City Council Staff Report

Subject: FY 2027 – Financial Statements through October 31, 2026 (Cash Basis and Unaudited)

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Department: Finance

Date: November 20, 2026

Type of Item: Informational

Executive Summary

This financial report provides an overview of the City's General Fund revenues and expenditures compared to the amended budget for the period ending October 31, 2026 (four months, or 33.3% of the fiscal year), as well as actual results from the previous fiscal year to date. Please note that staff does not include revenue or expenditure projections until after the eighth month of the fiscal year.

As of October 31, 2026, General Fund revenues totaled $211.0 million, reflecting an increase of $15.0 million or 7.6% compared to the same period in the prior year. It is important to note that revenue collections can fluctuate month to month, as due dates for various revenue sources are not evenly distributed throughout the year. The largest revenue source, real estate tax, is billed twice annually, with payments due on December 5, 2026, and June 5, 2027. Personal property tax payments are due on June 5, 2027. Additionally, various supplemental billings are ongoing, and some collections through October 31, 2026, apply to the previous year's tax bills. Notable revenue increases include sales tax at $1.4 million more than last year's year-to-date, meal tax at $1.7 million more, and charges for services at $2.7 million more. State reimbursements increased $5.7 million due to transferring the Sheriff's Office from its Special Revenue Fund to the General Fund in FY 2027, while other state revenues increased $4.9 million due to the pass-through of a $5.0 million state grant for the Atlantic Park development project.

As of October 31, 2026, General Fund expenditures totaled $612.8 million, an increase of $39.6 million, or 6.9%, from the prior year. No unexpected or unbudgeted significant expenditures occurred in the first four months of FY 2027. Public Safety expenditures increased $41.1 million, or 36.4%, from the prior fiscal year mainly due to the transfer of the Sheriff's Office from the Special Revenue Fund to the General Fund in FY 2027, resulting in an additional $29.8 million in expenditures in the current fiscal year. Police and Fire expenditures also increased $5.0 million and $4.3 million, respectively, due to increases in salaries and internal service charges. Economic Development expenditures increased $4.9 million due to disbursement of $5.0 million in pass-through funding from the state for the Atlantic Park project. Debt service costs increased $8.9 million, or 53.9% primarily due to the issuance of new debt at the end of FY 2026 and the associated increase in principal payments. Transfers decreased $20.2 million, or 8.5% due

to the transfer of the Sheriff's Office to the General Fund combined with decreased funding for general government capital projects of $7.5 million.

Total Water and Sewer revenues as of October 31, 2026, are $51.6 million, which is 31.6% of the current year budget of $163.3 million and is $3.8 million, or 7.9% more than prior year collections of $47.8 million for the same period. Charges for services revenue of $48.4 million are more than the prior year charges for services of $43.3 million by $5.1 million due to increased water sales and service charges. The water service availability fee increased from $6.00 per month in FY 2026 to $6.30 per month in FY 2027. Additionally, the water usage rate increased from $6.23 per 1,000 gallons in FY 2026 to $6.54 per 1,000 gallons in FY 2027. Year-to-date expenditures are $61.8 million, which is 35.0% of the current year budget of $176.8 million and is in line with prior year expenditures of $62.1 million (for the same time period). Total budgeted expenditures for FY 2027 of $176.8 million are $5.4 million or 3.2% more than the FY 2026 expenditure budget of $171.4 million.

Total Storm Water revenues as of October 31, 2026, are $17.9 million, which is 31.0% of the current year budget of $57.7 million and is in line with prior year collections totaling $17.1 million. The Storm Water utility fee remained unchanged at 58.2¢ in FY 2027. Year-to-date expenditures are $25.3 million, which is 41.3% of the current year budget of $61.3 million and is in line with prior year expenses totaling $25.7 million (for the same time period).

