments to Employees for Services	(28,578,582)
Net Cash Provided By Operating Activities	<u>45,154,237</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Payments to Other Funds	-
Net Cash Used in Noncapital Financing Activities	<u>-</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Receipts of Capital Contributions	3,777,405
Interest on Long-term Debt	(8,048,248)
Acquisition and Construction of Capital Assets	(22,980,797)
Proceeds from Sale of Salvage	109,033
Principal Paid on Capital Debt	(10,800,000)
Net Cash Used in Capital and Related Financing Activities	<u>(37,942,607)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Interest and Dividends Received	<u>839,948</u>
Net Increase (Decrease) in Cash and Investments	8,051,578
Cash and Investments, July 1	<u>216,146,156</u>
Cash and Investments, June 30	<u><u>\$ 224,197,734</u></u>

**RECONCILIATION OF OPERATING INCOME****TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating Income	\$ 13,648,387
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:	
Depreciation	30,126,857
Net changes in assets and liabilities:	
Accounts Receivable	2,310,400
Intergovernmental Receivables	(12,811)
Lease Receivable	(12,082)
Inventory	342,773
Deferred Outflow of Resources	269,441
Vouchers and Accounts Payable	(938,699)
Deposits Payable	66,025
Unearned Revenue	695,757
Deferred Inflow of Resources	10,700,874
Accrued Compensated Leave	(272,765)
Leases Payable	1,653,851
Net Pension Liability	(13,641,762)
Net OPEB Liability	217,991
Net Cash Provided (Used) By Operating Activities	<u><u>45,154,237</u></u>

**NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:**

Capital Contributions of Capital Assets	<u><u>\$ (12,503)</u></u>
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**CITY OF VIRGINIA BEACH, VIRGINIA  
WATER AND SEWER ENTERPRISE FUND  
SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b><u>Administration and Support</u></b>			
Personal Services	\$ 281,039	\$ 275,946	\$ 5,093
Fringe Benefits	107,336	127,767	(20,431)
Contractual Services	6,250	509	5,741
Internal Services	40,622	40,086	536
Other Charges	59,963	45,932	14,031
Total Administration and Support	<u>495,210</u>	<u>490,240</u>	<u>4,970</u>
<b><u>Business Services</u></b>			
Personal Services	3,654,213	2,902,822	751,391
Fringe Benefits	1,237,086	979,742	257,344
Contractual Services	3,435,734	2,069,947	1,365,787
Internal Services	249,571	238,206	11,365
Other Charges	38,551,209	31,973,395	6,577,814
Total Business Services	<u>47,127,813</u>	<u>38,164,112</u>	<u>8,963,701</u>
<b><u>Employee Services</u></b>	<u>-</u>	<u>569</u>	<u>(569)</u>
<b><u>Engineering</u></b>			
Personal Services	5,897,624	5,362,844	534,780
Fringe Benefits	1,836,756	1,855,320	(18,564)
Contractual Services	9,179,181	3,912,787	5,266,394
Internal Services	354,467	295,601	58,866
Other Charges	2,502,464	1,397,537	1,104,927
Total Engineering	<u>19,770,492</u>	<u>12,824,089</u>	<u>6,946,403</u>
<b><u>Operational Management</u></b>			
Personal Services	13,200,308	10,830,377	2,369,931
Fringe Benefits	4,390,608	3,806,964	583,644
Contractual Services	5,671,259	2,534,962	3,136,297
Internal Services	2,980,981	3,098,759	(117,778)
Other Charges	6,857,595	5,667,272	1,190,323
Total Operational Management	<u>33,100,751</u>	<u>25,938,334</u>	<u>7,162,417</u>
<b><u>Technical Services</u></b>			
Personal Services	1,961,900	1,426,790	535,110
Fringe Benefits	538,005	431,905	106,100
Contractual Services	151,862	41,821	110,041
Internal Services	-	2,927	(2,927)
Other Charges	153,245	14,067	139,178
Total Technical Services	<u>2,805,012</u>	<u>1,917,510</u>	<u>887,502</u>

**CITY OF VIRGINIA BEACH, VIRGINIA  
WATER AND SEWER ENTERPRISE FUND  
SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2022**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>General Fund Charges</b>			
Building Maintenance	\$ 155,000	\$ 155,000	\$ -
Direct Cost	141,396	141,396	-
DSC	345,915	353,529	(7,614)
Indirect Cost	3,928,883	2,484,160	1,444,723
Landscape Services	576,119	498,064	78,055
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	327,331	327,331	-
Water Assistance	250,000	170,715	79,285
Total General Fund Charges	<u>9,902,304</u>	<u>8,278,855</u>	<u>1,623,449</u>
<b>Other Charges</b>			
Retiree Health Insurance	550,500	318,578	231,922
CIP Annual Expenditures	-	828,366	(828,366)
Net Deferred OPEB Contributions	-	(322,506)	322,506
Net Deferred Pension Contributions	-	(2,144,193)	2,144,193
Reserves	1,130,684	-	1,130,684
Total Other Charges	<u>1,681,184</u>	<u>(1,319,755)</u>	<u>3,000,939</u>
Total Budgeted Operating Expenses	<u>\$ 114,882,766</u>	<u>\$ 86,293,954</u>	<u>\$ 28,588,812</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, 2022**

<b>Project Number</b>	<b>Project Name</b>	<b>Budget to Date</b>	<b>Current Year Expenditures</b>	<b>Total Expenditures</b>	<b>Construction In Progress</b>	<b>Outstanding Encumbrances</b>	<b>Available Balance</b>
100124	CLEVELAND STREET IMPROVEMENTS	\$ 1,000,000	\$ 66,245	\$ 575,020	\$ 575,020	\$ -	\$ 424,980
100144	CUSTOMER INFO SYSTEM VERSION MIGRATION- WATER	1,850,000	176,862	1,298,734	-	484,983	66,283
100158	ELBOW ROAD EXT - PHASE I & II	1,179,663	181,980	640,604	-	16,362	522,697
100185	FIRST COLONIAL RD-VB BLVD INTERSECTION - WATER	1,920,000	-	40,648	40,648	1,624,582	254,770
100196	GREAT NECK WATER TANK REPLACEMENT	5,000,000	44,680	398,844	205,490	44,245	4,556,911
100216	INDIAN RIVER ROAD - WATER	1,598,548	-	58,224	-	20,647	1,519,677
100230	LAKE GASTON RAW WATER TRANSMISSION SYSTEM	10,560,000	1,702,699	6,994,540	-	2,960,663	604,797
100236	LANDSTOWN ROAD IMPROVEMENTS - WATER	720,000	-	13,700	13,700	8,600	697,700
100238	LANDSTOWN YARD IMPROVEMENTS IV – WATER	6,084,000	87,187	2,618,899	-	502,380	2,962,721
100293	PRINCESS ANNE ROAD IMPROVEMENTS - SEWER	1,130,000	-	22,621	22,621	-	1,107,379
100303	PEMBROKE MEADOWS NEIGHBORHOOD WATER REHAB	5,500,000	1,555,943	1,588,746	1,588,746	3,213,872	697,382
100337	RESORT AREA NEIGHBORHOOD REVITALIZATION - WATER	7,446,636	85,236	4,754,241	-	1,551,916	1,140,479
100341	ROSEMONT ROAD - PHASE V - WATER	1,740,000	-	-	-	-	1,740,000
100369	SERVICE ORDER AUTOMATION SOLUTION PHASE II WATER	488,095	35,643	194,246	-	14,225	279,624
100386	SHORE DRIVE WATER LINE IMPROVE - PHASE IV	175,000	-	-	-	-	175,000
100387	SHORE DRIVE WATER LINE IMPROVEMENTS - PHASE V	3,385,000	27,516	131,412	131,412	22,896	3,230,692
100408	SYSTEM EXP COST PARTICIPATION AGREE - PHASE II - WATER	640,000	-	151,000	-	-	489,000
100432	UTILITIES TECHNOLOGY SUPPORT PROGRAM – WATER	900,000	13,427	114,181	114,181	16,421	769,398
100451	VAR ROADWAY STORM WATER - PHASE VI	4,650,000	91,625	2,070,635	-	1,081,061	1,498,304
100460	VIBE DISTRICT WATER IMPROVEMENTS	1,700,000	-	-	-	-	1,700,000
100464	VIRGINIA BEACH BLVD WATER SYSTEM IMPROVE	350,000	-	-	-	-	350,000
100469	WATER LINE EXT, REPLACE, REHAB PROGRAM	8,035,000	1,400,996	7,807,698	-	144,105	83,197
100470	WATER LINE EXT, REPLACE, REHAB PROGRAM II	714,217	502,749	502,781	-	110,183	101,253
100471	WATER PUMP REPAIRS AND REPLACEMENTS	675,000	-	75,799	-	-	599,201
100478	WATER TAP INSTALLATION PROGRAM - PHASE II	2,939,754	269,381	2,108,877	-	404,750	426,127
100479	WATER TRANSMISSION SYSTEM UPGRADE PRG - PHASE II	4,614,950	321,816	1,554,585	-	564,969	2,495,396
100490	WITCHDUCK RD - PHASE II - WATER	1,787,000	-	1,777,655	-	9,345	-
100498	WATER PUMP STATION-TANK UPGRADE PRG - PHASE I	18,699,996	468,342	18,012,079	-	687,914	3
100518	ROYAL PALM ARCH WATER SYSTEM REHAB	3,150,000	4,597	311,357	311,357	25	2,838,618
100530	LASKIN ROAD PHASE I – WATER	3,310,458	3,750	2,413,964	2,258,358	27,027	869,467
100561	PRINCESS ANNE PLAZA WINDSOR WOODS & LAKES	1,320,000	23,296	23,296	23,296	135,941	1,160,763
100562	ATLANTIC AVENUE METER VAULT REPLACEMENTS	920,000	-	-	-	-	920,000
TOTAL WATER CAPITAL PROJECT EXPENDITURES		<u>\$ 104,183,317</u>	<u>\$ 7,063,970</u>	<u>\$ 56,254,386</u>	<u>\$ 5,284,829</u>	<u>\$ 13,647,112</u>	<u>\$ 34,281,819</u>
CLOSED WATER CAPITAL PROJECTS EXPENDITURES			24,832				
TOTAL CURRENT YEAR CAPITAL PROJECT EXPENDITURES			<u>\$ 7,088,802</u>				

**CITY OF VIRGINIA BEACH, VIRGINIA  
WATER AND SEWER FUND CAPITAL PROJECTS  
SEWER CAPITAL PROJECTS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2022**

<b>Project Number</b>	<b>Project Name</b>	<b>Budget to Date</b>	<b>Current Year Expenditures</b>	<b>Total Expenditures</b>	<b>Construction In Progress</b>	<b>Outstanding Encumbrances</b>	<b>Available Balance</b>
100021	ARROWHEAD SUSQEHANNA SS REHAB PHASE III	\$ 250,000	\$ -	\$ 205,713	\$ 205,713	\$ -	\$ 44,287
100027	AUX POWER PRG-SEWER PUMP STATIONS-PHASE III	11,706,075	235,245	10,568,821	-	279,307	857,947
100051	CAMP PENDLETON IMPROVEMENTS - SEWER	770,000	-	765,714	-	-	4,286
100143	CUSTOMER INFO SYSTEM VERSION MIGRATION - SEWER	1,850,000	176,862	1,280,502	-	475,740	93,758
100186	FIRST COLONIAL RD-VB BLVD INTERSECTION - SEWER	2,985,000	-	40,648	40,648	2,560,866	383,486
100215	INDIAN RIVER ROAD - SEWER	381,717	-	9,473	9,473	-	372,244
100237	LANDSTOWN ROAD IMPROVEMENTS - SEWER	370,000	-	18,040	18,040	11,920	340,040
100302	PEMBROKE MEADOWS NEIGHBORHOOD SS REHAB	810,000	274,070	278,052	278,051	517,133	14,815
100326	PUMP STATION MODIFICATIONS - PHASE V	74,695,640	822,886	73,905,122	-	770,763	19,755
100327	PUMP STATION PROGRAM - PHASE VI	24,419,398	5,614,488	9,682,992	-	6,081,148	8,655,258
100342	ROYAL PALM ARCH SANITARY SEWER REHAB	14,850,000	1,994	5,328,210	5,328,210	382,349	9,139,441
100361	SANITARY SEWER REVITALIZATION PROGRAM III	15,816,539	3,136,290	7,000,075	-	5,898,253	2,918,211
100371	SEWER PUMP REPAIRS AND REPLACEMENTS	2,545,000	777,963	2,090,448	-	268,161	186,391
100374	SEWER TAP INSTALLATION PROGRAM - PHASE II	4,671,811	307,356	3,229,673	-	898,845	543,293
100409	SYSTEM EXP COST PARTICIPATION AGREE - PHASE III	3,270,000	-	2,169,873	-	-	1,100,127
100440	VACUUM VALVE MONITORING SYSTEM	2,345,000	-	1,426,536	-	63,958	854,506
100448	VAR HRSD COORDINATION	2,493,000	594,906	594,906	594,906	145,083	1,753,011
100452	VAR ROADWAY-STRM WTR COORDINATION - PHASE VI	5,500,000	71,595	2,514,401	-	494,311	2,491,288
100458	VIBE DISTRICT SEWER IMPROVEMENTS	2,100,000	-	807,304	807,304	5,580	1,287,116
100494	WITCHDUCK ROAD - PHASE II - SEWER	1,654,701	-	1,650,685	-	4,016	-
100519	SANITARY SEWER FORCE MAIN REHAB I	2,655,000	126,088	216,482	210,723	223,419	2,215,099
100523	CLEVELAND STREET IMPROVEMENTS - SEWER	1,000,000	-	250,338	250,338	145,907	603,755
100525	LANDSTOWN YARD IMPROVEMENTS IV - SEWER	5,268,000	87,196	2,117,641	-	518,325	2,632,034
100526	UTILITIES TECHNOLOGY SUPPORT PROGRAM - SEWER	900,000	13,427	113,819	113,819	12,975	773,206
100527	SERVICE ORDER AUTOMATION SOLUTION - PHASE II	487,895	35,643	194,011	-	14,695	279,189
100528	RESORT AREA NEIGHBORHOOD REVITALIZATION - SEWER	15,883,000	75,803	14,172,222	-	1,349,005	361,773
100531	LASKIN ROAD PHASE I - SEWER	3,950,264	-	2,014,279	2,014,249	27,241	1,908,744
100563	PRINCESS ANNE PLAZA WINDSOR WOODS & LAKES	690,000	-	-	-	42,993	647,007
TOTAL SEWER CAPITAL PROJECT EXPENDITURES		\$ 204,318,040	\$ 12,351,812	\$ 142,645,980	\$ 9,871,474	\$ 21,191,993	\$ 40,480,067
CLOSED SEWER CAPITAL PROJECT EXPENDITURES			\$ 269,686				
TOTAL CURRENT YEAR SEWER CAPITAL PROJECTS EXPENDITURES			\$ 12,621,498				
WATER AND SEWER CAPITAL PROJECTS		<u>\$ 308,501,357</u>	<u>\$ 19,710,300</u>	<u>\$ 198,900,366</u>	<u>\$ 15,156,303</u>	<u>\$ 34,839,105</u>	<u>\$ 74,761,886</u>
TOTAL WATER AND SEWER CAPITAL PROJECTS REVENUES				\$ 286,051,706			
TOTAL WATER AND SEWER CAPITAL PROJECTS EXPENDITURES				(198,900,366)			
WATER AND SEWER CASH RESTRICTED FOR CAPITAL PROJECTS				<u>\$ 87,151,340</u>			

**CITY OF VIRGINIA BEACH, VIRGINIA  
WATER AND SEWER FUND CAPITAL PROJECTS  
BUDGETED AND ACTUAL REVENUES  
FOR THE YEAR ENDED JUNE 30, 2022**

	Budget Revenues	Actual Revenues		
		Prior Years	Current Year	Total
FEDERAL FUNDING	\$ 372,245	\$ 372,245	\$ -	\$ 372,245
STATE FUNDING	90,121	90,121	-	90,121
LOCAL FUNDING	308,038,991	259,247,575	26,341,765	285,589,340
TOTAL WATER AND SEWER CAPITAL PROJECTS REVENUES	<u>\$ 308,501,357</u>	<u>\$ 259,709,941</u>	<u>\$ 26,341,765</u>	<u>\$ 286,051,706</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, 2022**

**ASSETS**

## Current Assets:

Cash and Investments	\$ 24,973,257
Accounts Receivable - Net of Estimated Uncollectibles	6,152,020
Total Current Assets	<u>31,125,277</u>

## Non-current Assets:

Cash and Investments - Restricted	92,955,124
Capital Assets:	
Land	133,990,834
Buildings	664,899
Utility System	390,708,329
Machinery and Equipment	20,965,869
Construction in Progress	52,219,253
Less: Accumulated Depreciation	(103,905,380)
Total Capital Assets	<u>494,643,804</u>
Total Non-current Assets	<u>587,598,928</u>
Total Assets	<u>618,724,205</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Outflows for Pensions	2,299,427
Deferred Outflows for OPEB	314,382
Total Deferred Outflows of Resources	<u>2,613,809</u>

**LIABILITIES**

## Current Liabilities:

Vouchers and Accounts Payable	1,246,852
Deposits Payable	654
Accrued Interest Payable	617,676
Construction Contracts Payable	4,319,170
Current Portion of Long-term Liabilities	6,193,017
Total Current Liabilities	<u>12,377,369</u>

Compensated Absences	94,081
Bond and Notes Payable	144,572,000
Net OPEB Liability	822,167
Net Pension Liability	5,929,430
Total Long-term Liabilities	<u>151,417,678</u>
Total Liabilities	<u>163,795,047</u>

**DEFERRED INFLOWS OF RESOURCES**

Debt Refundings Resulting in Gain Transactions	458,575
Deferred Inflows for Pensions	2,512,360
Deferred Inflows for OPEB	324,258
Total Deferred Inflows of Resources	<u>3,295,193</u>

**NET POSITION**

Net Investment in Capital Assets	325,926,876
Restricted for Future Debt Services	9,464,829
Unrestricted	<u>118,856,069</u>
Total Net Position	<u>\$ 454,247,774</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, 2022**

<b><u>OPERATING REVENUES</u></b>	
Service Charges	\$ 45,852,109
Total Operating Revenues	<u>45,852,109</u>
<b><u>OPERATING EXPENSES</u></b>	
Personal Services	4,486,253
Contractual Services	2,764,094
Internal Services	1,594,001
Other Charges	5,090,913
Depreciation	9,507,019
Total Operating Expenses	<u>23,442,280</u>
<b><u>OPERATING INCOME (LOSS)</u></b>	<u>22,409,829</u>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>	
Interest Income	500,049
Gain From Sale of Assets	3,392
Interest and Fiscal Charges	<u>(3,700,522)</u>
Total Nonoperating Revenues (Expenses)	<u>(3,197,081)</u>
<b><u>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</u></b>	19,212,748
Capital Contributions	643
Capital Contributions - Federal Government	121,612
Capital Contributions - Transfers In	14,000,000
Transfers In	2,526,941
Total Transfers and Contributions	<u>16,649,196</u>
<b><u>CHANGE IN NET POSITION</u></b>	35,861,944
<b><u>TOTAL NET POSITION - BEGINNING</u></b>	<u>418,385,830</u>
<b><u>TOTAL NET POSITION - ENDING</u></b>	<u><u>\$ 454,247,774</u></u>

**CITY OF VIRGINIA BEACH, VIRGINIA  
STORM WATER ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Receipts from Customers and Users	\$ 46,286,183
Cash Payments to Suppliers of Goods and Services	(9,769,181)
Cash Payments to Employees for Services	(6,932,915)
Net Cash Provided By Operating Activities	<u>29,584,087</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Receipts from Other Funds	2,526,941
Net Cash Provided By Noncapital Financing Activities	<u>2,526,941</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Receipts of Capital Contributions	14,122,255
Interest on Long-term Debt	(5,053,793)
Acquisition and Construction of Capital Assets	(46,308,344)
Proceeds from Sale of Salvage	3,392
Principal Paid on Capital Debt	(4,265,000)
Net Cash Provided By Capital and Related Financing Activities	<u>(41,501,490)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Interest and Dividends Received	<u>500,049</u>
Net Increase (Decrease) in Cash and Investments	(8,890,413)
Cash and Investments, July 1	<u>126,818,794</u>
Cash and Investments, June 30	<u>\$ 117,928,381</u>

**RECONCILIATION OF OPERATING INCOME****TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating Income	\$ 22,409,829
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:	
Depreciation	9,507,019
Net changes in assets and liabilities:	
Accounts Receivable	434,074
Deferred Outflow of Resources	1,157,176
Vouchers and Accounts Payable	(320,173)
Deferred Inflow of Resources	2,447,198
Accrued Compensated Leave	(51,829)
Net Pension Liability	(6,051,209)
Net OPEB Liability	<u>52,002</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ 29,584,087</u>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**STORM WATER ENTERPRISE FUND**  
**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Budget	Actual	Variance Positive (Negative)
<b><u>Infrastructure Maintenance</u></b>			
Personal Services	\$ 1,474,047	\$ 1,410,749	\$ 63,298
Fringe Benefits	124,863	535,187	(410,324)
Contractual Services	7,356,409	2,751,959	4,604,450
Internal Services	1,502,834	1,566,399	(63,565)
Other Charges	6,137,441	420,917	5,716,524
Total Infrastructure Maintenance	16,595,594	6,685,211	9,910,383
<b><u>Operational Management</u></b>			
Personal Services	4,207,363	3,668,407	538,956
Fringe Benefits	1,670,641	1,113,810	556,831
Contractual Services	752	568	184
Internal Services	25,179	27,603	(2,424)
Other Charges	8,303	11,902	(3,599)
Total Operational Management	5,912,238	4,822,290	1,089,948
<b><u>Stormwater Operations</u></b>			
Contractual Services	-	11,568	(11,568)
Total Stormwater Operations	-	11,568	(11,568)
<b><u>General Fund Charges</u></b>			
Direct Cost	53,691	53,691	-
Indirect Cost	1,503,196	1,503,196	-
Landscape Services	62,661	62,661	-
Occupational Health	10,650	10,650	-
Regulations	142,324	142,324	-
Technology and Support	53,691	53,691	-
Total General Fund Charges	1,826,213	1,826,213	-
<b><u>Other Charges</u></b>			
Retiree Health Insurance	-	75,998	(75,998)
CIP Annual Expenditures	-	1,810,337	(1,810,337)
Water and Sewer Account Management Charges	165,622	165,622	-
Water and Sewer Billing System Charges	911,378	911,378	-
Net Deferred OPEB Contributions	-	(55,458)	55,458
Net Deferred Pension Contributions	-	(2,317,898)	2,317,898
Total Other Charges	1,077,000	589,979	487,021
 Total Budgeted Operating Expenses	 \$ 25,411,045	 \$ 13,935,261	 \$ 11,475,784

