



Review of Prior Year Results

June 3, 2026

Staci A. Henshaw, Auditor of Public Accounts

Zach Borgerding, Deputy Auditor for Human Capital & Operations

LOCAL GOVERNMENT OVERSIGHT ACTIVITIES

APA Oversight of Local Governments

- Annually complete two main projects focused on local government
 - Comparative Report
 - Fiscal Distress Analysis and Monitoring
- Provide other oversight and support for local government audits and financial reporting
 - Issue annual audit specifications
 - Perform quality control reviews of local audits conducted by public accounting firms
 - Publish variety of information, data, reports, and resources on APA local government website page

Local Government Website Information

APA Reports

Comparative Reports

Financial Reports

Fiscal Distress Monitoring

Judicial Reports

Local Constitutional Officers

Pension and OPEB Reports

Quality Control Reviews

Other Reports

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Local Constitutional Officers

Stormwater Utility Form

Resources

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Annual Data Request Survey

Comparative Report Transmittal Preparation Training

Joint Activity Forms (110, 120, and 310)

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Guidelines and Manuals

Presentations and Trainings



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Staci A. Henshaw, CPA, CGMA



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Local Government

APA Oversight of Local Governments

The Auditor of Public Accounts (APA) does not conduct annual audits of local government financial statements or of their financial processes and internal controls. The Code of Virginia requires local governments to contract with an independent public accounting firm for their annual financial audit. Our office only performs limited audit work over state funds handled by local constitutional officers at the cities and counties.

The APA's Local Government and Judicial Systems (LGJS) team is responsible for conducting the audits of the entire Commonwealth's Court System, including Circuit, General and Combined District, and Juvenile and Domestic Relations, Magistrates, General Receivers, and local Constitutional Officers. The results of these audits are available at the APA Reports section, [Judicial Reports](#) and [Local Constitutional Officers](#), of the Local Government page.

In addition, the APA's LGJS team is responsible for two key projects focused on local government. Annually, we prepare the [Comparative Report of Local Government Revenues and Expenditures](#), which is a compilation of financial data for Virginia's 133 cities and counties, and 37 towns statutorily required to have an annual audit. The Comparative Report is the only comprehensive published source of local financial data and provides essential information to assist with budgetary and funding decisions in the Commonwealth.

The APA is also responsible for monitoring financial data and information as part of Virginia's early warning system to identify at-risk localities that may meet the defined criteria for fiscal distress under the provisions of the [Code of Virginia § 15.2-2512.1](#). As part of this annual monitoring process, our Office analyzes leading financial indicators through ratio analysis using data from locality audited financial reports. Our monitoring process also includes qualitative analysis to evaluate demographic and non-financial factors as well as other indicators and external information for applicable localities whose financial ratio results indicate a need for further review. More information about this process and the results of our Office's annual monitoring is available at the [Fiscal Distress Monitoring](#) section of the Local Government page.

While our Office does not conduct the local government audits, we do perform other oversight functions related to the annual audits and financial reporting for Virginia local governments. This oversight includes issuance of our annual audit specifications that set additional requirements unique to local government audits and various guidelines to support local compliance with accounting and reporting requirements. We also perform [Quality Control Reviews](#) of the local government audits conducted by public accounting firms to ensure the firm's audit work complies with relevant auditing standards. Further, we support local governments by offering technical assistance and knowledge sharing opportunities, and we provide various information and resources to assist with accounting and auditing guidelines and other relevant topics.

To contact our local government team (Laurie Hicks, Director or Rachel Reamy, Manager) please email localgovernment@apa.virginia.gov or contact us by phone at (804) 225-3350.