Total Tourism Investment Program (TIP) Special Revenue Fund revenues as of October 31, 2026, are $28.9 million, which is 45.0% of the current year amended budget of $64.2 million and is $1.8 million, or 6.6% more than prior year collections totaling $27.1 million. The increased revenue was primarily attributable to an additional $1.1 million in hotel tax revenues. Year-to-date expenditures (including encumbrances) are $27.9 million, which is 41.0% of the current year amended budget of $68.1 million and $1.3 million or 4.5% less than prior year expenditures totaling $29.2 million for the same period. This decrease is primarily due to decreased transfers to general government capital projects of $2.4 million and increased expenditures in programming and operations of $1.4 million.

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

Attachments (5)

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

CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND REVENUE AND EXPENDITURE SUMMARY
FOR THE PERIOD ENDING OCTOBER 31, 2026
SCHEDULE A

	FY 2027 ADOPTED BUDGET	FY 2027 AMENDED BUDGET	FY 2027 YTD ACTUAL	FY 2027 ACTUAL % OF BUDGET	FY 2026 AMENDED BUDGET	FY 2026 YTD ACTUAL	FY 2026 ACTUAL % OF BUDGET
REVENUES (SCHEDULE B):							
LOCAL	$ 1,370,181,339	$ 1,370,181,339	$ 147,734,181	10.8%	$ 1,318,649,508	$ 142,308,523	10.8%
STATE	227,242,069	229,863,674	51,399,806	22.4%	198,751,296	42,168,820	21.2%
FEDERAL	27,491,793	27,499,029	7,357,567	26.8%	25,944,628	7,023,790	27.1%
TRANSFERS	13,618,939	13,618,939	4,539,646	33.3%	13,734,535	4,578,178	33.3%
TOTAL REVENUES	**$ 1,638,534,140**	**$ 1,641,162,981**	**$ 211,031,200**	**12.9%**	**$ 1,557,079,967**	**$ 196,079,311**	**12.6%**
EXPENDITURES (SCHEDULE C):							
GENERAL GOVERNMENT	$ 539,007,490	$ 569,211,550	$ 201,042,916	35.3%	$ 549,886,928	$ 188,609,813	34.3%
PUBLIC SAFETY	363,839,575	368,911,739	153,950,558	41.7%	282,779,762	112,877,913	39.9%
NON DEPARTMENTAL	37,320,131	39,461,013	15,741,862	39.9%	54,159,255	18,429,464	34.0%
DEBT SERVICE	60,855,263	60,855,263	25,517,808	41.9%	55,095,110	16,576,727	30.1%
TRANSFERS	651,193,312	649,916,826	216,498,480	33.3%	691,631,582	236,678,278	34.2%
RESERVES	19,104,375	11,714,774	-	0.0%	6,729,674	-	0.0%
TOTAL EXPENDITURES	**$ 1,671,320,146**	**$ 1,700,071,165**	**$ 612,751,624**	**36.0%**	**$ 1,640,282,311**	**$ 573,172,195**	**34.9%**
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	**$ (32,786,006)**	**$ (58,908,184)**	**$ (401,720,424)**		**$ (83,202,344)**	**$ (377,092,884)**	
LESS AMOUNTS APPROPRIATED FROM PRIOR YEAR FUND BALANCE							
FUND BALANCE:							
FY 2026 ENCUMBRANCES		$ 22,041,970					
FY 2026 CARRYFORWARDS		3,035,917					
FY 2027 FIRE GRANTS		868,117					
FY 2027 CITY OPERATIONS		2,589,175					
FY 2027 AMENDED CIP BUDGET		30,373,005					
		$ 58,908,184					

CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND REVENUES
FOR THE PERIOD ENDING OCTOBER 31, 2026
SCHEDULE B

	FY 2027 ADOPTED BUDGET	FY 2027 AMENDED BUDGET	FY 2027 YTD ACTUAL	FY 2027 ACTUAL % OF AMENDED BUDGET	FY 2026 AMENDED BUDGET	FY 2026 YTD ACTUAL	FY 2026 ACTUAL % OF AMENDED BUDGET
LOCAL REVENUE:							
REAL ESTATE TAXES	$ 760,083,532	$ 760,083,532	$ 13,467,012	1.8%	$ 734,375,613	$ 13,478,079	1.8%
PERSONAL PROPERTY TAXES	162,498,272	162,498,272	13,842,741	8.5%	167,188,166	13,991,812	8.4%
SALES TAX	101,263,558	101,263,558	27,859,996	27.5%	97,846,775	26,484,495	27.1%
BUSINESS LICENSE	71,447,567	71,447,567	2,991,477	4.2%	67,166,505	2,975,268	4.4%
UTILITY TAXES	26,011,783	26,011,783	6,152,585	23.7%	25,879,291	6,896,711	26.6%
TELECOMMUNICATION TAX	16,085,932	16,085,932	5,260,725	32.7%	17,229,098	5,580,556	32.4%
MEAL TAX	67,490,249	67,490,249	24,968,099	37.0%	65,149,968	23,303,812	35.8%
HOTEL TAX	11,946,740	11,946,740	7,211,562	60.4%	11,274,805	6,728,740	59.7%
AUTOMOBILE LICENSE	10,299,928	10,299,928	2,896,498	28.1%	10,639,555	2,886,180	27.1%
CIGARETTE TAX	5,373,860	5,373,860	2,017,861	37.5%	5,669,939	2,164,733	38.2%
OTHER LOCAL TAXES	17,791,347	17,791,347	5,470,465	30.7%	16,715,085	3,654,540	21.9%
CHARGES FOR SERVICES - HUMAN SERVICES	27,711,214	27,711,214	9,386,867	33.9%	27,711,214	8,836,434	31.9%
CHARGES FOR SERVICES - OTHER	36,663,469	36,663,469	11,947,214	32.6%	29,452,548	9,937,338	33.7%
PERMITS AND FEES	12,391,922	12,391,922	3,283,954	26.5%	11,269,972	3,682,053	32.7%
INTEREST INCOME	27,406,063	27,406,063	7,162,872	26.1%	13,757,734	8,024,771	58.3%
OTHER LOCAL REVENUE	15,715,903	15,715,903	3,814,251	24.3%	17,323,240	3,683,000	21.3%
TOTAL LOCAL REVENUE	1,370,181,339	1,370,181,339	147,734,181	10.8%	1,318,649,508	142,308,523	10.8%
STATE REVENUE:							
MAINTENANCE OF ROADS	70,216,800	67,354,224	16,838,556	25.0%	68,018,500	17,554,200	25.8%
STATE AID LAW ENFORCEMENT	15,156,845	15,156,845	3,642,153	24.0%	14,064,783	3,642,153	25.9%
STATE REIMBURSEMENTS	15,646,072	15,652,771	3,934,944	25.1%	15,348,594	4,721,882	30.8%
STATE REIMBURSEMENTS - SHERIFF	26,338,874	26,338,874	6,443,124	24.5%	0.0%	0.0%	0.0%
STATE PUBLIC ASSISTANCE GRANTS	18,903,433	18,903,433	4,613,893	24.4%	18,131,287	5,887,473	32.5%
STATE REVENUE - HUMAN SERVICES	25,425,501	25,901,983	10,310,511	39.8%	27,595,580	9,661,410	35.0%
PERSONAL PROPERTY TAX PAID BY THE COMMONWEALTH OF VIRGINIA	53,412,868	53,412,868	-	0.0%	53,412,868	-	0.0%
OTHER STATE REVENUE	2,141,676	7,142,676	5,616,626	78.6%	2,179,684	701,702	32.2%
TOTAL STATE REVENUE	227,242,069	229,863,674	51,399,806	22.4%	198,751,296	42,168,820	21.2%
FEDERAL REVENUE	27,491,793	27,499,029	7,357,567	26.8%	25,944,628	7,023,790	27.1%
TRANSFERS	13,618,939	13,618,939	4,539,646	33.3%	13,734,535	4,578,178	33.3%
TOTAL GENERAL FUND REVENUE	$ 1,638,534,140	$ 1,641,162,981	$ 211,031,200	12.9%	$ 1,557,079,967	$ 196,079,311	12.6%

CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND EXPENDITURES
FOR THE PERIOD ENDING OCTOBER 31, 2026
SCHEDULE C

GENERAL GOVERNMENT ACTIVITIES	FY 2027 ADOPTD BUDGET	FY 2027 AMENDED BUDGET	FY 2027 YTD ACTUALS	FY 2027 ACTUAL % OF AMENDED BUDGET	FY 2026 AMENDED BUDGET	FY 2026 YTD ACTUALS	FY 2026 ACTUAL % OF AMENDED BUDGET
AGRICULTURE	$ 1,121,829	$ 1,142,828	$ 399,950	35.0%	$ 1,112,301	$ 348,857	31.4%
BUDGET AND MANAGEMENT SERVICES	1,635,582	1,901,938	565,854	29.8%	1,644,026	642,891	39.1%
CIRCUIT COURT	1,619,979	1,686,389	679,391	40.3%	1,657,542	648,984	39.2%
CITY ATTORNEY	6,512,477	6,731,454	2,398,048	35.6%	6,454,377	2,473,156	38.3%
CITY AUDITOR	1,096,627	1,134,622	407,727	35.9%	1,169,405	414,386	35.4%
CITY CLERK	841,427	862,684	388,117	45.0%	844,768	391,028	46.3%
CITY COUNCIL	947,481	1,009,025	356,929	35.4%	919,164	387,883	42.2%
CITY MANAGER	3,481,557	3,448,521	1,330,268	38.6%	4,022,101	1,425,912	35.5%
CITY REAL ESTATE ASSESSOR	4,469,848	4,575,989	1,765,551	38.6%	4,462,515	1,757,644	39.4%
CITY TREASURER	9,276,181	9,518,475	3,713,059	39.0%	8,936,714	3,349,642	37.5%
CLERK OF THE CIRCUIT COURT	5,158,410	5,377,688	1,935,740	36.0%	5,117,766	1,928,217	37.7%
COMMISSIONER OF THE REVENUE	7,799,676	7,974,137	2,981,953	37.4%	7,637,086	2,887,851	37.8%
COMMONWEALTH'S ATTORNEY	15,243,485	15,751,308	5,681,666	36.1%	14,922,576	5,378,191	36.0%
COMMUNICATIONS	5,049,003	5,219,996	2,099,664	40.2%	4,861,447	2,082,127	42.8%
CONVENTION AND VISITORS BUREAU	11,769,341	12,202,919	4,356,456	35.7%	12,244,787	4,311,340	35.2%
CULTURAL AFFAIRS AND HISTORIC HOUSES	6,105,031	8,177,585	3,489,896	42.7%	7,273,365	2,483,093	34.1%
ECONOMIC DEVELOPMENT	4,343,068	9,739,317	6,263,898	64.3%	5,082,928	1,338,298	26.3%
FINANCE	7,155,060	8,024,159	2,993,768	37.3%	8,302,842	2,921,298	35.2%
GENERAL DISTRICT COURT	613,753	621,545	120,691	19.4%	504,960	100,880	20.0%
HEALTH DEPARTMENT	4,409,267	4,409,342	2,201,924	49.9%	4,393,093	2,129,996	48.5%
HOUSING AND NEIGHBORHOOD PRESERVATION	9,854,422	10,419,043	3,359,001	32.2%	9,073,307	2,993,541	33.0%
HUMAN RESOURCES	11,326,870	12,148,772	4,769,379	39.3%	10,290,436	3,445,970	33.5%
HUMAN SERVICES	157,916,497	159,839,955	54,996,179	34.4%	157,294,958	53,411,957	34.0%
INFORMATION TECHNOLOGY	27,076,835	28,155,026	10,938,933	38.9%	26,830,644	10,504,640	39.2%
JUVENILE AND DOMESTIC RELATIONS DISTRICT	168,811	170,122	48,472	28.5%	198,336	49,875	25.1%
JUVENILE PROBATION	1,255,981	1,269,473	560,145	44.1%	1,249,428	571,773	45.8%
LIBRARY	22,903,761	23,082,346	8,960,642	38.8%	22,927,875	8,829,527	38.5%
MAGISTRATES	39,097	39,097	1,426	3.6%	43,982	608	1.4%
OFFICE OF PERFORMANCE & ACCOUNTABILITY	658,726	824,804	230,971	28.0%	776,801	379,659	48.9%
PARKS AND RECREATION	47,490,474	50,165,229	19,558,831	39.0%	47,046,277	18,379,802	39.1%
PLANNING	18,386,455	18,836,499	6,466,136	34.3%	17,586,072	6,429,604	36.6%
PUBLIC WORKS	121,895,599	99,335,927	26,356,764	26.5%	133,196,063	38,530,772	28.9%
PUBLIC FACILITIES	-	31,928,334	12,143,035	38.0%	-	-	0.0%
VIRGINIA AQUARIUM	18,038,063	19,394,873	6,564,265	33.8%	18,527,794	6,319,895	34.1%
VOTER REGISTRATION AND ELECTIONS	3,346,817	4,092,129	1,958,187	47.9%	3,281,192	1,360,515	41.5%
TOTAL GENERAL GOVERNMENT	539,007,490	569,211,550	201,042,916	35.3%	549,886,928	188,609,813	34.3%

CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND EXPENDITURES
FOR THE PERIOD ENDING OCTOBER 31, 2026
SCHEDULE C

GENERAL GOVERNMENT ACTIVITIES	FY 2027 ADOPTD BUDGET	FY 2027 AMENDED BUDGET	FY 2027 YTD ACTUALS	FY 2027 ACTUAL % OF AMENDED BUDGET	FY 2026 AMENDED BUDGET	FY 2026 YTD ACTUALS	FY 2026 ACTUAL % OF AMENDED BUDGET
PUBLIC SAFETY							
EMERGENCY COMMUNICATIONS AND CITIZEN SERVICES	13,229,947	14,052,377	5,504,493	39.2%	13,790,301	4,823,013	35.0%
EMERGENCY MANAGEMENT	2,344,717	2,386,630	1,018,158	42.7%	2,116,352	550,388	26.0%
EMERGENCY MEDICAL SERVICES	27,556,489	28,104,127	13,585,691	48.3%	28,170,815	12,735,257	45.2%
FIRE	93,408,788	94,064,474	39,034,914	41.5%	92,049,538	34,728,342	37.7%
POLICE	150,312,823	152,891,263	65,031,069	98.6%	146,652,755	60,040,913	40.9%
SHERIFF	76,986,811	77,412,867	29,776,234	38.5%	-	-	0.0%
TOTAL PUBLIC SAFETY	363,839,575	368,911,739	153,950,558	41.7%	282,779,762	112,877,913	39.9%
NON DEPARTMENTAL	37,320,131	39,461,013	15,741,862	39.9%	54,159,255	18,429,464	34.0%
DEBT SERVICE	60,855,263	60,855,263	25,517,808	41.9%	55,095,110	16,576,727	30.1%
TRANSFERS	651,193,312	649,916,826	216,498,480	33.3%	691,631,582	236,678,278	34.2%
RESERVES	19,104,375	11,714,774	-	0.0%	6,729,674	-	0.0%
GRAND TOTAL	$ 1,671,320,146	$ 1,700,071,165	$ 612,751,624	36.0%	$ 1,640,282,311	$ 573,172,195	34.9%

CITY OF VIRGINIA BEACH, VIRGINIA
TOURISM INVESTMENT PROGRAM SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES FOR THE PERIOD ENDING OCTOBER 31, 2026
SCHEDULE D