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, 2022**

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	\$ 7,301	\$ 494,567	7,302	\$ 55,169	\$ 3,926,786
100018	ARAGONA DRAINAGE IMPROVEMENTS	4,800,000	730,208	4,145,513	-	464,692	189,795
100022	ASHVILLE PARK DRAINAGE IMPROVEMENTS PHASE I	12,000,000	3,782,581	7,927,637	-	3,096,763	975,600
100029	BAKER ROAD CULVERT AND DITCH IMPROVEMENT	445,822	48,519	430,099	430,099	15,723	-
100032	BAYVILLE LAKE WATER QUALITY IMPROVEMENT	1,000,000	-	-	-	-	1,000,000
100043	BMP MAINTENANCE PROGRAM PHASE I	2,200,000	754,017	1,053,869	-	590,820	555,311
100053	CANAL MANAGEMENT PHASE I	2,500,000	42,064	510,793	-	143,657	1,845,550
100126	COLLEGE PARK DRAINAGE IMPROVEMENTS	3,121,000	908,719	1,747,812	-	775,380	597,808
100150	EASTERN SHORE DRIVE - LYNNHAVEN DRIVE PUMP	9,500,000	4,852	8,937	8,937	2,529	9,488,534
100153	EASTERN SHORE DRIVE - CAPE HENRY CANAL PHASE II	8,100,000	200	200	-	2,620,256	5,479,544
100154	EASTERN SHORE DRIVE DRAINAGE	17,060,510	1,375,004	11,695,762	-	5,364,748	-
100161	ELIZABETH RIVER WATER QUALITY	6,235,150	131,713	4,820,129	4,820,129	805,999	609,022
100167	LYNNHAVEN COLONY PARK PUMP STATION	1,700,000	-	-	-	-	1,700,000
100187	FLOOD MITIGATION ASSIST GRANT PROGRAM - PHASE I	1,227,144	-	1,227,144	-	-	-
100188	FLOOD MITIGATION ASSIST GRANT PROGRAM - PHASE III	2,914,976	83,746	2,415,247	-	499,729	-
100189	FLOOD MITIGATION ASSIST GRANT PROGRAM - PHASE II	874,061	65,247	735,220	65,247	12,861	125,980
100229	LAKE CHUBB-BRADFORD LAKE	5,420,500	424,040	1,773,487	1,773,487	1,931,462	1,715,551
100231	LAKE MANAGEMENT - PHASE I	6,953,735	-	6,898,268	-	55,467	-
100232	LAKE MANAGEMENT - PHASE II	47,050,736	3,160,469	35,369,317	-	7,024,791	4,656,628
100263	LYNNHAVEN RIVER BASIN ECOSYSTEM RESTORATION	11,900,000	3,587	4,071,783	-	-	7,828,217
100264	LYNNHAVEN RIVER WATER QUALITY II	2,333,367	68,195	349,183	349,183	205,020	1,779,164
100269	ARCTIC AVE DRAINAGE IMPROVEMENTS	2,000,000	-	1,993,480	-	-	6,520
100273	NEIGHBORHOOD STORMWATER INF IMP - PHASE II	6,159,827	161,343	4,005,793	-	145,606	2,008,428
100275	CENTRAL RESORT DISTRICT 21ST & BALTIC DRAINAGE	1,400,000	198,258	198,258	-	146,628	1,055,114
100280	NORTH LAKE HOLLY WATERSHED	24,071,135	520,533	16,398,638	-	5,962,937	1,709,560
100287	OCEANFRONT STORM WATER FACILITIES MAINT	9,680,740	175,694	6,709,070	-	815,742	2,155,928
100314	PRIMARY SYSTEM INFRASTRUCTURE IMP - PHASE II	17,430,000	2,850,711	14,254,096	-	498,636	2,677,268
100315	PRINCESS ANNE PLAZA DRAINAGE AREA	5,073,597	633,546	4,714,378	-	359,219	-
100335	RESIDENTIAL DRAINAGE COST PART PRGM- PHASE II	450,000	24,009	285,770	-	19,465	144,765
100365	SEA LEVEL RISE-RECURRENT FLOODING ANALYS	4,839,571	368,848	4,057,847	-	373,973	407,751
100378	SHERWOOD LAKES DRAINAGE	3,400,000	20,203	3,129,447	-	56,266	214,287
100380	CAVE-IN REPAIR PROGRAM	6,000,000	2,224,919	2,800,642	2,800,642	1,846,276	1,353,082
100388	SOUTH LAKE HOLLY WATERSHED	16,009,587	52,067	15,313,669	-	351,449	344,469
100390	SOUTHERN CANAL-LEAD DITCH & CULVERT IMP	10,910,000	3,557,091	6,751,388	-	1,028,560	3,130,052
100391	SOUTHERN RIVERS WATER QUALITY	2,170,000	4,156	1,048,893	1,048,893	854	1,120,253
100395	STORM WATER PUMP STATION MODIFICATIONS	10,025,229	1,384,135	8,567,912	-	124,494	1,332,823
100397	STORM WATER QUALITY ENHANCEMENTS - PHASE II	9,779,710	745,728	7,677,276	1,770,444	1,223,130	879,304
100404	SURFACE WATER REGULATORY COMPLIANCE PRGM	10,731,942	1,027,039	8,206,601	8,206,601	2,174,371	350,970
100405	SW INFRASTRUCTURE REHAB & IMPROV-PHASE II	57,106,982	4,080,947	46,294,256	443,794	3,860,992	6,951,734
100406	SWM MSTR PLANNING, ANALYSIS & INVENTORY	15,577,766	2,139,094	9,200,108	-	5,911,518	466,140
100417	THE LAKES DRAINAGE IMPROVEMENTS	2,000,000	169,243	1,691,255	-	185,466	123,279
100472	WATER QUALITY & RESTORE PARTICIPATION	216,773	-	-	-	-	216,773
100486	WINDSOR WOODS DRAINAGE	25,672,000	3,279,261	13,841,125	13,841,125	3,573,730	8,257,145
100488	WINDSOR WOODS TIDE GATE	11,000,000	421,612	1,545,379	1,545,379	512,320	8,942,301
100504	PARCEL LEVEL FLOOD MITIGATION PROGRAM	2,000,000	86,858	129,112	129,112	111	1,870,777
100505	PINEWOOD RD DRAINAGE IMPROVEMENTS	1,000,000	882,986	985,076	985,076	14,924	-
100512	USACE REGIONAL COASTAL STORM STUDY	1,500,000	-	-	-	-	1,500,000
100515	ENHANCED NEIGHBORHOOD REHABILITATION	2,440,053	690,872	721,403	721,404	736,458	982,192
100516	PAP GOLF COURSE CONVERSION	76,895,850	-	-	-	2,623,209	74,272,641
100517	PRINCESS ANNE PLAZA NORTH LONDON BRIDGE	60,900,000	1,018,680	-	2,037,360	380,248	60,519,752
100519	SANITARY SEWER FORCE MAIN REHAB I	2,655,000	-	-	84,635	223,419	2,431,581
100520	SOUTHERN RIVERS WATERSHED STORMWATER PRGM	500,000	263,441	348,451	348,452	28,085	123,464
100521	THE LAKES-SOUTH LONDON CREEK BRIDGE CREEK	2,700,000	140	140	140	225,489	2,474,371
100543	LAKE EDWARD WATER QUALITY IMPR PROJECT	100,000	-	-	-	-	100,000
100549	ROADSIDE DITCH PROGRAM	2,000,000	-	-	-	40,879	1,959,121
100557	FLOOD MITIGATION ASSISTANCE GRANT IV	803,061	242,762	243,462	243,462	6,263	553,336
100566	CHATAM HALL LAKE WATER QUALITY IMPROVEMENT	2,260,000	-	-	-	296,088	1,963,912
100567	KEMPS LAKE WATER QUALITY IMPROVEMENT	5,440,000	10,426	10,426	10,426	291,871	5,137,703

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**STORM WATER CAPITAL PROJECTS EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

<b>Project Number</b>	<b>Project Name</b>	<b>Budget to Date</b>	<b>Current Year Expenditures</b>	<b>Total Expenditures</b>	<b>Construction In Progress</b>	<b>Outstanding Encumbrances</b>	<b>Available Balance</b>
100578	STORMWATER PROJECT ADMINISTRATION	2,000,000	-	-	-	413,873	1,586,127
100582	SW INFRA COST PARTICIPATION	2,000,000	10,984	10,984	10,984	18,917	1,970,099
100585	ENHANCED NEIGHBORHOOD REHABILITATION ARPA	23,580,000	1,389,978	1,389,978	1,389,978	4,108,280	18,081,742
100586	LAKE MANAGEMENT ARPA	21,300,000	146,962	146,962	146,962	2,022,830	19,130,208
100609	REGIONAL BMPS	9,000,000	9,000,000	9,000,000	9,000,000	-	-
TOTAL STORM WATER EXPENDITURES		\$ 622,592,346	\$ 49,372,988	\$ 277,346,242	\$ 52,219,253	\$ 64,267,642	\$ 280,978,462
STORM WATER CAPITAL PROJECTS		<u>\$ 622,592,346</u>	<u>\$ 49,372,988</u>	<u>\$ 277,346,242</u>	<u>\$ 52,219,253</u>	<u>\$ 64,267,642</u>	<u>\$ 280,978,462</u>
TOTAL STORM WATER CAPITAL PROJECTS REVENUES				\$ 359,035,688			
TOTAL STORM WATER CAPITAL PROJECTS EXPENDITURES				(277,346,242)			
STORM WATER CASH RESTRICTED FOR CAPITAL PROJECTS				<u>\$ 81,689,446</u>			

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**STORM WATER CAPITAL PROJECTS BUDGETED AND ACTUAL REVENUES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Funding Sources	Budget Revenues	Actual Revenues		Total
		Prior Years	Current Year	
FEDERAL FUNDING	\$ 10,191,259	\$ 7,235,573	\$ 121,612	\$ 7,357,185
STATE FUNDING	431,153	411,821	-	411,821
LOCAL FUNDING	471,519,084	308,945,613	42,321,069	351,266,682
TOTAL STORM WATER UTILITY CAPITAL PROJECTS	<u>\$ 482,141,496</u>	<u>\$ 316,593,007</u>	<u>\$ 42,442,681</u>	<u>\$ 359,035,688</u>

**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, 2022**

**ASSETS**

## Current Assets:

Cash and Investments	\$ 12,627,757
Accounts Receivable - Net of Estimated Uncollectibles	5,223,298
Total Current Assets	<u>17,851,055</u>

## Non-current Assets:

## Capital Assets:

Machinery and Equipment	21,861,464
General Site Improvements Other Than Buildings	410,325
Building	8,730
Less: Accumulated Depreciation	<u>(15,676,757)</u>
Total Capital Assets	<u>6,603,762</u>
Total Non-current Assets	<u>6,603,762</u>
Total Assets	<u>24,454,817</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Outflows for Pensions	2,144,650
Deferred Outflows for OPEB	498,569
Total Deferred Outflow of Resources	<u>2,643,219</u>

**LIABILITIES**

## Current Liabilities:

Vouchers and Accounts Payable	1,557,851
Current Portion of Long-term Liabilities	623,912
Total Current Liabilities	<u>2,181,763</u>

## Long-Term Liabilities (less current portion):

Net OPEB Liability	1,303,840
Net Pension Liability	3,432,828
Accrued Compensated Leave	281,697
Total Long-Term Liabilities (less current portion)	<u>5,018,365</u>
Total Liabilities	<u>7,200,128</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows for Pensions	3,399,075
Deferred Inflows for OPEB	514,227
Total Deferred Inflow of Resources	<u>3,913,302</u>

**NET POSITION**

Net Investment in Capital Assets	6,586,835
Unrestricted	<u>9,397,771</u>
Total Net Position	<u>\$ 15,984,606</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, 2022**

<b><u>OPERATING REVENUES</u></b>	
Service Charges	\$ 37,283,075
Miscellaneous	920,082
Total Operating Revenues	<u>38,203,157</u>
<b><u>OPERATING EXPENSES</u></b>	
Cost of Goods Sold	197,184
Personal Services	10,368,828
Contractual Services	14,914,247
Internal Services	7,168,372
Other Charges	3,891,069
Depreciation	2,762,381
Total Operating Expenses	<u>39,302,081</u>
<b><u>OPERATING INCOME (LOSS)</u></b>	<u>(1,098,924)</u>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>	
Interest Income	43,538
Gain (Loss) From Sale of Assets	72,021
From Commonwealth	58,254
Total Nonoperating Revenues (Expenses)	<u>173,813</u>
<b><u>CHANGE IN NET POSITION</u></b>	(925,111)
<b><u>TOTAL NET POSITION - BEGINNING</u></b>	<u>16,909,717</u>
<b><u>TOTAL NET POSITION - ENDING</u></b>	<u>\$ 15,984,606</u>



**CITY OF VIRGINIA BEACH, VIRGINIA  
WASTE MANAGEMENT ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Receipts from Customers and Users	\$ 38,292,050
Other Operating Cash Receipts	920,082
Cash Payments to Suppliers of Goods and Services	(26,128,854)
Cash Payments to Employees for Services	(10,759,945)
Net Cash Provided (Used) By Operating Activities	<u>2,323,333</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Intergovernmental Receipts	58,254
Net Cash Provided (Used) By Noncapital Financing Activities	<u>58,254</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Acquisition and Construction of Capital Assets	(2,073,162)
Gain from Sale of Salvage	72,021
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(2,001,141)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Interest and Dividends Received	43,538
Net Increase (Decrease) in Cash and Investments	423,984
Cash and Investments, July 1	<u>12,203,773</u>
Cash and Investments, June 30	<u><u>12,627,757</u></u>

**RECONCILIATION OF OPERATING INCOME (LOSS)  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating Income (Loss)	(1,098,924)
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:	
Depreciation	2,762,381
Net changes in assets and liabilities:	
Accounts Receivable	1,008,975
Deferred Outflow of Resources	(207,677)
Vouchers and Accounts Payable	42,018
Deferred Inflow of Resources	3,295,738
Accrued Compensated Leave	(58,316)
Net Pension Liability	(3,503,332)
Net OPEB Liability	82,470
Net Cash Provided (Used) By Operating Activities	<u><u>\$ 2,323,333</u></u>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**WASTE MANAGEMENT ENTERPRISE FUND**  
**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Budget	Actual	Variance Positive (Negative)
<b><u>Program Support</u></b>			
Personal Services	\$ 705,203	\$ 473,153	\$ 232,050
Fringe Benefits	273,492	177,562	95,930
Contractual Services	414,076	114,385	299,691
Internal Services	103,035	90,114	12,921
Other Charges	125,012	75,327	49,685
Total Program Support	1,620,818	930,541	690,277
<b><u>Bureau of Waste Disposal</u></b>			
Personal Services	682,759	844,786	(162,027)
Fringe Benefits	195,784	212,063	(16,279)
Contractual Services	10,899,497	9,884,121	1,015,376
Internal Services	505,601	458,807	46,794
Other Charges	320,071	144,172	175,899
Total Bureau of Waste Disposal	12,603,712	11,543,949	1,059,763
<b><u>Bureau of Waste Collections</u></b>			
Personal Services	6,063,080	6,030,327	32,753
Fringe Benefits	2,274,009	2,329,436	(55,427)
Contractual Services	121,962	153,070	(31,108)
Internal Services	5,972,570	6,475,925	(503,355)
Other Charges	462,379	933,059	(470,680)
Total Bureau of Waste Collections	14,894,000	15,921,817	(1,027,817)
<b><u>Yard Debris &amp; Hazardous Household Waste</u></b>			
Personal Services	268,444	250,566	17,878
Fringe Benefits	82,820	66,989	15,831
Contractual Services	1,675,388	455,333	1,220,055
Internal Services	145,421	140,165	5,256
Other Charges	38,862	11,573	27,289
Total Yard Debris & Hazardous Household Waste	2,210,935	924,626	1,286,309
<b><u>Recycling</u></b>			
Personal Services	182,159	143,690	38,469
Fringe Benefits	55,973	50,958	5,015
Contractual Services	4,890,396	4,305,974	584,422
Internal Services	3,361	3,361	-
Other Charges	43,854	41,818	2,036
Total Recycling	5,175,743	4,545,801	629,942
<b><u>General Fund Charges</u></b>			
Direct Costs Allocation	2,126,259	2,126,259	-
<b><u>Unspecified Program</u></b>			
Personal Services	28,145	1,577	26,568
Fringe Benefits	13,825	-	13,825
Contractual Services	5,377	1,364	4,013
Other Charges	410	410	-
Total Unspecified Program	47,757	3,351	44,406
<b><u>Other Charges</u></b>			
Retiree Health Insurance	173,929	120,522	53,407
Water and Sewer Billing System Charges	755,634	755,634	-
Net Deferred Retirement Contributions	-	(210,793)	210,793
Net Deferred OPEB Contributions	-	(122,007)	122,007
Total Other Charges	929,563	543,356	386,207
Total Budgeted Operating Expenses	\$ 39,608,787	\$ 36,539,700	\$ 3,069,087

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, 2022**

**ASSETS**

Current Assets:	
Cash and Investments	\$ 9,006,784
Accounts Receivable - Net	26,499,497
Lease Receivable	24,446,263
Total Current Assets	<u>35,506,281</u>
Non-current Assets:	
Cash and Investments - Restricted	8,427,516
Due From Other Funds	5,984,609
Notes Receivable	2,902,109
Land Held for Resale	38,681,399
Capital Assets:	
Land	29,657,866
Buildings	145,408,109
Construction in Progress	3,994,801
Machinery and Equipment	1,900,510
Less: Accumulated Depreciation	<u>(51,365,660)</u>
Total Capital Assets	<u>129,595,626</u>
Total Non-current Assets	<u>185,591,259</u>
Total Assets	<u>221,097,540</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Debt Refundings Resulting in Loss Transactions	<u>314,086</u>
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**LIABILITIES**

Current Liabilities:	
Vouchers and Accounts Payable	12,484,789
Accrued Interest Payable	425,102
Current Portion of Long-term Liabilities	<u>8,454,937</u>
Total Current Liabilities	<u>21,364,828</u>
Long-Term Liabilities:	
Notes Payable to City of Virginia Beach	665,718
Public Facility Revenue Bonds	26,100,807
Premium on Revenue Bonds	<u>1,785,947</u>
Total Long-Term Liabilities	<u>28,552,472</u>
Total Liabilities	<u>49,917,300</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred Inflows from Leases	24,127,913
Debt Refundings Resulting in Gain Transactions	<u>485,079</u>
Total Deferred Inflows of Resources	<u>24,612,992</u>

**NET POSITION**

Net Investment in Capital Assets	93,082,943
Restricted for Debt Service	7,451,780
Unrestricted	<u>46,346,611</u>
Total Net Position	<u>\$ 146,881,334</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, 2022

**OPERATING REVENUES**

Charges for Services	\$ 2,883,794
Miscellaneous	325,697
Total Operating Revenues	<u>3,209,491</u>

**OPERATING EXPENSES**

Contractual Services	5,503,700
Inventory Impairment	2,614,464
Depreciation	3,711,901
Total Operating Expenses	<u>11,830,065</u>

**OPERATING INCOME (LOSS)**(8,620,574)**NONOPERATING REVENUES (EXPENSES)**

Interest Income	331,413
Payment Under Support Agreement	15,723,865
Interest and Fiscal Charges	<u>(1,303,552)</u>
Total Nonoperating Revenues	<u>14,751,726</u>

**CHANGE IN NET POSITION**

6,131,152

**TOTAL NET POSITION - BEGINNING**140,750,182**TOTAL NET POSITION - ENDING**\$ 146,881,334



**CITY OF VIRGINIA BEACH, VIRGINIA  
DEVELOPMENT AUTHORITY ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2022**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Receipts from Customers and Users	\$ 2,548,154
Payments for Interfund Services Provided	1,546,916
Other Operating Cash Receipts (Disbursements)	9,909
Cash Payments to Suppliers of Goods and Services	<u>(4,869,340)</u>
Net Cash Provided (Used) By Operating Activities	<u>(764,361)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Receipts from Customers and Users	644,016
Cash Payments to Suppliers of Goods and Services	<u>(34,281)</u>
Net Cash Provided (Used) By Noncapital Financing Activities	<u>609,735</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

Capital Contributions	15,286,654
Acquisition of Capital Assets	(3,139,702)
Interest Paid on Long-term Debt	(1,716,048)
Principal Paid on Capital Debt	<u>(8,438,375)</u>
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>1,992,529</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Interest and Dividends Received	<u>15,483</u>
Net Increase (Decrease) in Cash and Investments	1,853,386
Cash and Investments, July 1	<u>15,580,914</u>
Cash and Investments, June 30	<u><u>17,434,300</u></u>

**RECONCILIATION OF OPERATING INCOME (LOSS)  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating Income (Loss)	(8,620,574)
Adjustments to Reconcile Operating Loss to Net Cash Provided By Operating Activities:	
Depreciation Expense	3,711,901
Net changes in assets and liabilities:	
Intergovernmental Receivables	(1,295,891)
Land Inventory	2,614,465
Vouchers and Accounts Payable	3,255,375
Leases Payable	<u>(429,637)</u>
Net Cash Provided (Used) By Operating Activities	<u><u>(764,361)</u></u>

## **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.

**Subscriptions** – provides for the collection and support of specific service agreements between customer departments and the Information Technology department. These agreements relate to specialized applications, services, and/or hardware associated with customer departments, not enterprise needs.

**CITY OF VIRGINIA BEACH, VIRGINIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2022**

	<u>City Garage</u>	<u>Risk Management</u>
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and Investments	\$ 6,996,875	\$ 42,757,112
Inventory	3,666,503	-
Total Current Assets	<u>10,663,378</u>	<u>42,757,112</u>
Noncurrent Assets:		
Capital Assets:		
Site Improvements	265,782	-
Machinery and Equipment	5,322,778	-
Less: Accumulated Depreciation	<u>(3,588,714)</u>	<u>-</u>
Net Property, Plant and Equipment	<u>1,999,846</u>	<u>-</u>
Total Assets	<u>12,663,224</u>	<u>42,757,112</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Deferred Outflows for Pensions	1,647,793	147,487
Deferred Outflows for OPEB	256,466	22,228
Total Deferred Outflows of Resources	<u>1,904,259</u>	<u>169,715</u>
<b><u>LIABILITIES</u></b>		
Current Liabilities:		
Vouchers and Accounts Payable	337,025	170,300
Current Portion of Long-term Liabilities	355,594	6,498,389
Total Current Liabilities	<u>692,619</u>	<u>6,668,689</u>
Noncurrent Liabilities:		
Compensated Absences	158,210	-
Claims and Contingencies	-	42,919,279
Net Pension Liability	2,834,683	260,063
Net OPEB Liability	<u>669,895</u>	<u>58,133</u>
Total Noncurrent Liabilities	<u>3,662,788</u>	<u>43,237,475</u>
Total Liabilities	<u>4,355,407</u>	<u>49,906,164</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Deferred Inflows for Pensions	2,512,360	221,679
Deferred Inflows for OPEB	264,081	22,929
Total Deferred Inflows of Resources	<u>2,776,441</u>	<u>244,608</u>
<b><u>NET POSITION</u></b>		
Net Investment in Capital Assets	1,999,846	-
Unrestricted (deficit)	5,435,789	(7,223,945)
Total Net Position	<u>\$ 7,435,635</u>	<u>\$ (7,223,945)</u>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

<b>School Site Landscaping</b>	<b>Telecommunications</b>	<b>Subscriptions</b>	<b>Totals</b>
\$ 2,840,410	\$ 3,687,071	\$ -	\$ 56,281,468
-	-	-	3,666,503
2,840,410	3,687,071	-	59,947,971
-	-	-	265,782
2,866,322	-	-	8,189,100
(2,636,598)	-	-	(6,225,312)
229,724	-	-	2,229,570
3,070,134	3,687,071	-	62,177,541
721,657	299,801	-	2,816,738
215,940	31,000	-	525,634
937,597	330,801	-	3,342,372
162	901,714	-	1,409,201
65,720	73,081	-	6,992,784
65,882	974,795	-	8,401,985
-	37,531	-	195,741
-	-	-	42,919,279
1,274,307	494,118	-	4,863,171
564,721	80,260	-	1,373,009
1,839,028	611,909	-	49,351,200
1,904,910	1,586,704	-	57,753,185
1,083,763	467,989	-	4,285,791
222,722	31,532	-	541,264
1,306,485	499,521	-	4,827,055
229,724	-	-	2,229,570
566,612	1,931,647	-	710,103
\$ 796,336	\$ 1,931,647	\$ -	\$ 2,939,673

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>City Garage</u>	<u>Risk Management</u>
<b><u>OPERATING REVENUES</u></b>		
Billings to Departments	\$ 22,566,889	\$ 18,637,070
Insurance Recovery	128,872	226
Total Operating Revenues	<u>22,695,761</u>	<u>18,637,296</u>
<b><u>OPERATING EXPENSES</u></b>		
Cost of Goods Sold	11,251,503	-
Personal Services	5,877,539	444,787
Contractual Services	852,066	170,505
Internal Services	457,367	13,936
Other Charges	829,615	17,824,956
Depreciation	711,317	-
Total Operating Expenses	<u>19,979,407</u>	<u>18,454,184</u>
<b><u>OPERATING INCOME (LOSS)</u></b>	<u>2,716,354</u>	<u>183,112</u>
<b><u>NONOPERATING REVENUES (EXPENSES) AND TRANSFERS</u></b>		
Interest Income	54,960	212,483
Gain (Loss) on Disposition of Assets	47,889	-
Transfers Out	-	-
Total Nonoperating Revenues (Expenses)	<u>102,849</u>	<u>212,483</u>
<b><u>CHANGE IN NET POSITION</u></b>	2,819,203	395,595
<b><u>TOTAL NET POSITION - BEGINNING</u></b>	<u>4,616,432</u>	<u>(7,619,540)</u>
<b><u>TOTAL NET POSITION - ENDING</u></b>	<u>\$ 7,435,635</u>	<u>\$ (7,223,945)</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, 2022**

<b>School Site Landscaping</b>	<b>Telecommunications</b>	<b>Subscriptions</b>	<b>Totals</b>
\$ 4,618,749	\$ 3,055,380	\$ 936,698	\$ 49,814,786
-	-	-	129,098
<u>4,618,749</u>	<u>3,055,380</u>	<u>936,698</u>	<u>49,943,884</u>
-	-	-	11,251,503
2,476,661	1,025,709	-	9,824,696
297,279	709,505	59,061	2,088,416
529,357	31,755	-	1,032,415
457,630	763,531	28,915	19,904,647
131,780	-	42,070	885,167
<u>3,892,707</u>	<u>2,530,500</u>	<u>130,046</u>	<u>44,986,844</u>
<u>726,042</u>	<u>524,880</u>	<u>806,652</u>	<u>4,957,040</u>
11,834	11,686	-	290,963
-	-	(130,435)	(82,546)
-	(1,100,000)	-	(1,100,000)
<u>11,834</u>	<u>(1,088,314)</u>	<u>(130,435)</u>	<u>(891,583)</u>
737,876	(563,434)	676,217	4,065,457
<u>58,460</u>	<u>2,495,081</u>	<u>(676,217)</u>	<u>(1,125,784)</u>
<u>\$ 796,336</u>	<u>\$ 1,931,647</u>	<u>\$ -</u>	<u>\$ 2,939,673</u>



**CITY OF VIRGINIA BEACH, VIRGINIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	City Garage	Risk Management
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Receipts from Customers and Users	\$ 22,695,761	\$ 18,637,296
Cash Payments to Suppliers of Goods and Services	(14,007,045)	(18,137,339)
Cash Payments to Employees for Services	(6,213,125)	3,260,905
Net Cash Provided By Operating Activities	<u>2,475,591</u>	<u>3,760,862</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>		
Receipts from Other Funds	-	-
Payments to Other Funds		
Net Cash Used in Noncapital Financing Activities	<u>-</u>	<u>-</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>		
Acquisition and Construction of Capital Assets	(530,412)	-
Proceeds from Sale of Salvage	47,889	-
Net Cash Used in Capital and Related Financing Activities	<u>(482,523)</u>	<u>-</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Interest and Dividends Received	<u>54,960</u>	<u>212,483</u>
Net Increase in Cash and Temporary Investments	2,048,028	3,973,345
Cash and Temporary Investments, July 1	<u>4,948,847</u>	<u>38,783,767</u>
Cash and Temporary Investments, June 30	<u><u>6,996,875</u></u>	<u><u>42,757,112</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating Income	2,716,354	183,112
Adjustments to Reconcile Operating Income to		
Net Cash Provided By Operating Activities:		
Depreciation Expense	711,317	-
Net Changes in assets and liabilities:		
Accounts Receivable	-	-
Inventory	(663,080)	-
Deferred Outflow of Resources	(16,231)	2,407
Vouchers and Accounts Payable	46,586	(127,942)
Net Pension Liability	(2,892,903)	(265,404)
Net OPEB Liability	39,759	3,677
Deferred Inflow of Resources	2,457,825	217,072
Estimated Claims and Judgments	-	3,746,317
Accrued Compensated Leave	75,964	1,623
Net Cash Provided By Operating Activities	<u><u>\$ 2,475,591</u></u>	<u><u>\$ 3,760,862</u></u>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

School Site Landscaping	Telecommunications	Subscriptions	Totals
\$ 4,618,749	\$ 3,055,433	\$ 936,698	\$ 49,943,937
(1,418,306)	(647,778)	(135,918)	(34,346,386)
(2,718,483)	(1,077,168)	-	(6,747,871)
481,960	1,330,487	800,780	8,849,680
-	(1,100,000)	-	(1,100,000)
-	-	(800,780)	(800,780)
-	(1,100,000)	(800,780)	(1,900,780)
(10,800)	-	130,435	(410,777)
-	-	(130,435)	(82,546)
(10,800)	-	-	(493,323)
11,834	11,686	-	290,963
482,994	242,173	-	6,746,540
2,357,416	3,444,898	-	49,534,928
2,840,410	3,687,071	-	56,281,468
726,042	524,880	806,652	4,957,040
131,780	-	42,070	885,167
-	53	-	53
-	-	-	(663,080)
(8,892)	(12,122)	-	(34,838)
(134,040)	857,013	(47,942)	593,675
(1,300,480)	(504,269)	-	(4,963,056)
35,720	2,467	-	81,623
1,039,005	460,185	-	4,174,087
-	-	-	3,746,317
(7,175)	2,280	-	72,692
\$ 481,960	\$ 1,330,487	\$ 800,780	\$ 8,849,680

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# **TRUST AND CUSTODIAL FUNDS**



## TRUST FUNDS and CUSTODIAL FUNDS

Trust Funds and 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 Trust Funds:

**Other Postemployment Benefits** – established by the City in accordance with Article 8, Chapter 15, Subtitle II of Title 15.2, of the Virginia Code, for the purpose of accumulating and investing assets to fund OPEB obligations.

