



THE TRUTH

Money Needed to Pay Bills

- \$574.9 million

Taxpayer Burden™

- \$3,900

Financial Grade

C

Ranking

36 out of 75

Virginia Beach Finances Worsened Prior to Pandemic



January 2021

truthinaccounting.org | data-z.org

Financial State of Virginia Beach, Virginia

This report shows that Virginia Beach went into the coronavirus pandemic in mediocre fiscal health, and it will probably come out of the crisis worse. Based upon the city’s fiscal year 2019 audited financial report, Virginia Beach had a Taxpayer Burden™ of \$3,900, earning it a “C” grade from Truth in Accounting.

Virginia Beach’s elected officials have repeatedly made financial decisions that have left the city with a debt burden of \$574.9 million. That burden equates to \$3,900 for every city taxpayer. Virginia Beach’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$3.4 billion in retirement benefits promised, the city has not funded \$1.1 billion in pension and \$294.2 million in retiree health care benefits.

Virginia Beach did not have enough money set aside to weather the current pandemic and fluctuations in the market. The city is expected to lose some revenue as a result of the pandemic. The uncertainty surrounding this crisis makes it impossible to determine how much will be needed to maintain government services and benefits, but Virginia Beach’s overall debt will most likely increase.

The data included in this report is derived from the city of Virginia Beach’s 2019 audited Comprehensive Annual Financial Report and retirement plans’ reports. To compare cities’ financial information go to data-z.org.

Virginia Beach Financial Breakdown

Fast Facts

- Virginia Beach had \$1.21 billion available to pay \$1.79 billion worth of bills.
- The outcome was a \$574.9 million shortfall, which breaks down to a burden of \$3,900 per taxpayer.
- Virginia Beach’s financial position worsened by 74 percent from the previous fiscal year mostly due to an increase in the city’s pension liabilities.

THE CITY’S BILLS EXCEEDED ITS ASSETS

Total assets	\$6,503,167,000
Minus: Capital assets	-\$5,175,531,000
Restricted assets	-\$113,950,000
Assets available to pay bills	\$1,213,686,000
Minus: Total bills	-\$1,788,558,000
Money available (needed) to pay bills	-\$574,872,000
Each taxpayer’s share of this burden	-\$3,900

BILLS THE CITY ACCUMULATED

Bonds	\$1,201,977,000
Other liabilities	\$468,349,000
Minus: Debt related to capital assets	-\$1,272,504,000
Unfunded pension benefits	\$1,096,517,000
Unfunded retiree health care benefits	\$294,219,000
Total bills	\$1,788,558,000

Grade:

C

Bottom line: Virginia Beach would need \$3,900 from each of its taxpayers to pay all of its bills, so it has received a “C” for its finances. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$0 and \$4,900 receives a “C.”

Truth in Accounting is a 501(c)(3) nonprofit committed to educating and empowering citizens with understandable, reliable and transparent government financial information. To be knowledgeable participants in their government and its budget process, citizens need truthful and transparent financial information.