APA Authority and Local Government Concerns

In general, the APA does not have authority to conduct audits or investigations at local governments related to concerns or issues involving local funds or areas of local operations, budget, financial management, policies, and administrative matters. Additionally, the APA does not have statutory authority or oversight to investigate local elected council or board officials and concerns related to governance decisions and the general administration of the local government. State law would only permit the APA to perform a special audit or investigation at the local level in limited circumstances when approved by the Joint Legislative Audit and Review Commission (JLARC) under the current provisions of the Code of Virginia § 15.2-2511. Since the APA conducts our work according to an annual workplan approved by JLARC, specific legislative action by the General Assembly would be needed to authorize our office to perform any type of special audit, review, or investigation at the local government level.

Impact of Federal Web Accessibility Rule on Local Government Reporting

- Federal regulations (28 CFR 35.200) set technical requirements for state and local governments regarding accessibility standards for published web content and mobile applications
- New requirements will impact local government financial reports published on APA website
 - Currently have over 5,500 local government reports published to promote transparency efforts
 - APA cannot compel local governments to submit financial reports that comply with federal accessibility requirements
 - In future, if local reports do not meet accessibility requirements, APA unable to publish on our website

Example Comparative Report Exhibit

COMPARATIVE REPORT
EXHIBIT A: SUMMARY OF GENERAL GOVERNMENT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

No.	Population (Note 1-B)	Locality City of:	Revenue										Expenditures, Transfers, and Contributions							
			Exhibit B			Exhibit B-1			Exhibit B-1				Exhibit C			Transfers To				
			Local Revenue	Per Capita	Percent of Revenue	From the Commonwealth	Per Capita	Percent of Revenue	Federal Pass-Through	Per Capita	Percent of Revenue	Direct Federal Aid	Per Capita	Percent of Revenue	Maintenance and Operation Expenditures	Per Capita	Percent of Average	General Government Capital Projects	General Government Debt Service	Enterprise Operations
1	159,363	Alexandria	908,281,777	\$ 5,699.45	76.38	161,472,430	1,013.24	13.58	86,182,081	540.79	7.25	33,236,462	208.56	2.79	921,707,890	5,783.70	106.27	83,195,619	116,616,222	34,433,498
2	16,512	Bristol	73,300,735	4,439.24	46.60	71,168,540	4,310.11	45.24	12,714,699	770.03	8.08	124,231	7.52	0.08	122,238,625	7,403.02	136.02	1,023,325	-	277
3	6,632	Buena Vista	12,050,544	1,817.03	29.58	22,205,068	3,348.17	54.50	3,341,112	503.79	8.20	3,144,223	474.10	7.72	38,887,556	5,863.62	107.73	-	-	179,778
4	51,743	Charlottesville	255,272,694	4,933.47	71.72	72,944,357	1,409.74	20.49	21,100,123	407.79	5.93	6,603,350	127.62	1.86	335,393,211	6,481.91	119.09	35,125,186	13,725,940	9,732,527
5	253,261	Chesapeake	838,456,226	3,310.64	58.09	537,256,176	2,121.35	37.22	58,049,332	229.21	4.02	9,675,057	38.20	0.67	1,238,030,115	4,888.36	89.81	68,941,960	39,892,695	-
6	-	Colonial Heights	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	5,525	Covington	22,004,098	3,982.64	73.40	7,032,780	1,271.09	23.43	813,688	147.27	2.71	137,407	24.87	0.46	30,337,431	5,490.94	100.89	-	2,307,309	174,195
8	42,700	Danville	134,432,686	3,148.31	41.27	164,412,270	3,850.40	50.47	20,156,530	472.05	6.19	6,750,475	158.09	2.07	288,141,552	6,748.05	123.98	9,689,819	-	500,000
9	-	Emporia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	24,043	Fairfax	174,750,158	7,268.23	82.42	25,375,853	1,055.44	11.97	11,879,538	494.10	5.60	21,983	0.91	0.01	195,378,309	8,126.20	149.30	332,080	-	-
11	15,868	Falls Church	119,629,845	7,539.06	83.36	17,764,388	1,119.51	12.38	1,544,227	97.32	1.08	4,568,017	287.88	3.18	126,322,059	7,960.81	146.27	16,029,587	13,807,806	-