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, 2022**

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	<u>Escheat Property</u>	<u>Special Welfare</u>	<u>Sheriff's Inmate Fund</u>	<u>Total</u>
<b><u>ASSETS</u></b>				
Cash and Investments	\$ 43,979	\$ 265,690	\$ 126,767	\$ 436,436
<b><u>LIABILITIES</u></b>				
Due to Commonwealth	43,979	-	-	43,979
<b><u>NET POSITION</u></b>				
Restricted for Individuals, Organizations & Others	\$ -	\$ 265,690	\$ 126,767	\$ 392,457

**CITY OF VIRGINIA BEACH, VIRGINIA  
CUSTODIAL FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Escheat Property</u>	<u>Special Welfare</u>	<u>Sheriff's Inmate Accounts</u>	<u>Total</u>
<b>ADDITIONS</b>				
State Receipts for Other Individuals	\$ -	\$ 380,892	\$ -	\$ 380,892
Deposits on Accounts	-	-	1,430,991	1,430,991
Unclaimed Property Transfers from City and School Funds	521,749	-	-	521,749
Total Additions	521,749	380,892	1,430,991	2,333,632
<b>DEDUCTIONS</b>				
Payments to Other Individuals	-	314,004	1,555,558	1,869,562
Unclaimed Property Remittance to State	521,749	-	-	521,749
Total Deductions	521,749	314,004	1,555,558	2,391,311
 <b>Change in Net Position</b>	 -	 66,888	 (124,567)	 (57,679)
 <b>Net Position - Beginning</b>	 -	 198,802	 251,334	 450,136
<b>Net Position - Ending</b>	<u>\$ -</u>	<u>\$ 265,690</u>	<u>\$ 126,767</u>	<u>\$ 392,457</u>



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**DISCRETELY PRESENTED**

**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 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 Capital Projects Fund** - accounts for all revenues and expenditures related to the construction of the School's fixed assets and infrastructure.

### ***Nonmajor Governmental Funds:***

**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 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.

### ***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, 2022**

	<b>Governmental Activities</b>
<b><u>ASSETS</u></b>	
Current Assets:	
Cash and Temporary Investments	\$ 328,357,377
Accounts Receivable	4,229,873
Due from Commonwealth	13,287,953
Due from Federal Government	33,792,250
Lease Receivable	660,225
Inventories	968,013
Prepaid Items	3,394,920
Total Current Assets	<u>384,690,611</u>
Noncurrent Assets:	
Net Pension Asset	1,594,224
Net OPEB Asset	167,335
Lease Receivable, Non-Current	2,164,166
Capital Assets:	
Land	38,968,372
Buildings, Improvements, Equipment and Vehicles (net of accumulated depreciation)	522,557,459
Construction in Progress	2,940,086
Total Noncurrent Assets	<u>568,391,642</u>
Total Assets	<u>953,082,253</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Deferred Outflows from Pensions	144,748,793
Deferred Outflows from OPEB	32,821,811
Total Deferred Outflows of Resources	<u>177,570,604</u>
<b><u>LIABILITIES</u></b>	
Current Liabilities:	
Salaries Payable	81,155,575
Vouchers and Accounts Payable	16,327,894
Deposits Payable	75,000
Due to Commonwealth	5,102
Due to Federal Government	94,299
Unearned Revenue	13,084,907
Long-term Liabilities (due within one year)	27,140,727
Total Current Liabilities	<u>137,883,504</u>
Noncurrent Liabilities:	
Net Pension Liability	374,959,932
Net OPEB Liability	144,993,753
Long-term Liabilities (due in more than one year)	33,814,609
Total Noncurrent Liabilities	<u>553,768,294</u>
Total Liabilities	<u>691,651,798</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Deferred Inflows from Pensions	318,457,159
Deferred Inflows from OPEB	30,513,436
Deferred Inflows from Leases	2,801,912
Total Deferred Inflows of Resources	<u>351,772,507</u>
<b><u>NET POSITION</u></b>	
Investment in Capital Assets	564,465,917
Restricted	33,364,012
Unrestricted	(510,601,277)
Total Net Position (Deficit)	<u>\$ 87,228,652</u>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

		Program Revenues			Net (Expenses)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Change In Net Position
<b><u>GOVERNMENTAL ACTIVITIES</u></b>					
Instruction	\$ 662,288,101	\$ 2,724,249	\$ 145,999,998	\$ -	\$ (513,563,854)
Admin, Attendance, & Health	37,088,876	3,880	52,377,747	-	15,292,751
Pupil Transportation	45,739,040	1,059,715	-	-	(44,679,325)
Operations and Maintenance	109,185,578	241,643	16,134	-	(108,927,801)
Cafeterias	36,566,426	1,491,699	43,135,279	-	8,060,552
Technology	61,418,845	1,028,278	25,230,638	-	(35,159,929)
Total Governmental Activities	<u>\$ 952,286,866</u>	<u>\$ 6,549,464</u>	<u>\$ 266,759,796</u>	<u>\$ -</u>	<u>\$ (678,977,606)</u>
<u>General Revenues:</u>					
Local Sources:					
					\$ 520,622,167
					6,388,283
					627,668
Federal and State Aid not Restricted to Specific Purposes:					
					177,729,756
					98,227,243
					14,339,468
					219,891
					818,154,476
					139,176,870
					(51,948,218)
					\$ 87,228,652

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2022**

	<b>School Operating</b>	<b>School Grants</b>	<b>School Cafeterias</b>	<b>Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b><u>ASSETS</u></b>						
Cash and Investments	\$ 78,704,415	\$ -	\$ 18,595,846	\$ 113,526,623	\$ 15,865,007	\$ 226,691,891
Accounts Receivable	477,333	52,515	124,658	-	-	654,506
Due from Other Funds	21,432,800	-	-	-	-	21,432,800
Due from Commonwealth	10,532,303	2,755,650	-	-	-	13,287,953
Due from Federal Government	71,329	30,956,768	2,764,153	-	-	33,792,250
Lease Receivable	-	-	-	-	2,824,391	2,824,391
Inventories	-	-	968,013	-	-	968,013
Prepaid Items	1,424,158	-	7,221	-	1,691,640	3,123,019
Total Assets	<u>112,642,338</u>	<u>33,764,933</u>	<u>22,459,891</u>	<u>113,526,623</u>	<u>20,381,038</u>	<u>302,774,823</u>
<b><u>LIABILITIES</u></b>						
Salaries Payable	76,229,826	3,679,797	1,222,037	22,806	-	81,154,466
Vouchers and Accounts Payable	6,752,155	1,257,355	604,012	6,761,748	38,214	15,413,484
Deposits Payable	-	-	-	-	75,000	75,000
Due to Other Funds	-	21,432,800	-	-	-	21,432,800
Due to Commonwealth	-	5,102	-	-	-	5,120
Due to Federal Government	-	6,385	-	87,914	-	94,299
Unearned Revenues	622,968	3,526,528	643,820	-	-	4,793,316
Total Liabilities	<u>83,604,949</u>	<u>29,907,967</u>	<u>2,469,869</u>	<u>6,872,468</u>	<u>113,214</u>	<u>122,968,485</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
Leases	-	-	-	-	2,801,912	2,801,912
<b><u>FUND BALANCES</u></b>						
Nonspendable	1,424,158	-	975,234	-	1,714,119	4,113,511
Restricted	-	3,856,966	19,014,788	-	10,492,258	33,364,012
Committed	-	-	-	106,654,155	5,259,535	111,913,690
Assigned	27,613,231	-	-	-	-	27,613,231
Total Fund Balances	<u>29,037,389</u>	<u>3,856,966</u>	<u>19,990,022</u>	<u>106,654,155</u>	<u>17,465,912</u>	<u>177,004,444</u>
Total Liabilities and Fund Balances	<u>\$ 112,642,338</u>	<u>\$ 33,764,933</u>	<u>\$ 22,459,891</u>	<u>\$ 113,526,623</u>	<u>\$ 20,381,038</u>	<u>\$ 302,774,841</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, 2022**

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)	\$	177,004,444
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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	1,089,859,401	
Less: Accumulated Depreciation	<u>(525,393,484)</u>	564,465,917

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	(42,221,717)
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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 assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.

Total Assets	105,512,854	
Less: Total Liabilities	<u>(27,940,729)</u>	77,572,125
Total Net Position		

GAAP accounting for Pensions was implemented in Fiscal Year 2015. Pensions are not reported in the governmental funds.

Net Pension Liability	(374,959,932)	
Net Pension Asset	1,594,224	
Deferred Outflows of Resources	144,748,793	
Deferred Inflows of Resources	<u>(318,457,159)</u>	(547,074,074)

GAAP accounting for OPEB was implemented in Fiscal Year 2018. OPEB is not reported in the governmental funds.

Net OPEB Liability	(144,993,753)	
Net OPEB Asset	167,335	
Deferred Outflows of Resources	32,821,811	
Deferred Inflows of Resources	<u>(30,513,436)</u>	(142,518,043)

Total Net Position - Governmental Activities (Exhibit 42)	\$	<u><u>87,228,652</u></u>
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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, 2022**

	<b>School Operating</b>	<b>School Grants</b>	<b>School Cafeterias</b>	<b>Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b><u>REVENUES</u></b>						
From Use of Money and Property	\$ 241,643	\$ -	\$ 42,682	\$ -	\$ 726,606	\$ 1,010,931
Charges for Services	685,686	-	678,179	-	122,436	1,486,301
Miscellaneous	3,695,111	422,362	884,412	-	6,081,505	11,083,390
From Local Government	401,758,124	-	-	118,863,421	-	520,621,545
From Commonwealth	395,068,002	11,908,631	636,965	-	4,043,646	411,657,244
From Federal Government	17,115,878	85,424,665	42,436,114	-	-	144,976,657
Total Revenues	818,564,444	97,755,658	44,678,352	118,863,421	10,974,193	1,090,836,068
<b><u>EXPENDITURES</u></b>						
Current:						
Instruction	597,668,220	65,424,956	-	2,240,112	7,034,739	672,368,027
Admin, Attendance, & Health	36,895,804	3,312,168	-	-	-	40,207,972
Pupil Transportation	52,017,634	1,409,194	-	-	-	53,426,828
Operations and Maintenance	98,295,182	9,319,427	-	5,702,993	-	113,317,602
Cafeterias	-	3,187,981	34,242,955	-	-	37,430,936
Technology	37,805,126	19,026,145	148,856	316,644	3,996,703	61,293,474
Capital Outlay	-	-	-	18,776,941	-	18,776,941
Total Expenditures	822,681,966	101,679,871	34,391,811	27,036,690	11,031,442	996,821,780
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<b>(4,117,522)</b>	<b>(3,924,213)</b>	<b>10,286,541</b>	<b>91,826,731</b>	<b>(57,249)</b>	<b>94,014,288</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>						
Transfers In	-	4,869,945	-	-	-	4,869,945
Transfers Out	(4,869,945)	-	-	-	-	(4,869,945)
Sale of Capital Assets	627,668	-	-	-	-	627,668
Total Other Financing Sources (Uses)	(4,242,277)	4,869,945	-	-	-	627,668
<b><u>NET CHANGES IN FUND BALANCES</u></b>	<b>(8,359,799)</b>	<b>945,732</b>	<b>10,286,541</b>	<b>91,826,731</b>	<b>(57,249)</b>	<b>94,641,956</b>
<b><u>FUND BALANCES - JULY 1</u></b>	<b>37,397,188</b>	<b>2,911,234</b>	<b>9,703,481</b>	<b>14,827,424</b>	<b>17,523,161</b>	<b>82,362,488</b>
<b><u>RESTATEMENT OF FUND BALANCE</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>FUND BALANCES - JUNE 30</u></b>	<b>\$ 29,037,389</b>	<b>\$ 3,856,966</b>	<b>\$ 19,990,022</b>	<b>\$ 106,654,155</b>	<b>\$ 17,465,912</b>	<b>\$ 177,004,444</b>

**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, 2022**

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)		\$ 94,641,956
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.		9,201,159
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.		
Leave Used	12,833,836	
Leave Earned	<u>(11,864,546)</u>	969,290
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 Transfer	(3,372,569)	
Health Insurance	<u>(647,631)</u>	(4,020,200)
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, 2022. This amount is the applicable Net Book Value change and depreciation expense for the fiscal year.		(42,900,483)
This amount is the Pension Expense and Deferred Outflow (pension contributions paid) for the fiscal year.		
Pension Expense	375,459,412	
Deferred Inflows	(258,295,804)	
Deferred Outflows	<u>(39,453,326)</u>	77,710,282
This amount is the OPEB Expense and Deferred Outflow (OPEB contributions paid) for the fiscal year.		
OPEB Expense	2,917,909	
Deferred Inflows	(2,610,935)	
Deferred Outflows	<u>3,267,892</u>	3,574,866
Change in Net Position of governmental activities in the Statement of Activities (Exhibit 41)		<u>\$ 139,176,870</u>

**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, 2022**

	<b>School Textbooks</b>	<b>School Communication Towers/ Technology</b>	<b>School Vending Operations</b>	<b>School Equipment Replacement</b>	<b>School Activity</b>	<b>Totals</b>
<b><u>ASSETS</u></b>						
Cash and Investments	\$ 5,509,053	\$ 4,464,769	\$ 169,815	\$ 738,165	\$ 4,983,205	\$ 15,865,007
Lease Receivable	-	2,824,391	-	-	-	2,824,391
Perpaid Items	1,691,640	-	-	-	-	1,691,640
Total Assets	7,200,693	7,289,160	169,815	738,165	4,983,205	20,381,038
<b><u>LIABILITIES</u></b>						
Liabilities:						
Vouchers and Accounts Payable	-	-	-	38,214	-	38,214
Deposits Payable	-	75,000	-	-	-	75,000
Total Liabilities	-	75,000	-	38,214	-	113,214
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
Leases	-	2,801,912	-	-	-	2,801,912
<b><u>FUND BALANCE</u></b>						
Nonspendable	1,691,640	22,479	-	-	-	1,714,119
Restricted	5,509,053	-	-	-	4,983,205	10,492,258
Committed	-	4,389,769	169,815	699,951	-	5,259,535
Total Fund Balances	7,200,693	4,412,248	169,815	699,951	4,983,205	17,465,912
Total Liabilities and Fund Balances	\$ 7,200,693	\$ 7,289,160	\$ 169,815	\$ 738,165	\$ 4,983,205	\$ 20,381,038

**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, 2022**

	<b>School Textbooks</b>	<b>School Communication Towers/ Technology</b>	<b>School Vending Operations</b>	<b>School Equipment Replacement</b>	<b>School Activity</b>	<b>Totals</b>
<b><u>REVENUES</u></b>						
From Use of Money and Property	\$ 23,898	\$ 695,802	\$ 2,032	\$ 3,882	\$ 992	\$ 726,606
Charges for Services	-	-	122,436	-	-	122,436
Miscellaneous	29,905	-	-	-	6,051,600	6,081,505
From Commonwealth	4,043,646	-	-	-	-	4,043,646
Total Revenues	4,097,449	695,802	124,468	3,882	6,052,592	10,974,193
<b><u>EXPENDITURES</u></b>						
Instruction	1,448,070	-	58,660	-	5,528,009	7,034,739
Technology	3,740,279	-	-	256,424	-	3,996,703
Total Expenditures	5,188,349	-	58,660	256,424	5,528,009	11,031,442
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	(1,090,900)	695,802	65,808	(252,542)	524,583	(57,249)
<b><u>NET CHANGE IN FUND BALANCES</u></b>	(1,090,900)	695,802	65,808	(252,542)	524,583	(57,249)
<b><u>FUND BALANCES - JULY 1</u></b>	8,291,593	3,716,446	104,007	952,493	4,458,622	17,523,161
<b><u>FUND BALANCES - JUNE 30</u></b>	\$ 7,200,693	\$ 4,412,248	\$ 169,815	\$ 699,951	\$ 4,983,205	\$ 17,465,912

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2022**

	School Risk Management	School Health Insurance	Totals
<b><u>ASSETS</u></b>			
Cash and Investments	\$ 15,859,624	\$ 85,805,862	\$ 101,665,486
Accounts Receivable	5,727	3,569,740	3,575,467
Prepaid Items	271,901	-	271,901
Total Assets	<u>16,137,252</u>	<u>89,375,602</u>	<u>105,512,854</u>
<b><u>LIABILITIES</u></b>			
Current Liabilities:			
Salaries Payable	1,109		1,109
Vouchers and Accounts Payable	659,739	254,671	914,410
Unearned Revenues	-	8,291,591	8,291,591
Estimated Claims and Judgments (due within one year)	8,340,464	5,709,750	14,050,214
Total Current Liabilities	<u>9,001,312</u>	<u>14,256,012</u>	<u>23,257,324</u>
Noncurrent Liabilities:			
Estimated Claims and Judgments (due in more than one year)	2,780,155	1,903,250	4,683,405
Total Liabilities	<u>11,781,467</u>	<u>16,159,262</u>	<u>27,940,729</u>
<b><u>NET POSITION</u></b>			
Unrestricted	<u>\$ 4,355,785</u>	<u>\$ 73,216,340</u>	<u>\$ 77,572,125</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, 2022**

	<b>School Risk Management</b>	<b>School Health Insurance</b>	<b>Totals</b>
<b><u>OPERATING REVENUES</u></b>			
Charges for Services	\$ 6,805,724	\$ 153,694,833	\$ 160,500,557
Miscellaneous Revenues	639,688	4,842	644,530
Total Operating Revenues	<u>7,445,412</u>	<u>153,699,675</u>	<u>161,145,087</u>
<b><u>OPERATING EXPENSES</u></b>			
Personnel Services	390,727	518,733	909,460
Fringe Benefits	134,302	198,160	332,462
Purchased Services	2,023,983	1,567,881	3,591,864
Other Charges	8,353,507	152,385,651	160,739,158
Total Operating Expenses	<u>10,902,519</u>	<u>154,670,425</u>	<u>165,572,944</u>
<b><u>OPERATING INCOME (LOSS)</u></b>	<u>(3,457,107)</u>	<u>(970,750)</u>	<u>(4,427,857)</u>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>			
Interest Income	84,538	323,119	407,657
Total Nonoperating Revenues (Expenses)	<u>84,538</u>	<u>323,119</u>	<u>407,657</u>
<b><u>INCOME (LOSS) BEFORE TRANSFERS</u></b>	<u>(3,372,569)</u>	<u>(647,631)</u>	<u>(4,020,200)</u>
<b><u>CHANGE IN NET POSITION</u></b>	<u>(3,372,569)</u>	<u>(647,631)</u>	<u>(7,800,426)</u>
<b><u>TOTAL NET POSITION - JULY 1</u></b>	<u>7,728,354</u>	<u>73,863,971</u>	<u>81,592,325</u>
<b><u>TOTAL NET POSITION - JUNE 30</u></b>	<u>\$ 4,355,785</u>	<u>\$ 73,216,340</u>	<u>\$ 73,791,899</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, 2022**

	School Risk Management	School Health Insurance	Totals
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>			
Receipts from Customers and Users	\$ 7,443,628	\$ 152,159,884	\$ 159,603,512
Payments to Vendors for Goods and Services	(8,990,332)	(156,856,656)	(165,846,988)
Payments to Employees for Services	(524,790)	(721,340)	(1,246,130)
Net Cash Provided (Used) By Operating Activities	<u>(2,071,494)</u>	<u>(5,418,112)</u>	<u>(7,489,606)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>			
Interest Received on Investments	<u>84,538</u>	<u>323,119</u>	<u>407,657</u>
Net Increase (Decrease) in Cash and Investments	(1,986,956)	(5,094,993)	(7,081,949)
Cash and Temporary Investments, July 1	<u>17,846,580</u>	<u>90,900,855</u>	<u>108,747,435</u>
Cash and Temporary Investments, June 30	<u><u>15,859,624</u></u>	<u><u>85,805,862</u></u>	<u><u>101,665,486</u></u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u></b>			
Operating Income (Loss)	(3,457,107)	(970,750)	(4,427,857)
Adjustments to Reconcile Operating Income (Loss) to			
Net Changes in Assets and Liabilities:			
Accounts Receivable	(1,785)	(1,566,670)	(1,568,455)
Prepaid Items	(6,803)	-	(6,803)
Salaries Payable	239	(4,447)	(4,208)
Vouchers and Accounts Payable	330,435	(1,978,124)	(1,647,689)
Unearned Revenue	-	26,879	26,879
Estimated Claims and Judgments	<u>1,063,527</u>	<u>(925,000)</u>	<u>138,527</u>
Total Adjustments	<u>1,385,613</u>	<u>(4,447,362)</u>	<u>(3,061,749)</u>
Net Cash Provided By Operating Activities	<u><u>\$ (2,071,494)</u></u>	<u><u>\$ (5,418,112)</u></u>	<u><u>\$ (7,489,606)</u></u>

**CITY OF VIRGINIA BEACH, VIRGINIA  
DISCRETELY PRESENTED SCHOOL BOARD COMPONENT UNIT  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2022**

	<b>Other Postemployment Benefits Trust Fund</b>
<hr/>	
<b><u>ASSETS</u></b>	
Fixed Income	\$ 8,353,780
Stocks	21,481,150
Real Estate	2,784,593
Alternative Investments	7,160,383
Total Assets	<u>39,779,906</u>
<b><u>NET POSITION</u></b>	
Restricted for Postemployment Benefits Other than Pensions	<u>\$ 39,779,906</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, 2022**

