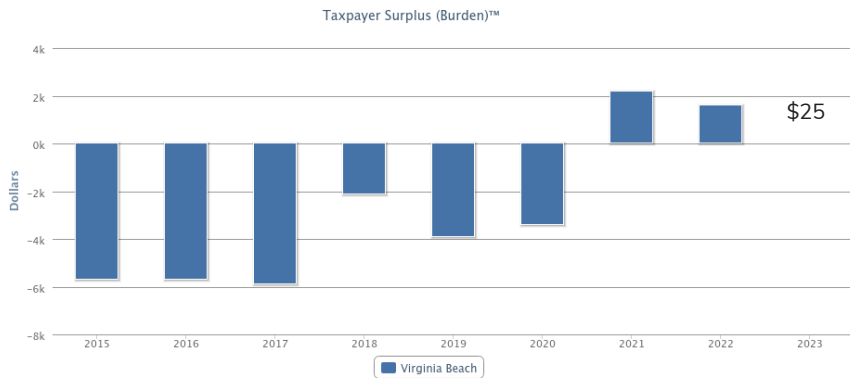


\$4.3 million
MONEY AVAILABLE TO PAY FUTURE BILLS



\$25
TAXPAYER SURPLUS™

Virginia Beach's financial condition worsened, but based on our analysis of its audited financial report for fiscal year 2023, it still had \$4.3 million available to cover future bills, resulting in a Taxpayer Surplus™ of \$25. Even with this downturn, the city earned a “B” grade from Truth in Accounting and maintained its status as a Sunshine City.



Virginia Beach's financial condition declined due to rising pension liabilities, despite reported revenues exceeding expenses. The city's finances were bolstered by a \$50 million increase in real estate tax revenue, which reached \$683.1 million. As the city's largest revenue source, real estate taxes accounted for 42% of total revenues, helping to sustain essential services and obligations, including contributions to the Virginia Retirement System (VRS).

Virginia Beach's rising net pension liability stems from higher estimated accrued benefits in VRS, driven by actuarial changes in inflation, healthcare trends, and mortality rates. While financially stable, the city must manage growing pension obligations to maintain long-term fiscal health. Strategic planning is essential to balancing revenue growth with liabilities while sustaining essential services and infrastructure investments.



B
FINANCIAL GRADE



21 out of 75
RANKING

FINANCIAL FACTS

- Virginia Beach had \$1.734 billion available to pay \$1.729 billion worth of bills.
- The outcome was a \$4.3 million surplus, which breaks down to \$25 per taxpayer.
- Virginia Beach's financial condition declined due to rising pension liabilities, despite a \$50 million increase in real estate tax revenue.

The City's Assets Exceeded Its Bills

Total Assets	\$7,520,436,000
Minus: Capital Assets	-\$5,569,359,000
Restricted Assets	-\$216,813,000
Assets Available to Pay Bills	\$1,734,264,000
Minus: Total Bills*	-\$1,729,981,000
Money available to pay future bills	\$4,283,000
Each taxpayer's share of this surplus	\$25

*Breakdown of Total Bills

Bonds	\$1,250,856,000
Other Liabilities	\$692,879,000
Minus: Debt Related to Capital Assets	-\$1,376,977,000
Unfunded Pension Benefits	\$921,067,000
Unfunded Retiree Health Care Benefits	\$242,156,000
Total Bills	\$1,729,981,000

Grade:	Bottom line:
B	Virginia Beach had more than enough money to pay its outstanding bills and received a “B” grade. A “B” grade is given to governments with a Taxpayer Surplus between \$1 and \$9,999.