12	-	Franklin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	28,029	Fredericksburg	140,963,220	5,029.19	67.84	52,529,667	1,874.12	25.28	12,268,047	437.69	5.90	2,026,840	72.31	0.98	186,911,772	6,668.51	122.52	6,903,160	11,822,965	-
14	6,797	Galax	31,368,065	4,614.99	49.74	25,805,784	3,796.64	40.92	5,441,664	800.60	8.63	453,159	66.67	0.72	60,185,151	8,854.66	162.69	831,799	1,290,278	616,962
15	136,793	Hampton	452,576,384	3,308.48	54.17	316,636,726	2,314.71	37.90	60,313,214	440.91	7.22	5,974,770	43.68	0.72	780,547,558	5,706.05	104.84	49,829,217	33,382,806	-
16	56,879	Harrisonburg	158,367,288	2,784.28	58.21	93,189,439	1,638.38	34.25	16,589,946	291.67	6.10	3,910,623	68.75	1.44	245,646,448	4,318.75	79.35	12,479,954	20,019,388	1,520,230
17	-	Hopewell	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	7,340	Lexington	21,753,276	2,963.66	64.28	10,965,116	1,493.89	32.40	1,121,252	152.76	3.31	1,692	0.23	0.00	30,809,137	4,197.43	77.12	-	2,924,060	-
19	81,782	Lynchburg	223,260,031	2,729.94	52.86	146,298,982	1,788.89	34.64	38,949,943	476.27	9.22	13,836,386	169.19	3.28	381,978,932	4,670.70	85.82	8,155,397	19,295,515	1,863,272
20	42,913	Manassas	181,200,969	4,222.52	59.41	105,421,098	2,456.62	34.56	18,010,257	419.69	5.90	369,946	8.62	0.12	264,943,848	6,173.98	113.44	35,113,264	14,130,020	15,468
21	-	Manassas Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	-	Martinsville	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	182,621	Newport News	629,991,634	3,449.72	56.46	394,010,161	2,157.53	35.31	84,211,044	461.12	7.55	7,643,223	41.85	0.68	1,022,937,499	5,601.42	102.92	70,175,455	58,198,685	21,148
24	245,406	Norfolk	758,354,095	3,090.20	56.03	463,757,349	1,889.76	34.26	108,594,246	442.51	8.02	22,834,648	93.05	1.69	1,184,813,817	4,827.97	88.71	14,648,097	105,591,781	-
25	-	Norton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	34,475	Petersburg	94,022,691	2,727.27	42.59	98,332,218	2,852.28	44.54	28,433,161	824.75	12.88	-	-	-	180,958,357	5,248.97	96.44	-	-	-
27	12,966	Poquoson	40,002,128	3,085.16	55.27	24,657,624	1,901.71	34.07	1,000,080	77.13	1.38	6,717,406	518.08	9.28	59,341,593	4,576.71	84.09	4	14,790	-
28	-	Portsmouth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	-	Radford	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	233,039	Richmond	1,025,301,144	4,399.70	59.36	422,744,122	1,814.05	24.48	112,921,769	484.56	6.54	166,230,124	713.31	9.62	1,628,741,131	6,989.14	128.41	-	-	-
31	-	Roanoke	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	25,099	Salem	105,763,450	4,213.85	63.81	55,740,126	2,220.81	33.63	4,215,145	167.94	2.54	39,798	1.59	0.02	148,478,308	5,915.71	108.69	10,251,546	5,609,171	2,561,785
33	25,971	Staunton	77,201,490	2,972.60	54.82	54,553,292	2,100.55	38.74	6,565,294	252.79	4.66	2,510,585	96.67	1.78	123,948,051	4,772.56	87.69	8,012,551	6,130,294	-
34	102,572	Suffolk	370,485,832	3,611.96	61.12	196,359,480	1,914.36	32.39	26,717,674	260.48	4.41	12,582,422	122.67	2.08	504,607,354	4,919.54	90.30	25,686,971	32,941,937	8,138,143
35	452,965	Virginia Beach	1,620,636,601	3,577.84	62.31	746,479,253	1,647.98	28.70	116,556,272	257.32	4.48	117,314,906	258.99	4.51	2,144,929,407	4,735.31	87.00	120,858,594	162,049,424	72,000
36	22,938	Waynesboro	70,121,538	3,057.00	50.90	54,142,887	2,360.40	39.30	8,008,950	349.16	5.81	5,483,980	239.08	3.98	128,473,723	5,600.91	102.91	-	-	-
37	15,690	Williamsburg	58,029,977	3,698.53	78.14	14,061,080	896.18	18.93	2,043,690	130.25	2.75	127,520	8.13	0.17	66,970,539	4,268.36	78.42	2,406,981	-	-
38	29,294	Winchester	118,607,307	4,048.86	58.94	65,865,209	2,248.42	32.73	13,048,241	445.42	6.48	3,714,774	126.81	1.85	181,136,721	6,183.41	113.61	1,242,373	-	-
38	2,319,216	Total	\$ 8,716,185,883	\$ 3,758.25	60.30	\$ 4,421,171,475	\$ 1,906.32	30.59	\$ 880,791,219	\$ 379.78	6.09	\$ 436,034,007	\$ 188.01	3.02	\$ 12,622,796,094	\$ 5,442.70	100.00	\$ 580,932,939	\$ 659,751,086	\$ 59,829,283