	<b>Other Postemployment Benefits Trust Fund</b>
<hr/>	
<b><u>ADDITIONS</u></b>	
Contributions:	
Employer	\$ 6,864,988
Investment Earnings:	
Increase in Fair Value of Investments	(4,047,045)
Total Additions	<u>2,817,943</u>
<b><u>DEDUCTIONS</u></b>	
Benefits	6,864,988
Administrative Expenses	<u>31,102</u>
Total Deductions	<u>6,896,090</u>
Change in Net Position	(4,078,147)
Net Position at Beginning of Year	<u>43,858,053</u>
Net Position at End of Year	<u><u>\$ 39,779,906</u></u>

## **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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	249
These schedules contain trend information to help the reader understand how the City's financial performance has changed over time.	
<b>Revenue Capacity</b>	255
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
<b>Debt Capacity</b>	261
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.	
<b>Demographic and Economic Information</b>	266
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.	
<b>Operating Information</b>	269
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.	
<b>Schedule of the Treasurer's Cash Accountability</b>	271
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)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b><u>Governmental Activities</u></b>										
Net Investment in Capital Assets	\$ 2,428,253,890	\$ 2,273,830,446	\$ 2,252,154,557	\$ 2,286,145,556	\$ 2,324,672,499	\$ 2,382,782,109	\$ 2,382,782,109	\$ 2,304,432,557	\$ 2,394,262,385	\$ 2,464,411,230
Restricted	40,925,256	272,044,037	343,675,422	362,820,736	347,382,648	67,047,985	68,166,411	71,573,421	77,885,069	71,503,828
Unrestricted	203,260,167	168,304,006	(171,554,644)	(122,670,333)	(84,470,897)	147,877,239	146,768,813	271,559,081	254,195,122	300,836,523
Total Governmental Activities Net Position	2,672,439,313	2,714,178,489	2,424,275,335	2,526,295,959	2,587,584,250	2,597,707,333	2,597,717,333	2,647,565,059	2,726,342,576	2,836,751,581
<b><u>Business-type Activities</u></b>										
Net Investment in Capital Assets	790,083,898	716,074,522	758,928,371	760,003,698	813,703,550	920,273,999	920,273,999	966,433,599	873,636,000	931,565,712
Restricted	132,851,393	249,548,491	212,357,644	259,716,984	246,364,646	25,178,718	25,178,718	25,757,255	28,120,678	36,727,680
Unrestricted	23,258,816	29,249,082	30,523,779	31,289,060	33,551,935	251,112,602	251,112,602	240,256,063	373,022,454	360,470,519
Total Business-type Activities Net Position	946,194,107	994,872,095	1,001,809,794	1,051,009,742	1,093,620,131	1,196,565,319	1,196,565,319	1,232,446,917	1,274,779,132	1,328,763,911
<b><u>Primary Government</u></b>										
Net Investment in Capital Assets	3,218,337,788	2,989,904,968	3,011,082,928	3,046,149,254	3,138,376,049	3,303,056,108	3,303,056,108	3,270,866,156	3,267,898,385	3,395,976,942
Restricted	173,776,649	521,592,528	556,033,066	622,537,720	593,747,294	92,226,703	93,345,129	97,330,676	106,005,747	108,231,508
Unrestricted	226,518,983	197,553,088	(141,030,865)	(91,381,273)	(50,918,962)	398,999,841	397,881,415	511,815,144	627,217,576	661,307,042
Total Primary Government Net Position	\$ 3,618,633,420	\$ 3,709,050,584	\$ 3,426,085,129	\$ 3,577,305,701	\$ 3,681,204,381	\$ 3,794,282,652	\$ 3,794,282,652	\$ 3,880,011,976	\$ 4,001,121,708	\$ 4,165,515,492

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)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental Activities:										
Legislative	\$ 1,273,769	\$ 1,189,512	\$ 1,186,251	\$ 1,199,261	\$ 1,181,030	\$ 1,197,802	\$ 1,137,306	\$ 1,186,759	\$ 1,150,487	\$ 1,144,853
Executive	2,596,006	2,498,694	2,621,111	3,788,704	4,185,699	4,291,911	4,989,525	5,148,732	5,061,684	5,813,525
Law	3,679,233	3,937,096	3,776,063	3,763,766	3,978,553	4,407,207	4,398,166	4,646,337	4,700,230	4,925,401
Finance	18,015,281	18,521,840	17,241,258	17,077,306	18,382,696	18,914,577	19,369,053	19,589,053	23,525,882	22,481,818
Human Resources	9,916,732	10,479,994	11,031,258	11,750,627	11,839,428	11,839,137	12,409,897	12,303,650	4,714,497	5,308,423
Judicial	53,427,866	56,389,216	54,160,608	56,308,364	61,622,028	61,573,612	63,543,647	67,317,493	70,800,824	73,890,025
Health	2,871,475	3,126,176	3,215,269	3,179,240	3,391,817	3,438,816	3,702,796	3,690,540	3,987,416	4,097,764
Police	94,306,684	98,885,662	96,431,059	93,983,335	101,644,605	99,016,027	97,153,874	90,164,472	111,032,033	115,206,986
Human Services	108,913,384	110,266,430	110,140,108	109,133,450	116,434,440	114,896,878	121,506,719	125,692,508	126,378,186	124,058,301
Public Works	197,205,942	201,565,478	151,146,960	175,477,790	173,634,278	182,099,702	221,572,129	184,476,409	180,759,392	179,266,059
Parks and Recreation	44,461,864	46,944,369	46,372,607	45,082,490	47,512,722	52,804,501	53,773,326	53,769,232	47,365,473	52,636,040
Library	16,135,167	17,811,215	17,001,977	17,001,977	18,354,780	17,603,034	16,876,449	18,321,890	17,775,399	17,952,609
Planning	9,390,272	9,788,352	9,963,622	9,689,950	11,162,446	19,392,297	18,951,218	19,600,411	10,136,563	15,879,782
Agriculture	882,778	889,198	1,249,439	1,427,900	4,605,108	3,327,833	3,429,550	3,503,824	989,561	5,450,992
Economic Development	942,848	1,531,524	2,076,114	1,624,276	1,562,948	4,463,692	2,460,004	130,286	10,270,726	16,525,448
Convention and Visitor Development	24,259,211	21,970,212	29,153,694	25,836,560	28,761,957	29,398,089	30,880,566	25,952,164	25,827,302	30,301,295
Cultural Affairs	-	-	-	-	-	29,398,089	-	3,156,488	2,030,069	1,624,649
Information Technology	28,524,903	35,271,946	33,630,014	33,641,832	38,964,868	43,482,116	38,010,079	37,031,425	40,478,404	46,447,924
Emergency Communications and Citizen Services	8,585,726	8,948,709	8,750,026	8,140,536	8,970,142	9,050,582	8,883,445	7,651,383	8,810,286	9,521,408
Boards and Commissions	28,150,540	28,205,251	29,450,284	30,230,164	34,738,707	26,461,340	28,038,995	23,022,240	-	-
Fire	49,299,627	52,577,157	49,680,380	50,306,088	57,104,376	58,983,144	59,205,902	52,187,797	66,743,662	72,063,215
Budget and Management Services	1,600,743	1,466,132	1,420,917	1,415,041	1,365,506	1,341,640	1,263,505	1,304,787	1,199,201	1,143,281
Education	371,831,366	376,409,572	390,015,055	398,127,741	396,304,003	423,487,979	430,808,133	444,640,435	393,805,472	519,790,190
Housing and Neighborhood Preservation	27,094,230	26,185,221	26,348,557	26,300,165	28,325,394	28,483,380	31,587,077	33,526,690	38,434,839	39,516,778
Museums	9,557,237	10,314,480	10,704,799	10,841,342	11,113,741	10,775,551	11,115,822	10,318,444	10,524,870	11,696,711
Emergency Medical Services	8,911,501	10,052,359	10,028,682	10,201,025	-	12,532,240	-	11,506,086	16,191,211	14,653,727
Strategic Growth Area	940,819	1,254,362	1,102,864	638,519	-	3,705,291	-	55,756,467	151,934,189	2,280,082
General Government	2,785,087	1,657,913	1,826,647	1,826,647	20,905,051	24,903,558	8,269,691	24,521,747	26,720,618	12,491,959
Interest on Long-term Debt	35,483,724	32,290,625	33,395,513	33,580,400	29,622,762	24,903,558	24,541,657	24,521,747	26,720,618	22,840,189
Total Governmental Activities Expenses	\$ 1,161,044,015	\$ 1,190,428,695	\$ 1,153,518,070	\$ 1,182,031,334	\$ 1,247,625,917	\$ 1,271,935,584	\$ 1,330,896,846	\$ 1,340,125,749	\$ 1,401,348,476	\$ 1,406,169,245
Business-Type Activities:										
Water and Sewer	\$ 103,110,267	\$ 107,549,122	\$ 110,779,437	\$ 109,232,931	\$ 107,922,521	\$ 115,336,137	\$ 139,843,870	\$ 122,936,900	\$ 128,355,819	\$ 123,082,346
Storm Water	16,592,160	19,561,223	22,908,803	23,288,944	34,666,545	33,518,183	38,120,181	33,328,873	28,399,383	27,277,527
Development Authority	11,210,520	10,154,302	11,025,011	9,920,441	39,724,605	17,543,543	12,383,812	11,848,737	14,201,332	11,483,345
Waste Management	-	-	41,907,754	39,965,302	12,582,903	37,051,532	34,898,954	34,898,954	39,622,657	39,623,039
Parking	1,668,933	1,902,855	4,419,983	3,770,402	3,383,691	3,984,236	4,211,205	3,279,464	3,554,852	4,012,896
Total Business-Type Activities Expenses	\$ 132,581,880	\$ 139,167,502	\$ 191,040,988	\$ 186,178,020	\$ 198,280,265	\$ 207,433,631	\$ 229,128,680	\$ 206,292,928	\$ 214,434,043	\$ 205,479,153
Total Primary Government Expenses	\$ 1,293,625,895	\$ 1,329,596,197	\$ 1,344,559,058	\$ 1,368,209,354	\$ 1,445,906,182	\$ 1,479,371,215	\$ 1,560,025,526	\$ 1,546,418,677	\$ 1,615,782,519	\$ 1,611,648,398
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services:										
Judicial	\$ 3,688,139	\$ 3,101,433	\$ 3,735,209	\$ 3,549,429	\$ 4,907,694	\$ 5,409,133	\$ 5,439,707	\$ 4,970,675	\$ 4,952,035	\$ 4,593,372
Police	3,747,317	3,472,080	3,854,581	3,965,201	3,308,747	2,967,178	2,897,398	2,895,919	1,465,641	1,213,588
Human Services	23,782,371	25,031,069	25,615,214	24,956,662	25,167,062	25,755,690	26,226,827	24,294,428	23,856,142	24,423,403
Public Works	30,845,235	44,380,916	2,766,927	3,564,521	4,058,165	2,193,888	4,244,989	2,178,507	7,386,964	2,451,772
Parks and Recreation	14,891,219	15,114,163	14,974,524	15,569,444	15,021,272	16,988,062	17,445,906	12,115,841	6,879,205	12,933,902
Library	728,317	760,734	789,508	726,001	695,152	671,348	557,576	446,146	200,103	234,847
Planning	4,432,198	4,496,079	5,226,904	5,020,717	5,097,904	5,431,804	5,051,831	5,313,031	4,552,407	5,347,196
Agriculture	52,893	55,585	72,725	62,171	86,449	115,176	135,819	97,087	57,515	2,299,988
Economic Development	-	-	-	367,208	-	-	16,500	163,000	239,772	252,693
Convention and Visitor Development	5,437,203	5,484,357	5,270,419	5,904,184	6,620,853	5,174,206	5,334,377	3,142,035	843,577	2,364,093
Fire	414,091	141,747	404,789	413,184	665,923	717,111	480,369	422,241	323,464	446,095
Housing and Neighborhood Preservation	1,831,674	2,033,427	2,300,624	2,427,410	2,841,867	182,387	247,121	438,279	3,576,731	2,946,890

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Museums	\$ 8,073,443	\$ 7,701,899	\$ 8,343,814	\$ 9,171,646	\$ 9,679,208	\$ 9,856,700	\$ 10,181,856	\$ 6,366,013	\$ 9,514,580	\$ 17,789,880
General Government	7,535,955	7,532,896	7,480,645	6,690,903	6,795,827	11,561,559	17,187,437	22,781,929	10,590,920	36,543,669
Other Activities	551,983	3,590,913	4,088,006	3,867,123	3,726,144	3,644,173	3,675,786	5,154,383	9,097,237	3,216,339
Operating grants and contributions	166,149,172	163,734,073	167,099,983	176,554,087	180,792,670	182,245,087	189,379,234	230,765,053	233,977,314	213,593,601
Capital grants and contributions	37,502,486	69,771,674	49,910,249	49,358,726	30,380,171	32,129,238	22,413,389	9,443,815	1,425,123	7,645,253
Total Governmental Activities	\$ 309,663,696	\$ 356,403,735	\$ 301,934,121	\$ 312,168,549	\$ 299,790,140	\$ 305,043,395	\$ 310,916,122	\$ 274,509,193	\$ 330,986,382	\$ 338,298,581
Business-type Activities:										
Charges for services:										
Water and Sewer	\$ 115,160,670	\$ 122,079,274	\$ 122,609,520	\$ 124,303,922	\$ 125,124,505	\$ 127,939,734	\$ 127,220,550	\$ 130,615,326	\$ 130,577,433	\$ 130,311,714
Storm Water	32,721,540	37,087,519	39,048,824	39,522,703	40,164,454	41,715,744	42,192,454	44,779,183	46,283,817	45,987,477
Development Authority	2,630,055	189,011	4,665,161	4,999,007	2,859,707	7,721,739	6,115,757	3,374,565	1,061,751	2,347,656
Waste Management	-	-	43,457,679	37,766,169	35,390,065	34,223,087	34,050,587	37,369,824	37,861,799	37,863,158
Parking	3,134,711	2,879,228	4,535,524	3,824,504	5,235,807	6,014,164	5,408,631	4,701,165	5,271,225	6,438,914
Operating grants and contributions	1,945,692	-	90,237	72,740	319,888	42,871	45,382	35,658	40,955	58,254
Capital grants and contributions	\$ 155,592,668	\$ 169,742,162	\$ 7,413,070	\$ 8,175,896	\$ 6,611,382	\$ 28,258,904	\$ 27,124,075	\$ 5,013,019	\$ 3,143,542	\$ 3,899,017
Total Business-type Activities	\$ 465,256,364	\$ 526,145,897	\$ 523,754,136	\$ 530,833,490	\$ 515,495,948	\$ 550,961,638	\$ 553,073,558	\$ 500,397,933	\$ 555,206,904	\$ 565,204,771
Total Primary Government Program Revenues										
Net (Expenses) Revenues	\$ (851,380,319)	\$ (834,024,960)	\$ (851,583,949)	\$ (869,862,786)	\$ (947,835,777)	\$ (966,892,189)	\$ (1,019,980,724)	\$ (1,009,109,367)	\$ (1,009,109,367)	\$ (1,067,870,664)
Governmental Activities	23,010,788	30,574,660	30,779,027	32,486,921	17,425,543	38,482,612	13,028,756	19,595,722	9,786,479	21,427,037
Business-type Activities	(828,369,531)	(803,450,300)	(820,804,922)	(837,375,865)	(930,410,234)	(928,409,577)	(1,006,951,968)	(989,513,645)	(999,322,888)	(1,046,443,627)
Total Primary Government Net Expenses										
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
General Property Taxes -	\$ 551,950,361	\$ 543,960,594	\$ 574,064,411	\$ 622,389,162	\$ 645,972,461	\$ 673,006,832	\$ 696,206,555	\$ 705,605,610	\$ 779,250,961	\$ 769,713,599
Real Estate & Personal Property	55,995,114	55,990,140	58,521,297	61,409,466	66,262,790	63,647,610	65,946,655	68,531,053	79,932,540	87,057,030
Sales	46,635,170	42,665,494	44,724,955	40,961,377	48,275,408	48,908,305	47,636,484	44,798,145	45,595,676	42,558,346
Utility	44,671,818	43,657,877	45,155,698	44,956,510	47,143,398	48,777,766	49,129,284	53,879,101	53,804,526	55,604,297
Business Licenses	55,296,252	57,041,072	59,693,981	63,558,427	68,900,065	66,608,924	69,540,210	54,489,832	72,438,074	86,795,057
Meal	26,265,622	26,252,617	28,216,513	29,999,408	32,385,074	36,467,582	37,085,103	39,062,264	39,580,825	48,073,978
Lodging	5,365,290	6,247,637	6,001,024	6,953,928	7,032,632	6,485,738	7,295,403	5,196,698	4,074,079	7,779,671
Amusement	11,748,003	6,377,834	7,044,958	7,299,045	7,858,406	7,565,471	7,809,055	8,554,150	13,988,672	13,146,819
City Tax on Deeds and Wills	10,278,790	12,073,540	12,983,847	10,950,799	12,060,433	11,447,553	10,309,971	10,477,789	9,651,125	8,534,975
Cigarette	10,278,790	9,421,028	9,048,539	10,867,860	11,762,967	11,147,509	11,232,389	10,014,639	11,075,136	10,523,967
Automobile Licenses	11,049,732	10,231,840	11,460,710	13,480,842	10,937,880	5,783,324	3,607,656	3,348,538	3,696,076	4,367,291
Other Taxes	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
Grants and contributions not restricted	199,920	3,557,973	3,956,635	7,172,459	2,255,088	6,488,405	15,272,598	14,404,603	4,679,808	4,243,769
Investment Earnings	20,533,875	22,454,268	14,876,713	16,752,791	17,446,147	7,464,961	6,526,999	15,415,264	18,413,330	18,413,330
Miscellaneous	(15,258,704)	(17,580,646)	(15,850,873)	(15,898,147)	(22,611,189)	(23,409,462)	(22,248,564)	(11,245,196)	(25,433,254)	(31,945,328)
Transfers	\$ 885,674,580	\$ 875,764,136	\$ 913,311,276	\$ 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
Total Governmental Activities										
Business-type Activities:										
Investment Earnings	\$ 586,174	\$ 522,661	\$ 660,764	\$ 814,880	\$ 2,573,657	\$ 4,196,130	\$ 5,046,919	\$ 4,234,320	\$ 1,911,998	\$ 1,743,050
Miscellaneous	-	21	(478,876)	-	-	1,115,089	997,384	806,360	5,200,484	1,719,769
Transfers	15,258,704	17,580,646	15,850,873	15,898,147	22,611,189	23,409,462	22,248,564	11,245,196	25,433,254	31,945,328
Total Business-type Activities	\$ 15,844,878	\$ 18,103,328	\$ 16,032,761	\$ 16,713,027	\$ 25,184,846	\$ 28,720,681	\$ 28,292,867	\$ 16,285,876	\$ 32,545,736	\$ 35,408,147
Total Primary Government	\$ 901,519,458	\$ 893,867,464	\$ 929,344,037	\$ 988,596,437	\$ 1,034,278,914	\$ 1,061,811,897	\$ 1,087,993,495	\$ 1,075,242,969	\$ 1,193,728,132	\$ 1,213,687,816
Change in Net Position										
Governmental Activities	\$ 34,294,261	\$ 41,739,176	\$ 61,727,327	\$ 102,020,624	\$ 61,258,291	\$ 66,199,027	\$ 39,719,904	\$ 49,847,726	\$ 152,073,029	\$ 110,409,005
Business-type Activities	38,855,666	48,677,988	46,811,788	49,199,948	42,610,389	67,203,293	41,321,623	35,881,598	42,332,215	56,835,184
Total Primary Government	\$ 73,149,927	\$ 90,417,164	\$ 108,539,115	\$ 151,220,572	\$ 103,869,680	\$ 133,402,320	\$ 81,041,527	\$ 85,729,324	\$ 194,405,244	\$ 167,244,189

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)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Fund</b>										
Nonspendable										
Restricted	\$ 581,099	\$ 7,482,460	\$ 7,093,861	\$ 10,937,946	\$ 10,647,511	\$ 11,088,350	\$ 10,934,636	\$ 11,259,961	\$ 10,382,347	\$ 11,639,405
Committed	892,701	892,701	1,080,998	675,616	2,047,751	2,201,965	2,901,470	1,460,287	4,701,470	2,901,470
Assigned	19,310,560	16,616,865	12,299,308	12,299,308	17,299,308	17,299,308	17,299,308	16,549,308	16,249,308	15,914,944
Unassigned	65,524,909	50,789,758	46,342,481	54,485,191	69,793,355	85,216,602	78,139,398	123,695,484	207,158,449	120,959,370
Total General Fund	102,363,793	96,084,791	97,004,933	107,119,381	118,396,300	114,298,452	121,304,984	152,842,932	110,999,710	180,331,456
	\$ 188,673,062	\$ 171,866,575	\$ 163,821,581	\$ 185,517,442	\$ 218,184,225	\$ 230,104,677	\$ 230,579,796	\$ 305,807,972	\$ 349,491,284	\$ 331,746,645
<b>All Other Governmental Funds</b>										
Nonspendable										
Restricted	\$ -	\$ -	\$ 6,453,867	\$ 6,488,666	\$ -	\$ -	\$ 47,307	\$ -	\$ -	\$ -
Committed	40,032,555	41,303,255	36,878,328	43,568,700	49,567,841	49,242,719	54,282,998	58,853,173	63,673,930	59,796,132
Assigned	302,868,839	321,477,382	337,402,946	357,531,393	336,873,103	387,589,280	311,654,234	391,054,880	318,040,698	373,172,568
Unassigned	3,841,898	8,601,614	9,047,083	6,154,607	2,273,180	1,052,730	2,361,660	2,464,037	11,867,831	11,539,720
Total All Other Governmental Funds	\$ 346,743,292	\$ 370,828,232	\$ 389,390,455	\$ 413,743,366	\$ 388,714,124	\$ 437,884,729	\$ 367,227,773	\$ 448,833,198	\$ 392,609,403	\$ 440,953,195

Source: City Department of Finance



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Table 4

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>REVENUES</b>										
Real Estate Taxes	\$ 476,217,120	\$ 464,439,667	\$ 481,774,192	\$ 526,451,909	\$ 544,302,460	\$ 567,573,017	\$ 586,407,784	\$ 603,119,216	\$ 631,547,267	\$ 633,156,847
Personal Property Taxes	74,723,035	78,678,322	90,898,635	95,930,682	100,075,205	108,123,397	106,029,083	112,728,082	122,853,013	136,544,911
Total General Property Taxes	550,940,155	543,117,989	572,672,827	622,382,591	644,377,665	675,696,414	692,436,867	715,847,298	754,400,280	769,701,758
Other Local Taxes:										
General Sales	54,978,531	56,431,418	58,164,569	61,099,407	62,614,614	63,511,403	65,851,817	67,855,536	78,732,948	87,383,198
Utility	44,623,292	44,050,182	43,308,157	42,658,906	44,829,994	49,832,408	47,636,484	45,584,479	45,536,508	45,707,678
Business Licenses	44,224,356	44,027,381	44,586,110	45,301,911	47,009,925	48,676,655	49,141,505	52,759,292	54,766,642	55,489,629
Franchise Taxes-Cox Communications	7,192,940	7,531,593	7,939,584	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
Bank Stock	2,354,647	2,151,058	2,739,645	3,023,394	3,100,922	3,469,803	3,607,656	3,348,538	4,367,291	4,367,291
City Tax on Deeds	7,458,847	6,297,952	6,970,299	7,222,757	7,755,788	7,475,502	7,708,985	8,494,352	13,867,356	13,006,544
City Tax on Wills	71,622	79,882	74,659	76,288	102,618	89,969	99,895	59,798	121,316	140,275
Cigarette	11,953,020	11,693,536	13,707,486	10,164,199	11,906,282	11,406,153	10,568,721	10,353,589	9,702,875	8,804,084
Amusement	5,482,948	6,015,026	5,902,807	7,034,792	6,811,740	6,349,234	6,762,346	6,300,510	3,407,997	7,568,665
Hotel Taxes	26,049,027	26,643,369	27,914,212	29,780,108	29,196,087	35,494,796	37,127,745	32,682,467	36,821,128	48,186,507
Restaurant Meals	55,122,465	56,872,794	59,968,375	63,437,485	65,207,699	66,264,685	69,278,652	60,561,741	65,572,967	85,941,096
Transient Occupancy Taxes	1,178,742	761,557	771,695	815,025	3,609,510	-	-	-	-	-
Total Other Local Taxes	260,690,437	262,555,748	272,047,598	289,591,516	298,498,333	303,532,334	309,044,356	298,112,337	323,235,783	367,069,540
<b>25</b>										
Fines and Forfeitures	6,902,298	5,443,331	7,359,085	6,417,007	5,507,315	5,749,252	5,784,450	3,841,464	-	-
Permits, Privilege Fees, and Regulatory Licenses	4,222,312	6,312,079	5,138,080	4,922,398	5,250,146	5,260,171	4,948,973	5,291,220	6,924,448	8,145,586
From Use of Money and Property	8,486,602	9,281,953	9,706,351	15,856,367	8,910,323	15,589,069	20,766,143	18,434,539	5,253,590	5,561,694
Charges for Services	85,837,389	110,064,203	72,565,586	70,998,949	71,800,886	72,356,349	74,794,925	64,290,614	63,777,821	72,122,243
Miscellaneous	25,744,605	18,041,512	11,935,463	11,148,714	13,723,105	12,917,055	13,245,098	12,503,197	12,657,547	15,872,678
From Other Local Governments	2,595,294	98,153	49,077	-	-	-	-	-	-	-
From Commonwealth	176,215,187	178,507,205	199,209,892	216,035,262	204,502,438	187,643,619	196,365,167	199,406,262	193,598,286	201,786,954
From Federal Government	64,423,364	59,113,705	65,227,667	57,728,271	56,119,173	77,856,895	62,086,134	94,757,533	103,770,533	108,672,400
Total Revenues	\$ 1,186,057,643	\$ 1,192,555,878	\$ 1,215,911,626	\$ 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
<b>EXPENDITURES</b>										
Legislative	\$ 1,298,568	\$ 1,184,883	\$ 1,208,704	\$ 1,233,934	\$ 1,173,001	\$ 1,248,240	\$ 1,144,252	\$ 180,302	\$ 1,148,867	\$ 1,136,896
Executive	2,605,143	2,528,002	2,615,031	3,998,371	4,093,880	4,488,041	5,013,472	5,150,430	5,350,574	5,814,781
Law	3,697,386	3,913,804	3,919,348	4,022,217	3,969,488	4,477,543	4,529,203	4,593,060	4,648,025	4,989,558
Finance	16,993,124	17,367,222	17,815,815	18,062,607	18,207,252	19,293,822	20,044,683	19,694,983	22,485,637	21,829,965
Human Resources	9,924,243	10,416,987	11,174,602	11,914,851	11,245,572	11,912,017	12,545,582	12,308,232	4,641,373	5,339,985
Judicial	53,276,187	55,458,238	55,398,991	58,516,561	61,187,703	63,333,087	65,909,658	67,994,838	70,898,766	74,191,658
Health	2,866,304	3,113,772	3,213,191	3,177,862	3,376,761	3,442,478	3,716,750	3,689,009	3,977,832	4,102,391