	FY 2027 ADOPTED BUDGET	FY 2027 AMENDED BUDGET	FY 2027 YTD ACTUALS	FY 2027 YTD ACTUAL % OF AMENDED BUDGET	FY 2026 AMENDED BUDGET	FY 2026 YTD ACTUALS	FY 2026 YTD ACTUAL % OF AMENDED BUDGET
REVENUES:							
HOTEL ROOM TAX (5% OF TOTAL 8% AND $1/NIGHT)	$ 27,637,107	$ 27,637,107	$ 15,280,885	55.3%	$ 25,727,271	$ 14,158,903	55.0%
RESTAURANT MEAL TAX (1.06% OF TOTAL 6.0%)	20,313,182	20,313,182	7,508,941	37.0%	19,619,699	7,007,881	35.7%
CIGARETTE TAX (5 CENTS OF 75 CENTS/PACK)	383,847	383,847	144,210	37.6%	404,996	154,707	38.2%
ADMISSION TAX	9,697,365	9,697,365	5,122,330	52.8%	7,578,563	4,285,865	56.6%
FRANCHISE FEES & EVENT PERMITS	592,415	592,415	61,007	10.3%	592,415	134,743	22.7%
INTEREST ON BANK DEPOSITS	3,078,619	3,078,619	636,201	20.7%	5,000	1,151,809	23036.2%
MISCELLANEOUS REIMBURSEMENTS	2,088,240	2,088,240	-	0.0%	2,088,240	-	0.0%
USE OF PROPERTY	445,613	445,613	153,852	34.5%	445,613	220,500	49.5%
TOTAL - REVENUES	**$ 64,236,388**	**$ 64,236,388**	**$ 28,907,428**	**45.0%**	**$ 56,461,797**	**$ 27,114,409**	**48.0%**
EXPENDITURES:							
ADMINISTRATION AND SUPPORT	$ 520,500	$ 526,000	$ 520,600	99.0%	$ 520,500	$ 520,500	100.0%
COMMUNITY AND ORGANIZATION CONTRIBUTIONS	1,488,661	1,488,661	1,488,661	100.0%	1,259,361	1,161,109	92.2%
FACILITIES MANAGEMENT	1,555,692	1,634,087	677,150	41.4%	1,565,169	552,286	35.3%
INFRASTRUCTURE MAINTENANCE	4,915,699	5,067,047	1,825,653	36.0%	3,755,408	1,858,201	49.5%
LANDSCAPE MANAGEMENT	1,390,265	1,600,504	711,808	44.5%	1,426,702	600,441	42.1%
LIFEGUARD SERVICES	1,215,132	1,215,132	216,590	17.8%	1,228,647	130,424	10.6%
PROGRAMMING AND OPERATIONS	13,708,063	14,264,627	11,295,273	79.2%	12,653,667	9,940,870	78.6%
SALES AND MARKETING	509,870	516,120	299,137	58.0%	540,643	277,185	51.3%
WASTE MANAGEMENT	145,061	165,629	166,135	100.3%	131,276	99,058	75.5%
DEBT SERVICE	26,586,882	26,586,882	8,691,340	32.7%	26,345,109	8,948,574	34.0%
TRANSFER TO GENERAL FUND	15,170	15,170	5,057	33.3%	15,170	5,057	33.3%
TRANSFER TO GENERAL GOVERNMENT CAPITAL PROJECTS	6,050,000	6,050,000	2,016,667	33.3%	4,400,000	4,400,000	100.0%
TRANSFER TO ATLANTIC PARK DEVELOPMENT AGREEMENT	2,088,240	2,088,240	-	0.0%	2,088,240	696,080	0.0%
CONTINGENCIES	7,047,153	6,874,543	-	0.0%	5,581,276	-	0.0%
TOTAL - EXPENDITURES AND ENCUMBRANCES	**$ 67,236,388**	**$ 68,092,641**	**$ 27,914,069**	**41.0%**	**$ 61,511,169**	**$ 29,189,785**	**47.5%**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND ENCUMBRANCES	**$ (3,000,000)**	**$ (3,856,253)**	**$ 993,359**				
AMOUNT APPROPRIATED FROM FUND BALANCE	**$ (3,000,000)**	**$ (3,856,253)**	**$ 993,359**				
FUND BALANCE - JULY 1, 2026		**61,408,345**					
FUND BALANCE - ENDING		**$ 57,552,092**					

*Includes encumbrances of $5,119,699 as of October 31, 2026.

CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND REVENUE AND EXPENDITURE TREND THROUGH
THE PERIOD ENDING OCTOBER 31, 2026