Comparative Report Exhibit: Revenue Detail

COMPARATIVE REPORT
EXHIBIT B: LOCAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2025

Locality No.	City of:	General Property Taxes										Other Local Taxes (Exhibit B-2)		Percent of Revenue	
		Real Property	Public Service Corporations	Personal Property - General	Personal Property - Mobile Home	Machinery and Tools	Merchants' Capital	Penalties	Interest	Total General Property Taxes	Per Capita	Percent of Revenue	Per Capita		Percent of Revenue
1	Alexandria	\$ 538,085,070	\$ 8,363,865	\$ 74,776,076	\$ -	\$ 842,751	\$ -	\$ 7,274,169	\$ 2,008,967	\$ 631,350,898	3,961.72	69.51	\$ 163,441,611	1,025.59	17.99
2	Bristol	17,653,772	203,588	4,201,962	10,223	805,491	-	311,478	127,080	23,313,594	1,411.92	31.81	27,331,182	1,655.23	37.29
3	Buena Vista	4,229,491	263,190	1,913,319	-	423,425	-	75,459	51,853	6,956,737	1,048.97	57.73	1,940,427	292.59	16.10
4	Charlottesville	110,202,436	2,041,089	11,699,106	9,447	2,392,374	-	739,794	294,191	127,378,437	2,461.75	49.90	61,867,676	1,195.67	24.24
5	Chesapeake	390,279,613	13,886,587	96,423,432	149,451	4,120,548	-	3,394,743	2,781,528	511,035,902	2,017.82	60.95	182,147,581	719.21	21.72
6	Colonial Heights	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Covington	3,044,152	2,236,097	1,558,259	9,509	4,373,200	-	84,082	72,507	11,377,806	2,059.33	51.71	4,838,612	875.77	21.99
8	Danville	22,553,592	521,484	14,815,170	35,357	1,777,566	-	671,506	476,984	40,851,659	956.71	30.39	65,967,237	1,544.90	49.07
9	Emporia	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Fairfax	88,827,296	1,314,777	14,037,054	-	-	-	693,601	195,995	105,068,723	4,370.03	60.13	46,564,655	1,936.72	26.65
11	Falls Church	68,949,016	432,931	7,467,156	-	-	-	240,005	58,502	77,147,610	4,861.84	64.49	22,104,594	1,393.03	18.48
12	Franklin	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Fredericksburg	45,742,977	817,889	13,559,297	-	141,539	-	449,613	279,510	60,990,825	2,175.99	43.27	49,568,439	1,768.47	35.16
14	Galax	5,588,988	282,923	1,584,293	-	763,450	-	175,161	82,147	8,476,962	1,247.16	27.02	8,619,769	1,268.17	27.48
15	Hampton	190,486,826	5,201,023	40,833,515	46,822	3,278,493	-	1,909,513	693,477	242,449,669	1,772.38	53.57	98,011,553	716.50	21.66
16	Harrisonburg	59,344,570	787,166	15,612,848	12,834	2,971,345	-	544,307	166,449	79,439,519	1,396.64	50.16	55,407,560	974.13	34.99
17	Hopewell	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Lexington	6,357,227	217,778	1,325,314	-	-	-	46,273	54,401	8,000,993	1,090.05	36.78	5,665,801	771.91	26.05