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police	\$ 91,048,023	\$ 95,036,357	\$ 94,259,577	\$ 95,179,158	\$ 97,550,859	\$ 99,210,134	\$ 99,395,675	\$ 87,195,246	\$ 104,706,083	\$ 109,936,071
Human Services	109,136,160	110,005,531	112,506,829	112,944,110	115,193,857	117,245,898	124,188,922	125,796,095	126,498,778	124,707,774
Public Works	103,023,351	104,583,810	63,701,224	66,744,291	73,368,698	71,637,743	72,246,833	78,688,736	84,766,606	87,568,991
Parks and Recreation	45,253,417	48,891,417	46,973,301	43,265,384	43,768,393	48,547,482	50,723,021	50,284,384	41,771,348	45,562,141
Library	16,033,907	17,381,850	17,618,171	17,368,746	17,615,908	18,018,356	17,274,298	18,190,701	17,972,956	17,976,360
Planning	9,289,151	9,291,336	9,874,195	9,741,864	10,993,105	19,193,976	19,296,051	19,507,678	18,144,394	19,455,733
Agriculture	3,040,599	3,389,546	3,503,327	1,468,560	4,607,650	969,705	1,043,558	1,056,388	985,928	1,030,830
Economic Development	2,343,970	3,018,382	3,037,408	3,949,271	3,749,275	4,242,488	5,577,029	2,936,165	10,261,721	9,247,887
Convention and Visitor Development	51,583,205	52,048,685	50,793,408	26,306,456	27,050,391	27,058,450	27,868,190	23,522,938	28,156,079	3,489,894
Cultural Affairs	-	-	-	-	-	-	-	3,156,488	4,066,520	-
Information Technology	22,348,352	22,249,372	22,008,128	20,463,895	22,132,288	24,774,178	25,707,312	25,166,518	29,152,624	25,819,118
Emergency Communications and Citizen Services	8,585,726	9,033,409	8,609,489	8,985,752	8,859,237	9,122,044	9,147,638	7,631,901	8,890,972	9,609,934
Boards and Commissions	33,495,194	34,742,684	35,603,080	35,367,590	60,714,680	33,601,257	36,875,467	25,951,685	-	-
Fire	45,434,088	47,774,088	49,212,062	51,237,605	55,117,288	58,151,454	59,007,138	48,921,561	66,959,752	72,785,714
Budget and Management Services	1,595,914	1,481,262	1,526,664	1,483,496	1,409,775	1,365,183	1,323,859	1,324,913	1,176,117	1,149,059
Development Authority	55,539	736,650	400,429	-	55,008	-	-	-	-	-
Education	364,589,660	382,971,859	372,506,081	388,092,326	407,548,658	436,811,968	401,945,731	527,340,170	415,985,447	519,866,042
Housing and Neighborhood Preservation	27,088,836	26,138,828	26,490,648	26,550,331	28,246,526	28,499,449	31,727,306	33,420,457	38,409,709	39,522,022
Museums	9,542,960	10,225,773	11,435,283	11,140,739	10,961,337	10,880,638	11,318,527	10,151,547	-	11,732,959
General Registrar	-	-	-	-	-	-	-	-	-	2,460,307
General Government	8,014,133	7,489,469	11,482,238	2,566,531	2,331,474	4,685,528	3,641,535	42,058,231	62,183,937	62,683,326
Emergency Medical Service	8,501,568	9,500,960	9,508,751	10,111,253	11,405,734	12,213,689	12,637,136	10,799,955	16,248,594	14,713,533
Strategic Growth Area	940,819	1,223,232	1,136,261	746,889	-	-	-	-	-	-
Capital Outlay	132,201,426	142,572,128	180,758,500	148,425,984	75,596,098	127,054,115	180,430,527	169,446,236	145,763,843	144,465,888
Debt Service:										
Principal Retirement	59,341,275	58,392,964	61,522,444	86,698,132	88,609,860	87,908,194	91,689,035	93,299,097	90,767,130	101,672,131
Interest and Fiscal Charges	31,147,744	29,114,205	32,248,023	45,188,801	46,498,278	42,872,488	42,773,286	41,008,013	43,209,156	42,417,787
Total Expenditures	\$ 1,274,295,972	\$ 1,321,277,475	\$ 1,322,437,466	\$ 1,314,579,304	\$ 1,316,638,034	\$ 1,392,259,645	\$ 1,438,741,574	\$ 1,559,458,489	\$ 1,464,415,627	\$ 1,613,434,814
Excess (Deficiency) of Revenues over (under) Expenditures	\$ (81,760,094)	\$ (128,741,597)	\$ (106,525,840)	\$ (19,498,229)	\$ (7,948,650)	\$ (35,658,487)	\$ (59,269,461)	\$ (146,974,025)	\$ (797,339)	\$ (64,501,961)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	\$ 134,706,391	\$ 131,854,570	\$ 142,195,756	\$ 151,503,513	\$ 153,805,994	\$ 160,358,211	\$ 161,180,542	\$ 175,293,404	\$ 156,191,300	\$ 218,986,295
Transfers Out	(149,713,095)	(130,979,095)	(144,189,251)	(156,245,123)	(166,095,354)	(170,748,899)	(172,092,918)	(173,201,224)	(154,381,924)	(233,981,737)
Agriculture Reserve Agreement	-	270,504	344,842	565,264	3,728,464	-	-	-	-	-
Issuance of Debt	83,640,000	111,248,370	99,540,000	111,685,000	21,225,000	98,035,000	-	260,170,000	-	94,915,000
Premium on Bonds Sold	7,342,754	16,096,112	29,213,786	13,623,894	2,922,087	22,476,887	-	51,237,936	-	15,181,556
Proceeds of Refunding Bonds	-	20,320,000	91,415,000	-	-	71,530,000	-	80,329,587	-	-
Increase (Decrease) in Treasury Strips	(2,225,854)	-	-	-	-	-	-	-	-	-
Payment to Refunding Bonds Escrow Agent	(37,929,148)	(22,353,602)	(109,664,176)	(55,585,547)	-	(84,900,655)	-	(89,022,077)	(3,438,666)	-
Total Other Financing Sources (Uses)	\$ 35,821,048	\$ 126,456,859	\$ 108,855,957	\$ 65,547,001	\$ 15,586,191	\$ 96,750,544	\$ (10,912,376)	\$ 304,807,626	\$ (1,629,290)	\$ 95,101,114
Net Change in Fund Balance	\$ (45,939,046)	\$ (2,284,738)	\$ 2,330,117	\$ 46,048,772	\$ 7,637,541	\$ 61,092,057	\$ (70,181,837)	\$ 157,833,601	\$ (2,426,629)	\$ 30,599,153
Debt Service as a Percentage of Noncapital Expenditures	7.9%	7.4%	8.2%	11.3%	10.9%	10.3%	10.7%	9.7%	10.2%	9.8%

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>City Taxes</b>										
Real Estate	\$ 476,217,120	\$ 464,439,667	\$ 481,774,192	\$ 526,451,909	\$ 544,302,460	\$ 567,573,017	\$ 586,407,784	\$ 586,407,784	\$ 631,547,267	\$ 633,156,847
Personal Property	74,723,035	78,678,322	90,898,635	95,930,682	100,075,205	108,123,397	106,029,083	106,029,083	122,853,013	136,544,911
General Sales	54,978,531	56,431,418	58,164,569	61,099,407	62,614,614	63,511,403	65,851,817	65,851,817	78,732,948	87,383,198
Utility	44,623,292	44,050,182	43,308,157	42,658,906	44,829,994	49,832,408	47,636,484	47,636,484	45,536,508	45,707,678
Business Licenses	44,224,356	44,027,381	44,586,110	45,301,911	47,009,925	48,676,655	49,141,505	49,141,505	54,766,642	55,489,629
Franchise Taxes	7,192,940	7,531,593	7,939,584	8,115,171	5,163,159	-	-	-	-	-
Automobile Licenses	9,437,635	9,346,971	9,225,176	10,862,073	11,189,995	10,961,726	11,260,550	11,260,550	11,009,970	10,474,573
Bank Stock	2,354,647	2,151,058	2,739,645	3,023,394	3,100,922	3,469,803	3,607,656	3,607,656	3,696,076	4,367,291
City Tax on Deeds	7,458,847	6,297,952	6,970,299	7,222,757	7,755,788	7,475,502	7,708,985	7,708,985	13,867,356	13,006,544
City Tax on Wills	71,622	79,882	74,659	76,288	102,618	89,969	99,895	99,895	121,316	140,275
Cigarette	11,953,020	11,693,536	13,707,486	10,164,199	11,906,282	11,406,153	10,568,721	10,568,721	9,702,875	8,804,084
Amusement	5,482,948	6,015,026	5,902,807	7,044,913	6,811,740	6,349,234	6,762,346	6,762,346	9,752,814	7,568,665
Hotel Taxes	27,227,769	27,404,926	28,685,907	30,595,133	32,805,597	35,493,796	37,127,745	37,127,745	36,821,128	48,186,507
Restaurant Meals	55,122,465	56,872,794	59,968,375	63,437,485	65,207,699	66,264,685	69,278,652	69,278,652	65,572,967	85,941,096
<b>Total</b>	<b>\$ 821,068,227</b>	<b>\$ 815,020,708</b>	<b>\$ 853,945,601</b>	<b>\$ 911,984,228</b>	<b>\$ 942,875,998</b>	<b>\$ 979,227,748</b>	<b>\$ 1,001,481,223</b>	<b>\$ 1,001,481,223</b>	<b>\$ 1,083,980,880</b>	<b>\$ 1,136,771,298</b>

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			Total Taxable		Direct Tax Rate	Personal Property			Total Taxable		Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Assessed Value Commercial	Public Service*	Real Property Assessed Value	Residential		Assessed Value Commercial	Public Service						
2013	40,815,993,416	8,036,001,242	929,117,285	49,781,111,943	0.9500	3,306,948,272	942,744,260	725,885	4,250,418,417	3.7000	54,031,530,360	100.0%		
2014	40,590,297,065	8,147,317,125	888,427,995	49,626,042,185	0.9300	3,362,985,338	971,033,585	622,805	4,334,641,728	3.7000	53,960,683,913	100.0%		
2015	42,110,642,755	8,466,636,425	873,940,844	51,451,220,024	0.9300	3,446,918,395	1,122,915,183	1,555,727	4,571,389,305	4.0000	56,022,609,329	100.0%		
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	1,410,040,850	3,326,909	5,984,193,709	4.0000	66,377,208,132	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%		

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		Additional Real Property Tax Rate		Additional Real Property Tax Rate		Additional Real Property Tax Rate		Additional Real Property Tax Rate		Additional Real Property Tax Rate		Personal Property Tax Rate		
		Sandbridge SSD	Town Center SSD	Real Property Tax Rate	Old Donation SSD	Bayville Creek SSD	Shadowlawn SSD	Chesapeake SSD	Real Property Tax Rate	Harbor Point SSD	Real Property Tax Rate	Gills Cove SSD	Hurd Cove SSD		Additional Real Property Tax Rate	Schilling Point
2013	0.9500	0.0600	0.4500	0.1840	0.3630	-	-	-	-	-	-	-	-	-	3,700	
2014	0.9300	0.0600	0.4500	0.1840	0.3630	0.1594	0.2913	0.0790	0.0630	-	-	-	-	-	3,700	
2015	0.9300	0.0600	0.4500	0.1840	0.3630	0.1594	0.2913	0.0790	0.0630	-	-	-	-	-	4,000	
2016	0.9900	0.0600	0.4500	0.1840	0.3630	0.1594	0.2913	0.0790	0.0630	0.4380	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	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	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	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	0.4380	0.4040	0.4040	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	0.4380	0.4040	0.4040	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	0.4380	0.4040	0.4040	0.4040	4,000	

Fiscal Year	Regular	Real Property Total Direct Tax Rate														Schilling Point Residents
		Sandbridge SSD		Town Center SSD		Old Donation SSD		Bayville Creek SSD		Shadowlawn SSD		Chesapeake SSD		Harbor Point SSD		
		Residents	Residents	Residents	Residents	Residents	Residents	Residents	Residents	Residents	Residents	Residents	Residents	Residents	Residents	Residents
2013	0.9500	0.9900	1.3800	1.1140	1.2930	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	
2014	0.9300	0.9900	1.3800	1.1140	1.2930	1.0894	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	
2015	0.9300	1.0500	1.4400	1.1740	1.3530	1.1494	1.2813	1.0690	1.0530	1.0530	1.0530	1.0530	1.0530	0.9900	0.9900	
2016	0.9900	1.0500	1.4400	1.1740	1.3530	1.1494	1.2813	1.0690	1.0530	1.0530	1.0530	1.0530	1.0530	0.9900	0.9900	
2017	0.9900	1.0625	1.4525	1.1865	1.3655	1.1619	1.2938	1.0815	1.0655	1.0655	1.0655	1.0655	1.0655	1.0025	1.0025	
2018	1.0025	1.0625	1.4525	1.1865	1.5715	1.1619	1.2938	1.0815	1.0655	1.0655	1.0655	1.0655	1.0655	1.0025	1.0025	
2019	1.0025	1.0775	1.4675	1.2015	1.4895	1.1769	1.3088	1.1375	1.0805	1.0805	1.0805	1.0805	1.0805	1.0175	1.0175	
2020	1.0175	1.0575	1.4675	1.2015	1.4895	1.1769	1.3088	1.1375	1.0805	1.0805	1.0805	1.0805	1.0805	1.4215	1.4215	
2021	1.0175	1.0575	1.4675	1.2015	1.4895	1.1769	1.3088	1.1375	1.0805	1.0805	1.0805	1.0805	1.0805	1.4215	1.4215	
2022	0.9900	1.0300	1.4400	1.1740	1.4620	1.1494	1.2813	1.1100	1.0530	1.0530	1.0530	1.0530	1.0530	1.3940	1.3940	

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)**

	<b>Real Property Assessed Value</b>	<b>Percent of Total Real Property Assessed Value</b>	<b>Rank</b>		<b>Real Property Assessed Value</b>	<b>Percent of Total Real Property Assessed Value</b>	<b>Rank</b>
	<b>2022</b>				<b>2013</b>		
Armada Hoffler	\$ 526,447,000	0.81	% 1		\$ 265,210,900	0.53	% 5
Dominion Energy, Inc.	495,451,119	0.76	2		297,479,257	0.60	2
Ramon W. Breeden, Jr.	413,047,600	0.64	3		285,676,836	0.57	4
A.D. & L.E. Fleder & J.M. & R.J. Caplan	351,758,700	0.54	4		214,499,400	0.43	6
E. C. & A. F. Ruffin & B. L. Thompson	308,242,600	0.47	5		357,776,300	0.72	1
Lynnhaven Mall LLC	248,525,800	0.38	6		297,101,900	0.60	3
Pembroke Square Associates	196,121,600	0.30	7		165,488,300	0.33	8
Watergate Treehouse Associates LP	169,863,900	0.26	8		95,439,100	0.19	15
Virginia Natural Gas, Inc	168,968,033	0.26	9		80,805,811	0.16	18
Cheryl P. McLeskey	154,935,300	0.24	10		137,250,200	0.28	9
Totals	<u>\$ 3,033,361,652</u>	<u>4.66</u>	<u>%</u>		<u>\$ 2,196,728,004</u>	<u>4.41</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 <sup>1</sup>	Total Personal Property Tax Levy <sup>1</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 443,160,075	\$ 79,426,777	\$ 501,282,299	95.9 %	\$ 15,960,863	\$ 517,243,162	99.0 %
2013	457,287,081	79,331,585	516,542,429	96.3	16,456,038	532,998,467	99.3
2014	446,015,531	81,020,900	509,339,982	96.6	16,193,709	525,533,691	99.7
2015	463,184,807	95,236,086	537,056,367	96.2	18,365,505	555,421,872	99.5
2016	510,528,757	102,577,135	589,411,524	96.1	18,629,325	608,040,849	99.2
2017	528,410,384	106,583,082	609,085,906	95.9	19,983,532	629,069,438	99.1
2018	551,883,966	110,388,668	636,789,707	96.2	22,187,597	658,977,304	99.5
2019	570,105,091	117,968,242	638,348,095	92.8	23,473,695	661,821,790	96.2
2020	596,677,843	125,943,586	631,762,062	87.4	66,091,985	697,854,047	96.6
2021	616,188,945	167,235,010	687,116,605	87.7	46,812,549	733,929,154	93.7
2022	621,125,929	167,129,147	707,907,083	89.8	-	707,907,083	89.8

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.

<sup>1</sup> Includes Public Service.

Table 10

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year <sup>1</sup>	Governmental Activities					Business Type Activities					Ratio of Net Debt Per Capita to Per Capita Personal Income <sup>6</sup>		
	General Obligation Bonds	State Literary Fund Loans <sup>2</sup>	Public Facility Revenue Bonds	Obligations Under Capital Leases	Certificates of Participation	Williams Farm Property	Agriculture Reserve Program	Virginia Beach Development Authority <sup>3</sup>	General Obligation Bonds	Revenue Bonds		Total Primary Government <sup>4</sup>	Net Debt Per Capita <sup>5</sup>
2013	\$ 686,544,346	\$ 4,125,000	\$ 283,928,041	-	-	\$ -	\$ 41,193,588	\$ 77,990,571	\$ 222,016	\$ 194,536,062	\$ 1,288,752,124	\$ 2,162	4.5%
2014	720,118,515	3,500,000	290,013,866	-	-	-	41,464,092	93,124,312	-	232,774,217	1,380,995,002	2,256	4.5%
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	4.1%
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	3.7%
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	3.6%
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	-	-	-	49,790,932	36,341,691	-	372,965,280	1,434,903,905	1,971	3.1%

Source: City Department of Finance

Notes: <sup>1</sup> Fiscal Years 2013-2022 have been adjusted to reflect the related unamortized premiums.<sup>2</sup> 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.<sup>3</sup> Includes balances of VBDA Note Payable secured by a surety agreement provided by Town Center Associates, L.L.C. for FY 2013 and 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).<sup>4</sup> For calculation of Net Debt Per Capita, the population is per Table 15. FY 2022 population is based on the latest estimate issued for July 1, 2021 of 458,028 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.<sup>5</sup> For calculation of Debt Per Capita to Per Capita Personal Income, the per Capita Personal Income information through FY 2022 is per Table 15 and reflects revisions by the U.S. Department of Commerce, Bureau of Economic Analysis to old years. Since data from the Bureau of Economic Analysis is not yet available for 2022, the 2021 estimate of \$63,942 was used for 2022.

FY 2022 Premium detail and reconciliation to Note 6A1 &amp; 6A2:

	Governmental Activities							Total Primary Government (1)
	General Obligation Bonds	State Literary Fund Loans	Public Facility Revenue Bonds	Agriculture Reserve Program	Governmental Activity	Total Governmental Activity	Total Business Activity	
Principal	564,081,370	-	303,989,256	49,790,932	917,861,558	368,600,744	1,286,462,302	
Premium	69,928,664	-	37,806,712	-	107,735,376	40,706,227	148,441,603	
Total	\$ 634,010,034	\$ -	\$ 341,795,968	\$ 49,790,932	\$ 1,025,596,934	\$ 409,306,971	\$ 1,434,903,905	
Tax Supported Debt subtotal per 6A1							\$ 917,861,558	
Premiums per 6A1							107,735,376	
Self/Tax Supported Debt subtotal per 6A2							368,600,744	
Premiums per 6A2							40,706,227	
Total per Note 6A1 & 6A2							\$ 1,434,903,905	

Table 11

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**RATIOS OF OUTSTANDING GENERAL BONDED DEBT BY TYPE**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b>Fiscal Year <sup>1</sup></b>	<b>General Obligation Bonds <sup>2</sup></b>	<b>State Literary Fund Loans <sup>2</sup></b>	<b>Appropriation Backed Debt <sup>3</sup></b>	<b>Total</b>	<b>Percentage of Estimated Actual Full Value of Property <sup>4</sup></b>	<b>Net Debt Per Capita <sup>5</sup></b>
2013	\$ 686,766,362	\$ 4,125,000	\$ 362,131,112	\$ 1,053,022,474	1.9	\$ 2,162
2014	720,118,515	3,500,000	383,138,178	1,106,756,693	2.1	2,256
2015	716,612,342	2,875,000	405,353,486	1,124,840,828	2.0	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

<sup>1</sup> Fiscal Years 2013-2022 have been adjusted to reflect the related unamortized premiums.

<sup>2</sup> 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.

<sup>3</sup> Includes all Governmental Public Facility Revenue Bonds, Capital Leases, COP's, Williams Farm Loan, and Business Type Virginia Beach Development Authority Debt as per Table 10.

<sup>4</sup> Actual Full Value of property is from Table 6.

<sup>5</sup> Population is from Table 15. Computation of Net Debt Per Capita is net of premiums in the above numbers.

\* 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)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 4,978,183,783	\$ 4,962,666,499	\$ 5,145,277,575	\$ 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
Total Net Debt applicable to limit <sup>1</sup>	685,988,698	712,384,323	697,079,775	697,520,721	641,749,326	646,061,132	590,409,579	629,730,209	575,052,122	613,872,302
Legal Debt Margin	\$ 4,292,195,085	\$ 4,250,282,176	\$ 4,448,197,800	\$ 4,593,664,724	\$ 4,836,611,659	\$ 5,004,145,830	\$ 5,241,294,171	\$ 5,409,571,233	\$ 5,678,834,769	\$ 5,880,516,729
Total Net Debt applicable to the limit as a percentage of debt limit	13.78%	14.35%	13.55%	13.18%	11.71%	11.43%	10.12%	10.43%	9.20%	9.45%
<b>Legal Debt Margin Calculation For Fiscal Year 2022</b>										
Assessed Value of Real Property (Taxable) <sup>2</sup> :										
Regular										\$ 63,816,499,892
Public Service (excluding vehicle assessments)										1,127,390,416
Total Assessed Value of Real Property										64,943,890,308
Debt limit (10% of Total Assessed Value)										6,494,389,031
Total Net Debt applicable to limit										613,872,302
Legal Debt Margin										\$ 5,880,516,729

Notes:

<sup>1</sup> 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 will not exceed 10% of general government expenditures (excluding interfund transfers).
- The City's overall net debt will not exceed 3.5% of the estimated full value of taxable real property.
- The City's overall net debt per capita will not exceed \$3,000.
- The City's overall net debt per capita shall not exceed 6.5% of per capita personal income.

<sup>2</sup> 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

Table 13

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**PLEDGED-REVENUE COVERAGE**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Water and Sewer Revenue Bonds							
	Water and Sewer Charges and Other	Less: Operating Expenses <sup>1</sup>	Net Available Revenue	Debt Service			Coverage	
				Principal	Interest <sup>2</sup>	Total		
2013	\$ 115,249,243	\$ 73,834,321	\$ 41,414,922	\$ 7,251,071	\$ 6,697,692	\$ 13,948,763	2.97	
2014	121,766,102	72,145,813	49,620,289	7,796,175	7,231,505	15,027,680	3.30	
2015	127,007,164	75,396,537	51,610,627	9,083,131	8,091,897	17,175,028	3.00	
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	

<sup>1</sup> Operating expenses exclude depreciation and right of way utility cost, see Exhibit 21.

