Virginia Beach Finances Worrisome

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The Financial State of Virginia Beach

A new analysis of the latest available audited financial report found Virginia Beach has a Taxpayer Burden™ of $5,900, earning it a "D" grade based on Truth in Accounting's grading scale.

Virginia Beach's elected officials have made repeated financial decisions that have left the city with a debt burden of $916 million, according to the analysis. That equates to a $5,900 burden for every city taxpayer.

Virginia Beach's financial problems stem mostly from unfunded retirement obligations that have accumulated over many years. Of the $4.9 billion in retirement benefits promised, the city has not funded $989.4 million in pension and $243.7 million in retiree health care benefits.

Here's the truth:

$916 million
Money needed to pay bills

-$5,900
Taxpayer Burden

D
Financial grade

Data included in this report is derived from the city of Virginia Beach 2017 audited Comprehensive Annual Financial Report and retirement plans' reports.

FAST FACTS

+ **Virginia Beach has $659.2 million available in assets to pay $1.6 billion worth of bills.**

+ **The outcome is a $916 million shortfall and a $5,900 Taxpayer Burden.**

+ **The city is hiding all of its retiree health care debt from its balance sheet.**

THE CITY'S BILLS EXCEED ITS ASSETS	
Assets	$6,306,471,000
Minus: Capital assets	-$5,036,208,000
Restricted assets	-$611,112,000
Assets available to pay bills	$659,151,000
Minus: Bills	-$1,575,160,000
Money needed to pay bills	-$916,009,000
Each taxpayer's share of this debt	-$5,900

BILLS THE CITY HAS ACCUMULATED	
Bonds	$1,199,764,000
Other liabilities	$500,830,000
Minus: Debt related to capital assets	-$1,358,613,000
Unfunded pension benefits	$989,432,000
Unfunded retiree health care	$243,747,000
Bills	$1,575,160,000

GRADE: D

Bottom line: Virginia Beach does not have enough money to pay its bills, so it has received a "D" for its finances from Truth in Accounting. A "D" grade is given to cities with a Taxpayer Burden between $5,000 and $20,000.