<sup>2</sup> Includes bank and fiscal charges and issuance costs. Interest amounts shown for 2013-2021 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 <sup>1</sup>		Less: Operating Expenses	Net Available Revenues	Debt Service			Total	Coverage <sup>3</sup>				
					Principal	Interest <sup>2</sup>							
2013	\$	32,954,179	\$	14,317,957	\$	18,636,222	\$	1,296,433	\$	1,058,805	\$	2,355,238	7.91
2014		37,150,524		15,366,723		21,783,801		1,232,016		1,026,704		2,258,720	9.64
2015		39,294,658		17,489,866		21,804,792		1,030,000		1,228,238		2,258,238	9.66
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 <sup>4</sup>		13,717,094		1,795,000		1,745,480		3,540,480	3.87
2020		45,816,512		23,692,462 <sup>4</sup>		22,124,050		2,525,000		2,402,590		4,927,590	4.49
2021		46,500,751		16,755,560 <sup>4</sup>		29,745,191		2,620,000		4,039,434		6,659,434	4.47
2022		46,352,158		13,935,261 <sup>4</sup>		32,416,897		4,265,000		5,053,793		9,318,793	3.48

<sup>1</sup> Storm Water Charges and Other include interest income, see Exhibit 24.

<sup>2</sup> Interest amounts shown for 2013-2018 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.

<sup>3</sup> Revenue 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.

<sup>4</sup> Beginning 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

Table 15

**CITY OF VIRGINIA BEACH, VIRGINIA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

<b>Fiscal Year</b>	<b>Population*</b>	<b>Personal Income**<b>I</b></b>	<b>Per Capita Personal Income**</b>	<b>Median Age</b>	<b>Number of City Employees</b>	<b>Education Level In Years of Formal Schooling</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2013	449,628	21,445,280	47,599	35.0	7,477	13.9	68,614	5.6%
2014	451,672	22,525,869	49,773	35.7	7,669	13.9	68,569	5.5%
2015	453,500	23,587,639	51,853	35.9	7,560	14.0	68,351	4.4%
2016	453,628	24,289,218	53,196	35.9	7,370	13.9	67,890	3.8%
2017	454,448	25,080,703	54,964	36.4	7,087	13.9	67,152	3.8%
2018	453,410	25,175,706	55,065	36.4	7,255	13.9	67,091	2.8%
2019	452,643	26,065,921	56,876	36.4	7,332	13.9	66,593	2.7%
2020	454,209	27,593,887	60,069	36.9	7,410	14.0	66,714	8.2%
2021	459,470	29,264,545	63,942	36.6	7,388	14.2	63,452	4.2%
2022	458,028	***	***	37.1	7,419	14.2	63,579	3.7%

Sources: City Department of Finance  
City Department of Economic Development  
Weldon Cooper Center for Public Service  
Virginia Employment Commission  
Bureau of Economic Analysis  
United States Census Bureau

Notes: \* Weldon Cooper Center for Public Service; except for 2022 which is a projection.  
\*\* Figures were updated to reflect the latest data released by the Bureau of Economic Analysis on November 16, 2022.  
\*\*\* Information Unavailable  
**I** 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
	2022			2013		
City of Virginia Beach / Schools	17,999	7.90	1	17,804	7.54	1
Naval Air Station Oceana-Dam Neck	10,227	4.49	2	7,427	3.15	2
Joint Expeditionary Base Little Creek/ Ft. Story	5,020	2.20	3	4,688	1.99	4
Sentara Healthcare	4,900	2.15	4	5,189	2.20	3
GEICO General Insurance Company	3,600	1.58	5	2,300	0.97	8
Lynnhaven Mall	2,600	1.14	6	2,600	1.10	6
* Gold Key/PHR Hotels and Resorts	2,365	1.04	7	-	-	-
STIHL Inc	2,113	0.93	8	2,067	0.88	9
Amerigroup (Anthem)	1,850	0.81	9	1,850	0.78	10
Navy Exchange Service Command	1,550	0.68	10	2,450	1.04	7
Farm Fresh	-	-	-	4,000	1.70	5
Totals	52,224	22.92		50,375	21.35	

Sources: City Department of Economic Development  
City Department of Finance  
City Department of Budget and Management Services

\* Information not available for 2013.



**CITY OF VIRGINIA BEACH, VIRGINIA**  
**FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

<b>Department</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Agriculture	12.0	12.0	12.0	12.0	12.0	12.0	12.5	9.0	9.0	9.0	9.0
Budget and Management Services	15.0	15.0	14.0	15.0	15.0	14.0	14.0	14.0	14.0	13.0	13.0
City Attorney	39.0	39.6	39.6	39.6	39.6	40.6	42.6	42.6	43.6	43.0	39.6
City Auditor	6.0	6.0	6.0	6.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0
City Manager's Office	21.0	19.5	19.5	20.5	34.0	33.0	16.5	20.0	19.0	21.0	21.0
City Real Estate Assessor	34.0	34.3	34.3	34.3	34.3	34.0	34.0	34.0	35.0	35.0	35.0
City Treasurer	72.0	71.8	75.8	76.8	74.6	74.6	74.6	74.6	77.6	76.6	76.6
Commissioner of the Revenue	60.9	62.9	63.9	64.9	64.9	64.9	65.5	64.9	64.9	63.9	64.9
Commonwealth's Attorney	84.0	85.3	86.3	86.7	87.4	94.9	94.8	97.8	103.8	102.8	104.8
Communications Office <sup>1</sup>	-	-	-	-	-	-	18.5	20.5	20.5	20.0	24.0
Convention and Visitor Bureau	113.5	113.5	110.5	106.7	106.3	120.3	120.3	120.3	120.3	109.3	119.3
Courts and Courts' Support	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	74.0	73.5	70.5
Cultural Affairs	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	12.0	12.0
Department of Aquarium and Museums	153.0	155.5	155.9	161.0	164.5	156.8	153.6	151.2	131.0	127.0	128.9
Economic Development	16.0	18.0	18.0	18.0	18.0	18.0	19.0	20.0	21.0	32.0	33.0
Emergency Communications & Citizen Services	123.5	122.8	127.8	131.8	131.8	130.8	137.8	137.8	135.8	133.8	133.8
Emergency Medical Services	65.3	65.3	69.3	73.3	75.1	80.1	87.6	89.6	95.6	101.6	124.6
Finance	55.0	56.0	57.0	57.0	57.0	57.0	59.0	59.0	62.0	62.0	558.2
Fire	466.0	479.7	479.7	485.7	485.7	501.7	521.7	523.2	528.2	555.2	558.2
Health	10.8	9.1	9.1	9.1	9.1	9.1	9.0	9.1	7.4	6.4	11.4
Housing and Neighborhood Preservation	66.0	64.0	63.0	62.0	61.0	64.0	79.0	80.0	80.0	87.0	88.0
Human Resources	47.0	47.0	47.0	47.0	47.0	47.0	49.0	50.0	57.0	62.0	64.0
Human Services	1,066.4	1,069.4	1,081.4	1,115.2	1,094.9	1,099.0	1,148.7	1,177.7	1,188.7	1,175.2	1,191.6
Information Technology	183.0	178.5	180.5	183.5	168.0	175.0	184.0	193.0	252.5	189.0	195.0
Legislative <sup>2</sup>	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Library	227.5	265.5	260.0	255.0	253.5	251.5	251.5	253.0	252.5	241.5	241.5
Office of Emergency Management	-	-	-	-	-	4.0	5.0	6.0	8.0	8.0	10.0
Office of Performance and Accountability	-	-	-	-	-	4.0	6.0	6.0	6.0	8.0	-
Parks and Recreation	843.4	846.9	843.9	838.1	830.1	882.3	886.2	886.5	870.1	869.1	869.1
Planning	110.0	108.0	109.0	116.0	115.5	133.0	134.0	137.0	141.0	132.0	142.0
Police	1,007.4	1,007.4	1,009.4	1,015.8	1,015.8	1,028.8	1,040.8	1,048.5	1,048.5	1,042.1	1,050.9
Public Utilities	411.0	412.0	412.0	415.0	418.0	414.0	417.0	415.0	415.0	415.0	415.0
Public Works	882.0	890.4	890.4	893.9	902.9	902.9	925.9	938.9	950.9	977.9	975.9
Resort Management Office	-	-	-	-	-	-	-	-	10.0	10.0	-
Sheriff's Office	519.6	524.4	525.4	525.4	514.4	526.4	532.8	536.8	535.8	536.0	536.0
Strategic Growth Areas <sup>3</sup>	15.0	17.0	17.0	18.0	20.0	-	-	-	-	-	-
Voter Registration & Elections	12.0	12.0	12.0	11.9	11.9	12.0	12.0	12.0	12.0	13.0	13.0
Total City Positions	6,833.3	6,902.8	6,924.7	6,990.2	6,964.3	7,087.7	7,254.9	7,331.9	7,419.7	7,387.9	7,458.6
Total School Positions	10,387.3	10,326.5	10,190.9	10,220.0	10,034.3	10,154.8	10,207.8	10,333.4	10,549.0	10,571.9	10,639.4
<b>TOTAL POSITIONS</b>	<b>17,220.6</b>	<b>17,229.3</b>	<b>17,115.6</b>	<b>17,210.2</b>	<b>16,998.6</b>	<b>17,242.5</b>	<b>17,462.7</b>	<b>17,665.3</b>	<b>17,968.7</b>	<b>17,959.8</b>	<b>18,098.0</b>

Source: City of Virginia Beach Resource Management Plans

<sup>1</sup> Communications Office was previously reported as part of the City Manager's Office.

<sup>2</sup> City Clerk and Council are reported in Legislative.

<sup>3</sup> 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)**

<b>FUNCTION</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Police</b>										
Number of physical adult arrests	23,633	22,224	21,698	19,042	17,933	18,307	16,971	17,415	12,732	12,233
Number of calls for service	187,884	179,974	176,474	173,451	178,929	173,602	167,598	163,134	150,674	221,169
Number of traffic accidents	8,169	8,138	7,913	8,368	8,813	8,290	7,916	7,637	6,693	4,947
<b>Fire</b>										
Number of structure fire incidents	430	410	396	463	398	398	406	389	403	328
Number of non-structure fire incidents	535	614	546	543	542	543	379	449	447	521
Number of medical assisted incidents	25,656	26,099	26,952	27,786	27,854	27,257	27,141	22,989	26,614	29,640
Number of other incidents	13,307	13,379	13,679	16,309	17,031	14,597	13,688	14,552	15,475	15,971
<b>Public Utilities</b>										
Number of water connections	132,324	132,615	132,940	133,411	133,777	134,076	137,375	134,665	134,887	134,995
Number of sewer connections	129,417	129,639	129,908	130,599	130,926	131,186	131,464	131,747	131,933	134,336
<b>Planning and Community Development</b>										
Number of building permits issued	7,956	7,607	8,192	8,349	8,450	10,461	6,222	3,429	7,788	8,006
<b>Storm Water</b>										
Number of storm water service Accounts	***	***	***	***	***	***	132,176	134,261	134,471	134,627
<b>Waste Management</b>										
Number of homes receiving refuse collection	124,536	124,634	122,041	122,282	122,369	122,622	122,942	123,294	123,600	124,039
Number of tons of garbage collected	133,958	130,245	208,917	211,004	180,757	171,315	178,590	187,416	148,000	157,168
<b>Public Libraries</b>										
Number of items circulated	3,573,663	3,269,563	3,076,575	2,777,954	2,557,104	2,478,687	2,482,408	1,932,701	1,634,295	1,781,783
Number of visits to libraries	1,624,940	1,784,513	1,808,352	1,916,430	1,672,127	1,431,773	1,270,459	863,206	354,173	380,032
<b>Culture and Recreation</b>										
Number of visits to recreation centers	1,795,782	1,871,312	1,896,615	2,004,301	1,905,763	2,598,493	1,779,107	1,244,091	563,638	1,272,362
Number of recreation centers	7	7	7	7	7	7	7	7	7	7
<b>Education</b>										
Student enrollment	68,614	68,569	68,351	67,890	67,152	67,091	66,593	66,714	63,452	66,714
Number of elementary schools	55	55	55	55	55	55	55	55	55	55
Number of secondary schools	24	24	24	25	25	25	25	25	25	25
Number of specialty schools	9	8	8	8	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)**

<b>FUNCTION</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Police</b>										
Stations	4	4	4	4	4	4	4	4	4	6
Patrol Vehicles Units - Marked	262	262	246	230	206	227	222	222	228	317
Helicopter	2	2	2	2	2	2	2	2	2	2
Watercraft:										
Boats	8	6	8	9	8	9	9	9	9	9
<b>Fire</b>										
Stations	19	19	19	19	19	20	20	20	20	20
Fire Trucks	45	45	45	47	49	52	57	60	60	63
<b>Public Works</b>										
Miles of streets:										
Lane miles:										
Arterial	744	744	745	750	712	717	717	722	729	729
Collector/Local	2,680	2,686	2,714	2,726	2,701	2,704	2,705	2,710	2,721	2,721
Center Lane miles:										
Arterial	192	192	193	193	173	174	174	174	176	176
Collector/Local	1,312	1,312	1,326	1,330	1,322	1,324	1,324	1,327	1,333	1,333
Number of Street Lights	48,418	48,747	48,788	49,118	49,285	49,342	49,335	49,335	49,301	50,680
Collection Trucks	100	100	100	103	99	84	84	84	90	91
<b>Public Library</b>										
Number of Branches	10	10	10	10	10	10	10	10	10	10
Number of Physical Items	866,255	858,784	757,209	717,734	678,122	683,371	587,946	525,265	522,917	564,315
Number of Electronic Items	***	***	***	***	***	***	720,473	889,374	1,047,068	1,365,625
<b>Culture and Recreation</b>										
Number of Developed Metro Parks	8	8	8	8	8	8	8	8	8	6
Number of Developed Community Parks	11	11	11	13	13	13	13	11	11	12
Number of Developed Neighborhood Parks	182	179	179	169	167	167	167	167	166	176
Number of Natural Parks	5	5	5	5	5	5	5	6	6	6
Other Park Areas	47	48	48	48	48	48	50	83	89	89
Number of Acres in Developed Parks	3,648	3,649	3,661	3,664	3,685	3,685	3,927	3,676	2,668	3,924
Golf Courses (City Owned)	5	5	5	5	5	5	5	5	5	5
Recreation Centers	7	7	7	7	7	7	7	7	7	7
<b>Water</b>										
Miles of Water Lines	1,492	1,496	1,499	1,499	1,501	1,503	1,505	1,504	1,507	1,507
Water Pumping Stations	9	9	10	10	10	10	10	11	10	11
<b>Sewer</b>										
Miles of Sewer Lines	1,639	1,646	1,653	1,646	1,646	1,648	1,649	1,648	1,672	1,673
Sewer Pumping Stations	406	407	408	408	408	410	412	412	412	412
<b>Storm Water*</b>										
Miles of Pipe Lines	***	***	***	***	***	1,109	1,156	1,165	1,200	1,189
Miles of Ditches	***	***	***	***	***	717	657	755	719	780
Storm Water Pumping Stations	***	***	***	***	***	16	16	16	17	16

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, 2022**

**Table 20**

<b>(UNAUDITED)</b>		
<b><u>Cash in Office</u></b>		\$ 6,100
<b><u>Cash With</u></b>		
Bank of America:		
Regular	139,647,593	
Investments	8,000,000	
Welfare	1,187,016	
School Board Empl Salary Escrow	198,693	
John Lewis Group:		
Investments	\$ 82,677,823	
BB&T/Truist:		
Investments	9,891,222	
School Payroll	16,007,431	
Raymond James:		
Investments	635,453,407	
RBC Bank:		
Investments	42,217,209	
Sun Trust/Truist Bank:		
City Payroll	19,554,987	
Towne Bank:		
Investments	55,000,000	
Atlantic Union Bank		
Investments	30,288,767	
Treasurer of Virginia:		
Investment Pool	212,000,000	
Union Bank:		
Investment		
VML/VACO:		
Virginia Investment Pool	10,731,286	
Virginia Investment Pool - Liquidity Pool	209,582,725	
Total Deposits and Investments		1,472,438,159
<b><u>Cash with Trust Agents</u></b>		
Cash With SNAP Program	29,009,950	
Cash With Trustee - Debt Service	29,275,902	
Cash With Trustee - Treasury Strips	35,507,277	
Total Cash with Trust Agents		93,793,129
Total Cash Accountability		1,566,237,388
<b><u>Add:</u></b>		
Accrued Interest on Investments	2,844,391	
Commonwealth of Virginia - Deferred Debits	17,398	
Deposits in Transit	2,890,962	
		5,752,751
<b><u>Deduct:</u></b>		
Commonwealth of Virginia - Current Credits	29,282	
Treasurer Restitution	72,705	
Treasurer Court Costs & Fines	43,944	
Treasurer - Deferred Account	14,848	
Over and Short	11,557	
Outstanding Checks:		
Bank of America	2,889,117	
Bank of America - Welfare	570,722	
Truist - School Payroll	9,025	
SunTrust - City Payroll	104,987	
		(3,746,187)
Total Cash Accountability		1,568,243,952
<b><u>Reconciliation of Cash Accountability to the government-wide financial statements at June 30, 2022 as reported in Note 8:</u></b>		
Balance of City and School funds		1,568,243,952
Funds for which the Treasurer does not act as fiscal agent:		
City OPEB Trust Fund		53,603,618
School OPEB Trust Fund		39,779,906
School Activity Funds		4,983,205
Development Authority		17,434,300
Other		
Total deposits and investments of the government-wide financial statements		\$ 1,684,044,981

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# **SINGLE AUDIT SECTION**



**Report of Independent Auditor on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, 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"), the 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 12, 2022. Our report includes a reference to other auditors who audited the financial statements of the Virginia Beach Development Corporation. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Virginia Beach Development Corporation were not audited in accordance with the Specifications.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the Specifications.



**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cherry Bekaert LLP*

Virginia Beach, Virginia  
December 12, 2022

## **Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance**

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

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion of Each Major Federal Program***

We have audited the City of Virginia Beach, Virginia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City's federal programs.

#### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Virginia Beach, Virginia  
December 12, 2022

**CITY OF VIRGINIA BEACH, VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**A. Summary of Auditor's Results**

Financial Statements:

Type of auditor's report issued on the financial statements:	<b>Unmodified</b>
Internal control over financial reporting:	
Material weaknesses identified:	<b>No</b>
Significant deficiencies identified:	<b>None reported</b>
Noncompliance material to the financial statements noted?	<b>No</b>

Federal Awards:

Type of auditor's report issued on compliance for major programs:	<b>Unmodified</b>
Internal control over major programs:	
Material weaknesses identified:	<b>No</b>
Significant deficiencies identified:	<b>None reported</b>
Any audit findings disclosed that are required to be reported in Accordance with 200.516(a) of the Uniform Guidance?	<b>No</b>

The programs tested as major programs were:

<u>Name of Program:</u>	<u>AL #</u>
Department of Housing and Urban Development:	
Housing Choice Voucher Cluster	14.871/14.879/14.HCC
Department of Transportation:	
Highway Planning and Construction Cluster	20.205
Department of Treasury:	
Coronavirus State and Local Fiscal Recovery Funds	21.027
Department of Education:	
Title I Grants to Local Educational Agencies	84.010
Impact Aid	84.041
Education Stabilization Fund	84.425C/D/U
Department of Health and Human Services:	
Medicaid Cluster	93.778
Adoption Assistance	93.659
Department of Homeland Security:	
National Urban Search and Rescue and Response System	97.025

Dollar threshold used to distinguish between type A and type B programs: **\$3,000,000**

City of Virginia Beach, Virginia (the "City") qualified as a low-risk auditee under Uniform Grant Guidance: **Yes**

**CITY OF VIRGINIA BEACH, VIRGINIA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**B. Findings Relating to Financial Statements Reported in Accordance with *Government Auditing Standards***

None reported.

**C. Findings and Questioned Costs Relating to Federal Awards**

None reported.

**D. Findings and Questioned Costs Relating to Compliance with Commonwealth of Virginia Laws, Regulations, Contracts, and Grants**

None reported.

**E. Status of Prior Year Findings:**

None reported in the prior year.

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Federal Grantor/Pass-Through Entity/Program Title	Assistance Listing Numbers	Pass Through Entity Identifying Number	Federal Expenditures (\$)	Loans (\$)	Cluster Total (\$)	Program Total (\$)	Passed through to Sub-Recipients (\$)
<b>DEPARTMENT OF AGRICULTURE</b>								
<u>Direct Payments:</u>								
	Child and Adult Care Food Program <sup>1</sup>	10.558		160,478				
Pass Through Payments:								
<b>Virginia Department of Education</b>								
	School Breakfast Program	10.553	202221N11994 1/202121N11994 1	8,362,849				
	National School Lunch Program (Child Nutrition Cluster)	10.555	202221N11994 1/202221N89034 1/202121H17034 1	32,985,784				
	Child and Adult Care Food Program <sup>1</sup>	10.558	1/20204 1/202221N11994 1/202121N11994 1/202121N	318,149				
	Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	202121N11994 1	763,517				
	PEBT Administrative Funds	10.649	202121S900941	5,814				
<b>Virginia Department of Social Services</b>								
	State Administrative Matching Grants for SNAP (SNAP Cluster)	10.561		5,451,606				
	<i>Total for Child Nutrition Cluster (10.553, 10.555 and 10.559)</i>					42,112,150	478,627	
	<i>1 - Total for Child and Adult Care Food Program (10.558)</i>							
<b>DEPARTMENT OF DEFENSE</b>								
<u>Direct Payments:</u>								
	Promoting K-12 Student Achievement at Military Connected Schools	12.556	97-0100-0-6-000	51,016				
	Department of Defense Impact Aid	12.558		5,457,080				
	Language Grant Program	12.900	H982302010027/H982302210035	54,576				
	Department of the Navy	12.001		364,139				
	Military Spouse Career Advancement	12.002		1,000				
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>								
<u>Direct Payments:</u>								
	COVID-19 Community Development Block Grants/Entitlement Grants (CDBG - Entitlement Grants Cluster) <sup>3</sup>	14.218	B-20-MC-51-0021	980,309				160,743
	Passed through to - PIN Ministries <sup>3</sup>							
	Community Development Block Grants/Entitlement Grants (CDBG - Entitlement Grants Cluster) <sup>3</sup>	14.218	B-13-MC-51-0021/ B-155 thru 19-MC-51-0021	2,441,553				
	Total Community Development Block Grants/Entitlement Grants (CDBG - Entitlement Grants Cluster) <sup>3</sup>	14.218					3,421,862	
	Passed through to PIN Ministries <sup>3</sup>							138,506
	Passed through to - Seton House <sup>3</sup>	14.218						10,000
	Passed through to - LGBT Life Center <sup>3</sup>	14.218						19,479
	Passed through to - FORKIDS Inc <sup>3</sup>	14.218						108,284
	Community Development Block Grants/Entitlement Grants - Loans (CDBG - Entitlement Grants Cluster)	14.218		2,587,544	2,587,544			
	Loans beginning balance <sup>3</sup>	14.218						
	COVID-19 Emergency Solutions Grant Program <sup>4</sup>	14.231	E-20-MW-51-0021	697,614				96,533
	Passed through to - ICOC <sup>4</sup>	14.231						50,741
	Passed through to - Samaritan House <sup>4</sup>	14.231						

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Entity/Program Title	Assistance Listing Numbers	Pass Through Entity Identifying Number	Federal Expenditures (\$)	Loans (\$)	Cluster Total (\$)	Program Total (\$)	Passed through to Sub-Recipients (\$)
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (continued)</b>							
Emergency Solutions Grant Program <sup>4</sup>	14.231	E-19-MC-51-0021	170,671				36,081
Passed through to - LGBT Life Center <sup>4</sup>	14.231						77,261
Passed through to - Samaritan House <sup>4</sup>	14.231						5,349
Passed through to - FORKIDS Inc <sup>4</sup>	14.231						37,253
Home Investment Partnerships Program <sup>5</sup>	14.239	M-16 thru 20-MC-51-0207	1,285,424				21,000
Passed through to - Recovery for Life <sup>5</sup>	14.239						106,441
Passed through to - VBCDC	14.239						748,495
Passed through to - 925 Apts I LP	14.239						
Home Investment Partnerships Program - Loans	14.239		2,559,476	2,559,476			
Loans beginning balance <sup>5</sup>	14.239						
<u>Direct Payments:</u>							
COVID-19 Housing Opportunities for Persons with AIDS <sup>6</sup>	14.241	VAH20FH002	20,790				20,790
Passed through to - LGBT Life Center <sup>6</sup>	14.241						
Housing Opportunities for Persons with AIDS <sup>6</sup>	14.241	VAH19F02	1,354,234				1,302,509
Passed through to - LGBT Life Center <sup>6</sup>	14.241						
Section 8 Moderate Rehab Single Room Occupancy	14.249	VA0395R0002/VA0395R0003	146,404				
Continuum of Care Program	14.267	VA0355L3F031800	37,875				
Section 8 Housing Choice Voucher (Housing Voucher Cluster)	14.871	VA039EP0001	23,148,933				
Mainstream 5 Program (Housing Voucher Cluster)	14.879		14,704				
COVID-19 HCV CARES ACT FUNDING (both HAP & AF)	14.HCC		372,659				
<i>Total for Housing Voucher Cluster (14.871, 14.879 and 14.HCC)</i>					23,296,627	6,009,406	
<i>3 - Total for Community Development Block Grants/Entitlement Grants (14.218)</i>						868,285	
<i>4 - Total for Emergency Solutions Grant Program (14.231)</i>						3,844,900	
<i>5 - Total for Home Investment Partnership Program (14.239)</i>						1,375,024	
<i>6 - Total for Housing Opportunities for Persons with AIDS (14.241)</i>							
<b>DEPARTMENT OF INTERIOR - U.S. FISH AND WILDLIFE SERVICE</b>							
<u>Pass Through Payments:</u>							
Virginia Department of Game and Inland Fisheries	15.659	540722061141600	76,975				
Refuge Revenue Sharing Act (Public Law 95-469)							
<b>DEPARTMENT OF INTERIOR - U.S. DEPARTMENT OF NATIONAL PARK SERVICES</b>							
<u>Direct Payments:</u>							
Historic Preservation Fund Grants-In-Aid	15.904	P204P00416	45,544				
<u>Pass Through Payments:</u>							
Virginia Department of Historic Resources	15.049	P204P00055	22,500				
Historic Preservation Fund Grants-In-Aid							

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Federal Grantor/Pass-Through Entity/Program Title	Assistance Listing Numbers	Pass Through Entity Identifying Number	Federal Expenditures (\$)	Loans (\$)	Cluster Total (\$)	Program Total (\$)	Passed through to Sub-Recipients (\$)
<b>DEPARTMENT OF JUSTICE</b>								
<u>Direct Payments:</u>								
	FY 2020 Enhanced Collaborative Model to Combat Human Trafficking Competitive Solicitation	16.320		17,653				
	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0019/15PBIA-21-GG-01949-JAGX/2018-DJ-BX-0728	154,164				
	Edward Byrne Memorial Justice Assistance Grant Program	16.74		17,546				
	Assistance to Localities for Administration	16.XXX		28,047				
<u>Pass Through Payments:</u>								
	<b>Virginia Department of Criminal Justice Services</b>							
	COVID-19 Coronavirus Emergency Supplemental Funding	16.034	20-AS19CE20	3,470				
	Crime Victim Assistance	16.575	2019-V2-GX-0054/2020-V2-GX-0048	361,692				
	<b>Virginia Department of Education</b>							
	Juvenile Justice and Delinquency Prevention	16.540		7,741				
	<b>Bureau of Justice Assistance</b>							
	Drug Court Discretionary Grant Program	16.585		5,918				
<b>DEPARTMENT OF LABOR</b>								
<u>Pass Through Payments:</u>								
	<b>Virginia Community College System</b>							
	Workforce Innovation and Opportunity Act (WIOA Adult Programs)							
	Passed through to - Hampton Roads Workforce Council (WIOA Cluster)	17.258	AA-33260-19-55-A51	3,960,000				3,960,000
	Workforce Innovation and Opportunity Act (WIOA Youth Activities)							
	Passed through to - Hampton Roads Workforce Council (WIOA Cluster)	17.259	AA-33260-19-55-A51	2,589,000				2,589,000
	Workforce Innovation and Opportunity Act (WIOA Adult Programs)							
	Passed through to - Hampton Roads Workforce Council	17.277	AA-33260-19-55-A51	1,330,570				1,330,570
	Workforce Innovation and Opportunities Act (WIOA Dislocated Workers)							
	Passed through to - Hampton Roads Workforce Council (WIOA Cluster)	17.278	AA-33260-19-55-A51	32,568		6,581,568		32,568
	<i>Total for WIA/WIOA Cluster (17,258, 17,259, 17,277 and 17,278)</i>							
<b>DEPARTMENT OF TRANSPORTATION FEDERAL HIGHWAY ADMINISTRATION</b>								
<u>Pass Through Payments:</u>								
	<b>Virginia Department of Motor Vehicles</b>							
	Alcohol Open Container Requirements	20.607	15-44L-2021-51130-21130/15-44L-2022-52013-22013	26,402				
	State and Community Highway Safety (Highway Safety Cluster)	20.600	FOP-2021-51133-21133/FSC-2022-52116-22116/FOP-2022-52129-22129	109,522				
	<b>Virginia Department of Transportation</b>							
	Highway Planning and Construction (Highway Planning and Construction Cluster)	20.205	UPCs: 15828/15829/100301/100322/100423/10300 5/109053/111003/111004/111307/111308/1 12317/113463/113469/113821/114722/1171 17/117118	6,940,162				



**CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Federal Grantor/Pass-Through Entity/Program Title	Assistance Listing Numbers	Pass Through Entity Identifying Number	Federal Expenditures (\$)	Loans (\$)	Cluster Total (\$)	Program Total (\$)	Passed through to Sub-Recipients (\$)
<b>DEPARTMENT OF TREASURY</b>								
<i>Pass Through Payments:</i>								
	Virginia Department of Education	21.019		24,760				
	COVID-19 Coronavirus Relief- CARES							
	Virginia Department of Finance	21.019		2,248,280				
	COVID-19 Coronavirus Relief-CARES	21.027		26,336,912				
	COVID-19 State and Local Fiscal Recovery Fund-ARPA							
	Virginia Department of Social Services	21.027		60,595				
	COVID-19 State and Local Fiscal Recovery Fund-ARPA							
	<i>Total Coronavirus Relief - CARES (21.019)</i>	21.019					2,273,040	
<b>U.S Small Business Administration</b>								
<i>Direct Payments:</i>								
	Shuttered Venue Operators Grant	59.075		201,166				
<b>DEPARTMENT OF VETERANS AFFAIRS</b>								
<i>Direct Payments:</i>								
	Post-9/11 Veterans Educational Assistance	64.027		163				
<b>DEPARTMENT OF EDUCATION</b>								
<i>Direct Payments:</i>								
	Impact Aid	84.041B		8,882,388				
	Federal Pell Grant Program (Student Financial Aid Cluster)	84.063		55,074				
<i>Pass Through Payments:</i>								
	<b>Department of Behavioral Health and Developmental Services</b>							
	Early Intervention	84.181		549,601				
	<b>Virginia Department of Education</b>							
	Adult Education - Basic Grants to States	84.002A		329,173				
	Title 1 Grants to Local Education Agencies	84.010A	V002A200047	13,148,556				
	Title 1 State Agency Program for Neglected and Delinquent Children and Youth	84.013A	S010A180046/S010A190046/ S010A200046/S010A210046/ S013A190046/S013A200046/S013A210046	49,312				
	Special Education Grants to States (Special Education Cluster - IDEA)	84.027A	H027A200107/H027A210107	14,661,724				
	Career and Technical Education-Basic Grants to States	84.048A	V048A200046/V048A210046	1,024,721				
	Special Education Preschool Grants (Special Education Cluster - IDEA)	84.173A	H173A200112/H173A210112	478,126				
	Education for Homeless Children and Youth	84.196A	S196A200048/S196A210048	46,170				
	English Language Acquisition State Grants	84.365A	S365A190046, S365A200046, S365A210046	191,629				
	Supporting Effective Instruction Grants	84.367A	S367A180044, S367A190044, S367A200044, S367A210044	1,439,586				
	Student Support and Academic Enrichment Program	84.424A	S424A180048/S424A190048/S424A200048/S424A210048	987,215				
	COVID-19 Education Stabilization Fund	84.425C	S425C200042	2,068,172				
	EC Provisional Licensure Grant	84.425D	S425D200008/S425D210008	14,960				
	Education Stabilization Fund	84.425D	S425D200008/S425D210008	38,388,779				
	Special Education Grants to States (Special Education Cluster - IDEA)	84.425D	S425D200008/S425D210008	197,527				
	ARPA ESSER III	84.425U	S425U210008	11,784,378				
	Education Stabilization Fund	84.425U	S425U210008	350,000				
	<i>Total Education Stabilization Fund (84.425)</i>					15,139,850		
	<i>Total for Special Education Cluster - IDEA (84.027 and 84.173)</i>						52,803,816	

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Entity/Program Title	Assistance Listing Numbers	Pass Through Entity Identifying Number	Federal Expenditures (\$)	Loans (\$)	Cluster Total (\$)	Program Total (\$)	Passed through to Sub-Recipients (\$)
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
<i>Pass Through Payments:</i>							
<b>Virginia Department of Behavioral Health and Developmental Services</b>							
American Recovery Act Plan (ARPA) Substance Use Disorder Projects for Assistance in Transition from Homelessness (PATH)	21.027		24,835				
Opioid STR	93.150		128,794				
Block Grants for Community Mental Health Services	93.788		439,408				
Block Grants for Prevention and Treatment of Substance Abuse	93.958		241,669				
<b>Virginia Department of Medical Assistance Services</b>	93.959		1,566,347				
Medical Assistance Program (Medicaid Cluster)							
<b>Virginia Department of Health</b>	93.778	1346250065	2,482,576				
HIV Prevention Activities Health Department Based							
<b>Virginia Department of Social Services</b>	93.94		6,600				
Guardianship Assistance	93.09		2,943				
Title IV-E Prevention	93.472		36,906				
Promoting Safe and Stable Families	93.556		317,222				
Temporary Assistance for Needy Families	93.558		2,037,958				
Refugee and Entrant Assistance State Administered Programs	93.566		29,803				
Low-Income Home Energy Assistance	93.568		354,707				
Child Care and Development Block Grant (CCDF Cluster)	93.575		(25,603)				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596		455,168				
Chafee Education and Training Vouchers Program (ETV)	93.599		95,49				
Stephanie Tubbs Jones Child Welfare Services Program	93.645		4,518				
Foster Care Title IV-E	93.658		2,404,251				
Adoption Assistance	93.659		3,207,793				
Social Services Block Grant	93.667		2,057,579				
Chafee Foster Care Independence Program	93.674		33,544				
Children's Health Insurance Program	93.767		27,946				
Medical Assistance Program (Medicaid Cluster)	93.778		2,906,293				
<i>Total for CCDF Cluster (93.575 and 93.596)</i>					429,565		
<i>Total for Medicaid Cluster (93.778)</i>					5,388,869		
<b>DEPARTMENT OF HOMELAND SECURITY</b>							
<i>Direct Payments:</i>							
National Urban Search and Rescue Response System	97.025	VARIOUS	4,952,614				
Assistance to Fire Fighter Grants	97.044	EMW-2018-FO-01591	176,663				
Port Security Grant Program	97.056	EMW-2018-PU-0080/EMU-2019-PU-00069/EMU-2019-PU-00251/EMU-2020-PU-00076/ENMU-2020-PU-00177	138,503				
<i>Pass Through Payments:</i>							
<b>Virginia Department of Emergency Management</b>							
Flood Mitigation Assistance	97.029	FMA-PJ-03VA-2013-7/FMA-PJ-03VA-2015-003/FMA-PJ-03VA-2016/FMA-PJ-03VA-2019-6	327,099				
Emergency Management Performance Grants	97.042	EMP-2019-EP-00006-S01	151,272				
Homeland Security Grant	97.067	863.9/865.3/86.54/EMW-2018-SS-00093-S01/EMW-2019-00079-S01/8211	149,321				
Federal Emergency Management Agency	97.111	EMP-2020-CA-00020	167,820				
<i>7 - Expenditures occurred in FY2017 but were reimbursed in FY2022.</i>							
<b>TOTAL FEDERAL EXPENDITURES</b>			<u>\$ 253,989,727</u>				<u>\$ 10,851,603</u>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**1 General**

The accompanying Schedule of Expenditures of Federal Awards presents federally assisted programs of the City of Virginia Beach, Virginia and the City's Component Units. The City's reporting entity is disclosed in Note 1A to the City's basic financial statements. Federal awards received directly from federal agencies as well as through other government agencies are included on the schedule.

**2 Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1C to the City's basic financial statements.

**3 Loans**

The City of Va. Beach provides loans to qualified low income borrowers through CFDA #14.239, Home Investment Partnerships Program, to promote home ownership and provide assistance with down payments and closing costs. The outstanding principal balance of the HOME loans was \$2,559,476 at June 30, 2022.

The City of Va Beach provides loans to qualified low income homeowners or homeowners living in areas targeted for improvement, resulting in the elimination of health or safety code violations, through CDFA #14.218, Community Development Block Grants. The outstanding principal balance of \$2,587,544 at June 30, 2022.

**4 Relationship to Financial Statements**

Revenues from federal awards are reported in the City's basic financial statements as follows:

General Fund	\$ 27,731,350
Capital Projects Fund	7,276,676
Non Major Governmental Funds	73,664,374
Enterprise Funds	121,612
School Board Funds	144,976,657
	<hr/>
Total federal awards reported in basic financial statements	253,770,669

Less: Revenue closed to fund balances from the following:

Child and Adult Care Food Program	10.558	(38,091)
Promoting Safe and Stable Families	10.561	10,951,839
Community Development Block Grants	14.218	(582,147)
Community Development Block Loans	14.218	(2,587,544)
Emergency Shelter Grants	14.231	132,928
Home Investment Partnerships Program Grants	14.239	(394,499)
Home Investment Partnerships Program Loans	14.239	(2,559,476)
HOPWA Total	14.241	(507)
Section 8 Housing Choice Voucher	14.871	(2,103,365)
Emergency Housing Voucher	14.EHV	143,813
Historic Preservation Fund Grants-In-Aid	15.049	5,285
Historic Preservation Fund Grants-In-Aid	15.904	(15,477)
Enhanced Collaborative Model to Combat Human Trafficking	16.320	(13,562)
Victims of Crime Act Grant Program (Victim Witness Program)	16.575	(67,908)
Drug Court Discretionary Grant Program	16.585	(5,918)
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(30,748)
Edward Byrne Memorial Justice Assistance Grant Program	16.740	117
Equitable Sharing Program	16.922	5,175
Highway Planning and Construction	20.205	456,531
DMV Seat Belt Enforcement	20.600	(20,661)
DMV Select DUI	20.607	9,207
Equitable Sharing Program	21.000	215,618
Coronavirus Relief Fund	21.019	2,485,027
Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act	21.027	82,817
Shuttered Venue Operations Grant	59.075	4,285,549
Administration for Children and Families	93.090	(2,943)
Title IV-E Prevention	93.472	(36,906)

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Promoting Safe and Stable Families	93.556	(308,365)
Temporary Assistance for Needy Families	93.558	(2,037,958)
Refugee and Entrant Assistance_State Administered Programs	93.566	(29,803)
Low-Income Home Energy Assistance	93.568	(354,707)
Child Care and Development Block Grant	93.575	354,603
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	(455,168)
Chafee Education and Training Vouchers Program (ETV)	93.599	(9,549)
Stephanie Tubbs Jones Child Welfare Services Program	93.645	(4,518)
Foster Care_Title IV-E	93.658	(2,404,251)
Adoption Assistance	93.659	(3,207,793)
Social Services Block Grant	93.667	(1,616,846)
Chafee Foster Care Independence Program	93.674	(33,544)
Children's Health Insurance Program	93.767	(27,946)
Medical Assistance Program	93.778	(2,906,293)
Opioid STR	93.788	272,311
Block Grants for Community Mental Health Services	93.958	(16,650)
Block Grants for Prevention and Treatment of Substance Abuse	93.959	836,670
National Urban Search & Rescue Response System	97.025	(569,002)
Flood Mitigation Assistance	97.029	(327,099)
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	163,948
Assistance to Firefighters Grant	97.044	(153,787)
Port Security Grant Program	97.056	270,502
State Homeland Security Grant	97.067	4,504
Regional Catastrophic Preparedness Grant	97.111	(167,820)
		<u>(2,414,407)</u>

Less: Revenues not subject to Single Audit:

Federal Reimbursement for Police OT	165,967
Federal Indirect Cost Recovery	1,077,132
Federal Reimbursement of Interest	244,107
Refund of Cobra Premiums	4,841
Federal Reimbursement of Telecommunication Services	2,435
Return of City Match	628,197
U.S. Treasury Payment	72,670
	<u>2,195,349</u>

Total Federal Expenditures	<u><u>\$ 253,989,727</u></u>
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## 5. Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule substantially agree with the amounts reported in the related federal financial reports except that certain federal financial reports are prepared on the cash basis of accounting and the Schedule of Expenditures of Federal Awards is prepared on the basis of accounting described in Note 2 above.

## 6. Highway Planning and Construction Grants

The City's Highway Planning and Construction Grants are typically multi-year projects with flexible funding sources that result in funding allocation changes throughout the life of the project. Accordingly, due to the inherent nature of these transportation grants, the City prepares the accompanying Schedule using the best information received at the time of reporting. In cases where it is difficult to identify the mix of Federal and State money under the Highway Planning and Construction program, the expenditures are reported on the accompanying schedule.

## 7 Indirect Cost Rate

The City does not elect to use a 10% de minimis indirect cost rate allowed under section §200.414(f).

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## **CONTINUING DISCLOSURE**



## Continuing Disclosure

This part of the City of Virginia Beach comprehensive annual financial report presents detailed information with regards to Rule 15c2-12 promulgated by the Securities and Exchange Commission to provide certain annual financial information and material event notices.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



**CITY OF VIRGINIA BEACH, VIRGINIA**  
**PRINCIPAL TAXPAYERS<sup>1</sup>**  
**FISCAL YEAR ENDING JUNE 30, 2022**  
**(UNAUDITED)**

	<b>Taxpayer</b>	<b>Business Type</b>	<b>Real Property Assessed</b>
1	Armada Hoffer	Office/ Apartments/ Hotel/ Retail/ Restaurant/ Bank/ Shopping Centers/ University/ Parking Garage/ Vacant Commercial Land/ Single Family Residence	\$ 526,447,000
2	Dominion Energy, Inc.	Utility	495,451,119 <sup>2</sup>
3	Ramon W. Breeden, Jr.	Apartments/ Shopping Centers/ Fast-Food/ Restaurant/ Office/ Vacant Residential Land/ Single Family Residence	413,047,600
4	A.D. & L.E. Fleder & J.M. & R.J. Caplan	Shopping Centers/ Retail/ Bank/ Fast-Food/ Apartments/ Condominiums/ Vacant Commercial & Residential Land/ BMP	351,758,700
5	E. C. & A. F. Ruffin & B. L. Thompson	Hotels/ Apartments/ Shopping Center/ Retail/ Restaurant/ Beach Club/ Laundry Plant/ Offices/ Parking Garage/ Vacant Commercial Land/ Single Family Residences	308,242,600
6	Lynnhaven Mall LLC	Shopping Mall	248,525,800
7	Pembroke Square Associates LLC	Shopping Mall/ Retail/ Bank/ Restaurants/ Fast Food/ Shopping Centers/ Office/ Apartments/ Condominium/ Warehouse/ Vacant Residential Land	196,121,600
8	Watergate Treehouse & Chanticleer Associates LP	Apartments	169,863,900
9	Virginia Natural Gas, Inc.	Utility	168,968,033 <sup>2</sup>
10	Cheryl P. McLeskey	Shopping Centers/ Townhouses/ Condominiums/ Marinas/ Retail/ Fast-Food/ Car Dealership/ Vacant Commercial, Industrial & Residential Land/ Single Family Residences & Lots	154,935,300
11	Christian Broadcasting Associates, Inc./Network, Inc.	Broadcasting/ Office/ Apartments/ Hotel	138,921,700
12	Windsor Lake Apartments LLC.	Apartments/ Shopping Centers/ Restaurant/ Vacant Commercial Land	137,669,500
13	W. Taylor Franklin	Apartments/ Single Family Residence	134,401,000
14	Verizon Virginia, LLC	Utility	129,341,521 <sup>2</sup>
15	Thomas J. Lyons, Jr. & Joan N.	Hotels/Office/ Outdoor Cafes/ Single Family Residence	118,891,800
16	Shamin Hotels	Hotels/ Retail/ Parking Garages/ Outdoor Cafes	108,257,100
17	Sifen, Michael D.	Shopping Centers/ Restaurant/ Paving/ Retail/ Parking Garage/ Vacant Commercial & Residential Land/ Industrial Office Warehouse/ Single Family Residence	104,761,700
18	Occidental Development, Ltd.	Apartments	94,968,100
19	Potter Properties	Shopping Centers/ Banks/ Fast-Food/ Restaurant/ Retail/ Vacant Commercial & Residential Land/ Single Family Residence	94,130,900
20	Westminster Canterbury of Etc.	Retirement Center/ Condominiums/ Vacant Commercial Land with Asphalt Parking Only	92,800,800
21	T.J. & A. Stiffler & M.B. & M.J. Stone Lewis	Offices/ Hotesl/ Retail/ Shopping Center/ Single Family Residences	92,739,100
22	MS Virginia Beach LLC	Apartments	77,459,700
23	Wal Mart Real Estate Business Trust	Retail Stores	73,770,200
24	Landstown Commons Owner LLC	Shopping Center	72,842,400
25	Latitudes I LLC	Apartments	70,807,200
	Total		<u>\$ 4,575,124,373</u>

<sup>1</sup> Twenty-five of the principal taxpayers are shown for consistency with past Official Statements. Also see Statistical Table 8.

<sup>2</sup> For Public Service Corporations, reflects real estate assessments (excludes personal property assessments taxed as real estate).

Sources: Office of Real Estate Assessor  
Commissioner of the Revenue

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**PROPERTY TAX RATES AND CHANGE IN TAX LEVY**  
**FISCAL YEARS 2012 THROUGH 2022**  
**(UNAUDITED)**

<b>Fiscal Year <sup>1</sup></b>	<b>Tax Rate on Real Property <sup>2</sup></b>	<b>Real Property Tax Levy <sup>3</sup></b>	<b>Percentage Annual Change in Tax Levy</b>
2012	\$ 0.8900	\$ 443,160,075	(2.82)
2013	0.9500	457,057,821	3.14
2014	0.9300	446,015,531	(2.42)
2015	0.9300	463,184,807	3.85
2016	0.9900	510,528,757	10.22
2017	0.9900	528,410,384	3.50
2018	1.0025	551,883,966	4.44
2019	1.0025	570,105,091	3.30
2020	1.0175	596,677,843	4.66
2021	1.0175	616,188,945	3.27
2022	0.9900	621,125,929	0.80

Source: City Department of Finance

<sup>1</sup> Eleven years of data are shown for consistency with past Official Statements.

<sup>2</sup> Tax rate per \$100 per assessed value. See Statistical Table 7.

<sup>3</sup> Calculation of the Real Property Tax Levy begins with the Real Property Assessed Value on Schedule 1-3 and then is adjusted by Supplements, Exonerations, Special Service District additional levies and other miscellaneous adjustments to arrive at the Tax Levy. See Statistical Table 9.

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**HISTORICAL ASSESSED VALUE**  
**FISCAL YEARS 2012 THROUGH 2022**  
**(UNAUDITED)**

Fiscal Year <sup>1</sup>	Real Property		Personal Property		Public Service Property		Total Assessed Value		Percentage Change From Prior Year	
	Assessed Value <sup>2</sup>	Percentage Change From Prior Year	Assessed Value	Percentage Change From Prior Year	Assessed Value <sup>3</sup>	Percentage Change From Prior Year	Assessed Value	Percentage Change From Prior Year	Assessed Value	Percentage Change From Prior Year
2012	\$ 50,508,022,826	(2.82)	\$ 4,305,125,900	5.57	\$ 938,327,087	1.17	\$ 55,751,475,813	(2.16)		
2013	48,851,994,658	(3.28)	4,249,692,532	(1.29)	929,843,170	(0.90)	54,031,530,360	(3.09)		
2014	48,737,614,190	(0.23)	4,334,018,923	1.98	889,050,800	(4.39)	53,960,683,913	(0.13)		
2015	50,577,279,180	3.77	4,569,833,578	5.44	875,496,571	(1.52)	56,022,609,329	3.82		
2016	52,016,374,504	2.85	4,582,059,618	0.27	895,479,945	2.28	57,493,914,067	2.63		
2017	53,840,546,037	3.51	4,692,383,356	2.41	945,094,380	5.54	59,478,023,773	3.45		
2018	55,520,701,233	3.12	4,786,765,849	2.01	983,607,868	4.08	61,291,074,950	3.05		
2019	57,299,357,619	3.20	5,647,066,916	17.97	1,020,179,772	3.72	63,966,604,307	4.37		
2020	59,349,419,535	3.58	5,980,866,800	5.91	1,046,921,797	2.62	66,377,208,132	3.77		
2021	61,431,537,591	3.51	5,896,556,470	(1.41)	1,111,754,367	6.19	68,439,848,428	3.11		
2022	63,816,499,892	3.88	7,150,279,805	21.26	1,131,096,865	1.74	72,097,876,562	5.34		

<sup>1</sup> Eleven years of data are shown for consistency with past Official Statements.

<sup>2</sup> Real Property is assessed at 100% of fair market value.

<sup>3</sup> Includes both real estate and personal property assessment. All public service property is taxed at the real estate tax rate, except for vehicles.

Source: City Department of Finance, Statistical Table 6

**CITY OF VIRGINIA BEACH, VIRGINIA  
PROPERTY TAX LEVIES AND COLLECTIONS  
FISCAL YEARS 2012 THROUGH 2022  
(UNAUDITED)**

Fiscal Year <sup>1</sup>	Total Tax Levy <sup>2</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 522,586,852	\$ 501,282,299	95.9	\$ 15,960,863	\$ 517,243,162	99.0
2013	536,618,666	516,542,429	96.3	16,456,038	532,998,467	99.3
2014	527,036,431	509,339,982	96.6	16,193,709	525,533,691	99.7
2015	558,420,893	537,056,367	96.2	18,365,505	555,421,872	99.5
2016	613,105,892	589,411,524	96.1	18,629,325	608,040,849	99.2
2017	634,993,466	609,085,906	95.9	19,983,532	629,069,438	99.1
2018	662,272,634	636,789,707	96.2	22,187,597	658,977,304	99.5
2019	688,073,333	638,348,095	92.8	23,473,695	661,821,790	96.2
2020	722,621,429	631,762,062	87.4	66,091,985	697,854,047	96.6
2021	783,423,955	687,116,605	87.7	46,812,549	733,929,154	93.7
2022	788,255,076	707,907,083	89.8		707,907,083	89.8

Source: 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.

<sup>1</sup> Eleven years of data are shown for consistency with past Official Statements.

<sup>2</sup> Includes both Real and Personal Property including Public Service Corporations. See Statistical Table 9. For FY 2022, the breakdown is as follows:

Real Property tax levy (includes Public Service Corporation real property):	\$ 621,125,929
Personal Property tax levy (includes Public Service Corporation personal property):	<u>167,129,147</u>
	<u>\$ 788,255,076</u>

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**PRINCIPAL TAX REVENUES BY SOURCE**  
**FISCAL YEARS 2012 THROUGH 2022**  
**(UNAUDITED)**

<b>Fiscal Year <sup>1</sup></b>	<b>Real Property Taxes <sup>2</sup></b>	<b>Personal Property Taxes <sup>2,3</sup></b>	<b>General Sales Tax</b>	<b>Utility Tax</b>	<b>Restaurant Meal Tax</b>	<b>Other Taxes</b>	<b>Total Taxes Assessed</b>
2012	\$ 461,480,333	\$ 73,705,379	\$ 53,375,318	\$ 45,254,169	\$ 53,254,313	\$ 109,728,241	\$ 796,797,753
2013	476,217,120	74,723,035	54,978,531	44,623,292	55,122,465	115,403,784	821,068,227
2014	464,439,667	78,678,322	56,431,418	44,050,182	56,872,794	114,548,325	815,020,708
2015	481,774,192	90,898,635	58,164,569	43,308,157	59,968,375	119,831,673	853,945,601
2016	526,451,909	95,930,682	61,099,407	42,658,906	63,437,485	122,405,839	911,984,228
2017	544,302,460	100,075,205	62,614,614	44,829,994	65,207,699	125,846,026	942,875,998
2018	567,573,017	108,123,397	63,511,403	49,832,408 <sup>4</sup>	66,264,685	123,922,838 <sup>4</sup>	979,227,748
2019	586,407,784	106,029,083	65,851,817	47,636,484	69,278,652	126,277,403	1,001,481,223
2020	603,119,216	112,728,082	67,855,536	45,584,479	60,561,741	124,110,581	1,013,959,635
2021	631,547,267	122,853,013	78,732,948	45,536,508	65,572,967	139,738,177	1,083,980,880
2022	633,156,847	136,544,911	87,383,198	45,707,678	85,941,096	148,037,568	1,136,771,298

Source: City Department of Finance, see Statistical Table 5

Note: Real and Personal Property Tax Revenues include collections for Current Year and Prior years levies collected within the Current Fiscal Year.

<sup>1</sup> Eleven years of data are shown for consistency with past Official Statements.

<sup>2</sup> Includes taxes, penalty & interest (\$10 minimum) on delinquent collections from prior years.

<sup>3</sup> Excludes personal property tax reimbursement from the Commonwealth of Virginia under the Personal Property Tax Relief Act of 1998. The amount has consistently been \$53,412,868 since FY 2012 (see Exhibit 12, revenue " From Commonwealth").

<sup>4</sup> Franchise Taxes were included in Other Taxes prior to FY 2018. Beginning FY 2018, Franchise Taxes are included with Utility Taxes.

**CITY OF VIRGINIA BEACH, VIRGINIA  
TEN LARGEST UTILITY (WATER) CUSTOMERS  
FISCAL YEAR 2022  
(UNAUDITED)**

Customer		Annual Consumption in 1,000 Gallons	Type of Customer
1	Virginia Beach Correction Center	49,509	City Correction Center
2	Sentara Princess Anne Hospital	40,741	Hospital
3	County View Mobile Court	29,334	Mobile Home Park
4	Dragas Management Corporation	28,067	Spence Crossing
5	Sentara Virginia Beach General Hospital	23,928	Hospital
6	Brookfield Apartment Homes LLC	23,496	Apartment Homes
7	S L Nusbaum Realty	23,300	Thalia Garden Apartments
8	Colony Mobile Home Park	22,425	Mobile Home Park
9	Westminster-Canterbury of Hampton Roads	21,404	Retirement Community
10	Occidental Developments, LTD	20,488	Waterfront Apartments

Source: City Department of Public Utilities

**CITY OF VIRGINIA BEACH, VIRGINIA  
WATER AND SEWER ENTERPRISE FUND  
OUTSTANDING DEBT BY ISSUE  
AT JUNE 30, 2022  
(UNAUDTED)**

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2020B Water and Sewer Refunding Revenue Bonds	\$ 45,845,000
2020A Water and Sewer Revenue Bonds	44,520,000
2016B Water and Sewer Refunding Revenue Bonds	32,600,000
2016A Water and Sewer Revenue Bonds	40,715,000
2013 Water and Sewer System Revenue Bonds	<u>35,450,000</u>
 Total Water and Sewer Debt Outstanding <sup>1</sup>	 <u><u>\$ 199,130,000</u></u>

<sup>1</sup> All Water & Sewer Bonds listed above are Parity Debt.

Source: City Department of Finance

**CITY OF VIRGINIA BEACH, VIRGINIA  
WATER RESOURCE RECOVERY FEES  
HISTORY OF RECEIPTS AND DISBURSEMENTS  
FISCAL YEAR 2017 THROUGH 2022  
(IN THOUSANDS OF DOLLARS)  
(UNAUDITED)**

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	Fiscal Year					
	2017	2018	2019	2020	2021	2022
Balance - July 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees Received	2,796	2,046	2,107	2,143	1,174	2,682
Disbursements	<u>2,796</u>	<u>2,046</u>	<u>2,107</u>	<u>2,143</u>	<u>1,174</u>	<u>2,682</u>
Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Source: City Departments of Finance and Public Utilities.



**CITY OF VIRGINIA BEACH, VIRGINIA**  
**WATER AND SEWER ENTERPRISE FUND**  
**SYSTEM OPERATING REVENUES, EXPENSES AND COVERAGE**  
**FOR FISCAL YEAR JUNE 30, 2022**  
**(IN THOUSANDS OF DOLLARS)**  
**(UNAUDITED)**

	Fiscal Year				
	2018	2019	2020	2021	2022
<b><u>Operating Revenues</u></b>					
Service Charges	\$ 77,126	\$ 77,256	\$ 76,803	\$ 75,730	\$ 76,113
Water Usage	45,485	44,679	49,652	51,365	50,729
Interfund Services Provided	1,421	1,082	3,225	1,893	1,832
Miscellaneous	1,297	1,008	829	726	1,396
Total Operating Revenues	125,329	124,025	130,509	129,714	130,070
<b><u>Operating Expenses</u></b>					
Water Acquisition	24,811	27,529	29,914	25,463	26,316
Water Distribution	7,187	6,576	6,791	5,300	5,549
Sewer Collection	14,329	13,547	13,305	13,093	13,229
Administration and Engineering	22,349	22,801	23,242	27,889	20,906
Customer Services	10,839	10,430	10,787	17,074	16,139
Total Operating Expenses	79,515	80,883	84,039	88,819	82,139
<b>Net Operating Income</b>	45,814	43,142	46,470	40,895	47,931
<b><u>Non-Operating Revenues/(Expense)</u></b>					
Interest	2,640	2,981	3,290	1,068	840
Water Resource Recovery Fee	2,046	2,107	2,143	1,174	2,682
Connection Fees	890	903	1,031	1,180	1,083
Norfolk Water True-Up	-	-	-	-	-
<b>Total Non-Operating Income</b>	5,576	5,991	6,464	3,422	4,605
<b>Income Available For Debt Service</b>	\$ 51,390	\$ 49,133	\$ 52,934	\$ 44,317	\$ 52,536
<b>Annual Debt Service<sup>1</sup></b>					
Water and Sewer Revenue Bonds	\$ 17,918	\$ 17,921	\$ 17,913	\$ 18,509	\$ 18,838
<b><u>Coverage of Debt Service on Water and Sewer Revenue Bonds</u></b>	<sup>2</sup> 2.87 x	2.74 x	2.96 x	2.39 x	2.79 x

<sup>1</sup> Includes Principal, Interest at gross, and Bank Charges

<sup>2</sup> The Master Water and Sewer Revenue Bond Resolution dated February 11, 1992, as amended and supplemented sets the debt service coverage and revenue requirements at 115% of maximum annual debt service for Water and Sewer revenue bonds and 1.0 times for Water and Sewer General Obligation Bonds. City Council set the revenue coverage goal of not less than 1.5x annual debt service for Water and Sewer Bonds and 1.2x for total debt (combined Water and Sewer Revenue Bonds and any Water and Sewer General Obligation Bonds) May 14, 2002 in the FY 2003 Operating Budget.

Source: City Departments of Finance and Public Utilities.

**CITY OF VIRGINIA BEACH  
WATER AND SEWER ENTERPRISE FUND  
DEBT SERVICE REQUIREMENTS  
AS OF JUNE 30, 2022  
(UNAUDITED)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal Outstanding</b>
2023	\$ 11,405,000	\$ 7,457,400	\$ 18,862,400	\$ 187,725,000
2024	12,045,000	6,871,150	18,916,150	175,680,000
2025	12,720,000	6,252,025	18,972,025	162,960,000
2026	13,445,000	5,597,900	19,042,900	149,515,000
2027	11,470,000	4,992,675	16,462,675	138,045,000
2028	11,960,000	4,464,787	16,424,787	126,085,000
2029	10,075,000	3,984,075	14,059,075	116,010,000
2030	10,555,000	3,529,375	14,084,375	105,455,000
2031	11,000,000	3,075,675	14,075,675	94,455,000
2032	8,985,000	2,660,775	11,645,775	85,470,000
2033	9,400,000	2,289,100	11,689,100	76,070,000
2034	9,775,000	1,960,194	11,735,194	66,295,000
2034	10,125,000	1,669,988	11,794,988	56,170,000
2036	10,460,000	1,387,250	11,847,250	45,710,000
2037	6,985,000	1,133,006	8,118,006	38,725,000
2038	7,210,000	911,250	8,121,250	31,515,000
2039	7,435,000	685,025	8,120,025	24,080,000
2040	4,740,000	509,800	5,249,800	19,340,000
2041	4,855,000	387,775	5,242,775	14,485,000
2042	4,985,000	262,500	5,247,500	9,500,000
2043	2,300,000	176,000	2,476,000	7,200,000
2044	2,350,000	128,031	2,478,031	4,850,000
2045	2,400,000	77,563	2,477,563	2,450,000
2046	2,450,000	26,031	2,476,031	-
Totals	<u>\$ 199,130,000</u>	<u>\$ 60,489,350</u>	<u>\$ 259,619,350</u>	

All Water & Sewer Debt is comprised of Revenue Bonds and Notes issued pursuant to Article VII, Sec. 10(a)(3) of the Constitution of Virginia, secured solely by the Revenues of the system.

Source: City Department of Finance

**CITY OF VIRGINIA BEACH, VIRGINIA  
WATER AND SEWER ENTERPRISE FUND  
WATER AND SEWER RATE HISTORY <sup>1</sup>  
(UNAUDITED)**

<b>Effective Date of Rate Adjustment</b>	<b>Water Commodity Rate (per 1,000 gallons)</b>	<b>Water Service Availability Charge (5/8" meter)</b>	<b>Sanitary Sewer Service Charge Single Family Residence (per month)</b>
July 1, 2012	\$ 4.41	\$ 4.41	\$ 24.86
July 1, 2013	4.41	4.41	27.76
July 1, 2014	4.41	4.41	30.81
July 1, 2015	4.41	4.41	30.81
July 1, 2016	4.41	4.41	30.81
July 1, 2017	4.41	4.41	30.81
July 1, 2018	4.41	4.41	30.81
July 1, 2019	4.90	4.41	30.81
July 1, 2020	4.90	4.41	30.81
July 1, 2021	4.90	4.41	30.81
July 1, 2022	4.90	4.41	30.81

<sup>1</sup> Reflects eleven-year rate history consistent with time-span shown in Official Statements for outstanding Water and Sewer System Refunding and Revenue Bonds, series 2013, 2016 A&B and 2020 A&B.

Source: City Department of Public Utilities

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**TEN LARGEST STORM WATER UTILITY ACCOUNTS**  
**FOR BILLING PERIOD ENDING JUNE 30, 2022**  
**(UNAUDITED)**

<b>Customer</b>	<b>Fees Billed</b>
Lynnhaven Mall Group LLC	\$ 249,434
Stihl, Incorporated	185,706
Virginia Wesleyan University	161,187
Spence Crossing Res Inc	136,290
Sentara Healthcare	117,699
City of Virginia Beach	110,946
Pembroke Square Associates	87,608
Evergreen Virginia LLC	86,198
Emerald Point LLC	83,795
Wal Mart Real Estate Business	78,761

Source: City Department of Public Utilities

**CITY OF VIRGINIA BEACH, VIRGINIA  
STORM WATER UTILITY  
DISTRIBUTION BY TYPE OF PROPERTY  
AS OF JUNE 30, 2022  
(UNAUDITED)**

<b>Type of Property</b>	<b>FY 2020 Percent of Equivalent Residential Units (ERU)</b>
Residential	47.4%
Multi-Family	12.6%
Non-Residential	40.0%

Source: City Department of Public Utilities

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**STORM WATER UTILITY FEE COLLECTIONS**  
**AS OF JUNE 30, 2022**  
**(UNAUDITED)**

<b>Fiscal Year</b>	<b>Assessed fees<sup>1</sup></b>	<b>Collected fees <sup>1</sup></b>	<b>% Collected</b>
2013	\$ 32,006,788	\$ 31,852,199	99.52
2014	36,709,700	36,537,711	99.53
2015	39,055,783	38,684,230	99.05
2016	39,804,972	39,530,243	99.31
2017	39,738,434 <sup>2</sup>	39,593,321 <sup>2</sup>	99.63
2018	43,099,967 <sup>2</sup>	42,896,849 <sup>2</sup>	99.53
2019	41,918,755	41,579,356	99.19
2020	44,935,049	41,267,793 <sup>3</sup>	91.84
2021	45,877,894	45,335,509 <sup>3</sup>	98.82
2022	45,786,704	45,171,664 <sup>3</sup>	98.66

<sup>1</sup> Represents billings and collections of Equivalent Residential Unit (ERU) Fees through June 30th of each Fiscal Year. Storm Water billing is part of a combined utility service bill including water, sewer and waste management. The City anticipates that for each of the recent years, collection rates will be consistent with earlier years.

<sup>2</sup> The City included incorrect amounts for FY 2017 and FY 2018 in previous schedules provided in its annual continuing disclosure reports as well as the Official Statement for the Series 2019 Storm Water Utility Revenue Bonds. Previously, Assessed Fees and Collected Fees were shown as \$39,854,926 and \$40,046,975 with 100.48% collected for FY 2017 and \$42,654,304 and \$41,579,356 with 98.12% collected for FY 2018, respectively.

<sup>3</sup> Fee collection for FY 2021 and FY 2020 declined year-over-year as a result of the suspension of water service disconnections from June 2019 to December 2019 due to staffing shortages after the May 31st mass shooting incident and from March 2020 – August 2021 due to the state's moratorium on water service disconnections in response to the COVID-19 (coronavirus) pandemic. The City resumed delinquent disconnections on August 30, 2021 resulting in a high rate of payment and/or application for bill assistance.

Source: City Departments of Public Works/Storm Water Management and Public Utilities

**CITY OF VIRGINIA BEACH, VIRGINIA**  
**STORM WATER UTILITY FUND**  
**PRO FORMA CALCULATION OF REVENUE COVENANTS**  
**(UNAUDITED)**

Revenue Requirement A	Fiscal Year					
	2018	2019	2020	2021	2022	2023 Budget
Total Revenues:						
System Revenues (including interest income)	\$ 42,148,983	\$ 43,419,253	\$ 45,815,995	\$ 46,500,751	\$ 46,352,158	\$ 47,434,210
Budgeted Operating Expenses	26,383,086	25,697,342	14,900,439	15,037,414	16,744,578	17,117,062
Revenues Available for Debt Service	<u>15,765,897</u>	<u>17,721,911</u>	<u>30,915,556</u>	<u>31,463,337</u>	<u>29,607,580</u>	<u>30,317,148</u>
Maximum Principal and Interest Requirement on Revenue Bonds <sup>1</sup>	\$ 3,393,984	\$ 3,393,984	\$ 5,180,749	\$ 10,556,775	\$ 9,355,925	\$ 9,355,925
Debt Service Coverage Ratio <sup>2</sup>	4.6 x	5.2 x	6.0 x	3.0 x	3.2 x	3.2 x
Revenue Requirement B <sup>3</sup>	Fiscal Year					
	2018	2019	2020	2021	2022	2023 Budget
Total System Revenues (including interest income)	\$ 42,148,983	\$ 43,419,253	\$ 45,815,995	\$ 46,500,751	\$ 46,352,158	\$ 47,434,210
Less:						
Budgeted Operating Expenses	26,383,086	25,697,342	14,900,439	15,037,414	16,744,578	17,117,062
Revenue Bond Debt Service <sup>1</sup> :						
Requirement on Series 2010A Bonds	1,386,025	1,382,793	1,376,896	642,600	-	-
Requirement on Series 2010B Bonds	641,481	645,475	642,881	558,250	-	-
Requirement on Series 2015 Bonds	1,360,056	1,358,631	1,359,256	1,360,606	1,359,200	1,361,069
Requirement on Series 2019 Bonds	-	-	1,786,638	1,787,262	1,786,137	1,783,262
Requirement on Series 2020A Bonds	-	-	-	1,711,996	4,552,900	4,552,150
Requirement on Series 2020B Bonds	-	-	-	382,287	1,606,300	1,614,800
Parity Double Barrel Bond Fund	-	-	-	-	-	-
Subordinate Debt Fund (Prior Bonds)	-	-	-	-	-	-
Total Debt Service	3,387,562	3,386,899	5,165,671	6,443,001	9,304,537	9,311,281
Capital Improvement Account (Cash) <sup>4</sup>	7,500,000	8,000,000	21,554,151	22,511,777	18,464,685	19,334,063
Deposit to Debt Service Reserve Fund <sup>5</sup>	-	-	-	-	-	-
Total Expenditures	<u>37,270,648</u>	<u>37,084,241</u>	<u>41,620,261</u>	<u>43,992,192</u>	<u>44,513,800</u>	<u>45,762,406</u>
Surplus Revenue	<u>\$ 4,878,335</u>	<u>\$ 6,335,012</u>	<u>\$ 4,195,734</u>	<u>\$ 2,508,559</u>	<u>\$ 1,838,358</u>	<u>\$ 1,671,804</u>
<b>Reconciliation of Expenses to ACFR</b>						
Total Operating Expenses (per ACFR)	\$ 32,853,281	\$ 36,161,097	\$ 31,002,402	\$ 25,021,710	\$ 23,442,280	NA
Add (Subtract):						
Depreciation	(5,670,476)	(6,458,891)	(7,309,940)	(8,266,150)	(9,507,019)	
Annual CIP Expense	(1,131,483)	(4,447,355)	(8,134,590)	(1,782,901)	435,961	
Net Deferred Retirement Contribution	283,027	433,800	(482,704)	(933,623)	2,317,898	
OPEB Expenditures	48,737	8,691	(174,729)	998,378	55,458	
Total Budgeted Expenses (Pro Forma Requirement)	<u>\$ 26,383,086</u>	<u>\$ 25,697,342</u>	<u>\$ 14,900,439</u>	<u>\$ 15,037,414</u>	<u>\$ 16,744,578</u>	

<sup>1</sup> All Interest is presented at "gross", and does not reflect the United States Treasury subsidy payment to be received for a portion of the series 2010A-2 bonds issued as "Build America Bonds. FY 2021 was the last year the subsidy was received due to the refunding of a portion of the Series 2010A-2 Bonds and Series 2010 Bonds by the Series 2020B Bonds.

<sup>2</sup> Per the Agreement of Trust dated January 1, 2000, as amended and supplemented, pledged revenues will be sufficient to equal the sum of (1) the Operating Expenses shown in the Annual Operating Budget and (2) 115% of Maximum Annual Debt Service.

<sup>3</sup> Also per the Agreement of Trust, system revenues will be sufficient to equal the sum of (1) the Operating Expenses payable from System Revenues shown in the Annual Operating Budget, (2) the amount required to be paid into the Bond Fund, (3) the amount (if any) required to be paid into the Parity Double Barrel Bond Fund, (4) the amount (if any) required to be paid into the Subordinate Debt Fund, (5) the amount of any other indebtedness of the City attributable to the System required to be paid from Pledged Revenues, (6) the amount transferred to the Capital Improvement Account as may be determined by the Director of Public Works and (7) any amount necessary to be paid into the Debt Service Reserve Fund to restore the amount on deposit therein to the amount of the Debt Service Reserve Requirement.

<sup>4</sup> Reflects use of current year pay-go/cash and excludes use of net position.

<sup>5</sup> Deposits to the Storm Water Debt Service Reserve required as a result of new bond issuances are made from the Storm Water Enterprise Fund and not from system revenues, and are not reflected under Revenue Requirement B. The amounts deposited from the Storm Water Enterprise Fund for Storm Water Utility Revenue Bonds, Series: 2015 issued January 28, 2015 - \$1,353,563; 2019 issued July 31, 2019 - \$1,786,637.51; and 2020 issued October 7, 2020 - \$4,140,050.

NA = Not applicable

Source: City Department of Finance

**CITY OF VIRGINIA BEACH, VIRGINIA  
STORM WATER UTILITY FUND  
DEBT SERVICE REQUIREMENTS  
AS OF JUNE 30, 2022  
(UNAUDITED)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 4,470,000	\$ 4,841,281	\$ 9,311,281
2024	4,700,000	4,627,631	9,327,631
2025	4,955,000	4,394,381	9,349,381
2026	4,550,000	4,165,231	8,715,231
2027	4,800,000	3,940,306	8,740,306
2028	5,035,000	3,708,231	8,743,231
2029	5,290,000	3,469,006	8,759,006
2030	5,550,000	3,222,982	8,772,982
2031	5,815,000	2,970,131	8,785,131
2032	6,100,000	2,704,606	8,804,606
2033	6,345,000	2,468,381	8,813,381
2034	6,565,000	2,269,731	8,834,731
2035	6,780,000	2,069,556	8,849,556
2036	7,010,000	1,862,706	8,872,706
2037	6,035,000	1,666,163	7,701,163
2038	6,220,000	1,478,894	7,698,894
2039	6,410,000	1,284,209	7,694,209
2040	6,615,000	1,083,425	7,698,425
2041	5,440,000	896,888	6,336,888
2042	5,615,000	724,013	6,339,013
2043	5,795,000	544,538	6,339,538
2044	5,980,000	359,288	6,339,288
2045	4,355,000	199,875	4,554,875
2046	4,485,000	67,275	4,552,275
	<u>\$ 134,915,000</u>	<u>\$ 55,018,728</u>	<u>\$ 189,933,728</u>

Source: City Department of Finance



**CITY OF VIRGINIA BEACH, VIRGINIA**  
**STORM WATER UTILITY FUND**  
**STORM WATER RATE HISTORY**  
**(UNAUDITED)**

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<b>Effective Date</b>	<b>Rate per day per ERU</b>
7/1/2013	\$ 0.416
7/1/2014	0.433
7/1/2015	0.433
7/1/2016	0.433
7/1/2017	0.458
7/1/2018	0.458
7/1/2019	0.493
7/1/2020	0.493
7/1/2021	0.493
7/1/2022	0.493

Source: City Department of Public Works/Storm Water Management

Code of the City of Virginia Beach, Section 32.5-2



CITY OF VIRGINIA BEACH  
CITY HALL