19	Lynchburg	67,753,129	2,889,722	22,884,616	-	5,008,364	-	964,385	412,427	99,912,643	1,221.69	44.75	66,083,747	808.05	29.60
20	Manassas	92,012,696	1,674,838	15,598,419	12,252	6,087,930	-	553,674	346,171	116,285,980	2,709.81	64.18	33,095,516	771.22	18.26
21	Manassas Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Martinsville	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Newport News	267,866,234	8,734,965	64,472,525	154,466	23,977,938	-	2,615,200	1,560,975	369,382,303	2,022.67	58.63	121,729,250	666.57	19.32
24	Norfolk	336,774,396	11,935,176	70,315,640	11,099	6,572,748	-	669,789	593,963	426,872,811	1,739.46	56.29	200,727,396	817.94	26.47
25	Norton	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Petersburg	32,217,137	4,262,564	8,746,358	12,480	1,892,069	-	894,374	1,011,659	49,036,641	1,422.38	52.15	18,482,222	536.11	19.66
27	Poquoson	23,193,633	370,178	4,640,611	-	-	-	151,706	60,346	28,416,474	2,191.61	71.04	3,857,411	297.50	9.64
28	Portsmouth	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Radford	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Richmond	477,985,907	23,740,752	61,871,190	-	15,448,994	-	2,242,831	2,921,136	584,210,810	2,506.92	56.98	211,487,626	907.52	20.63
31	Roanoke	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Salem	36,267,843	1,157,065	12,227,309	7,688	3,633,957	-	469,910	117,685	53,881,457	2,146.76	50.95	30,545,317	1,216.99	28.88
33	Staunton	29,107,786	1,122,859	7,528,619	310	421,590	-	312,136	280,532	38,773,832	1,492.97	50.22	20,186,104	777.26	26.15
34	Suffolk	168,265,068	5,643,028	42,072,180	62,571	1,592,974	-	1,666,129	910,276	220,212,226	2,146.90	59.44	67,145,007	654.61	18.12
35	Virginia Beach	764,746,822	13,195,093	156,303,806	-	-	-	5,642,158	3,652,192	943,540,071	2,083.03	58.22	395,894,568	874.01	24.43
36	Waynesboro	21,167,225	960,412	7,271,416	7,003	1,238,612	-	578,621	228,167	31,451,456	1,371.15	44.85	22,718,539	990.43	32.40
37	Williamsburg	19,574,180	506,557	1,901,227	-	1,719,170	-	131,262	93,622	23,926,018	1,524.92	41.23	27,203,017	1,733.78	46.88
38	Winchester	37,768,368	855,043	14,862,381	800	1,789,332	-	452,670	255,961	55,984,555	1,911.13	47.20	42,396,318	1,447.27	35.75
38	Total	\$ 3,926,045,450	\$ 113,618,639	\$ 790,503,098	\$ 542,312	\$ 91,273,860	\$ -	\$ 33,954,549	\$ 19,788,703	\$ 4,975,726,611	\$ 2,145.43	57.09	\$ 2,055,028,735	\$ 886.09	23.58

Comparative Report Exhibit: Revenue Detail

**COMPARATIVE REPORT
EXHIBIT B1: INTER-GOVERNMENTAL REVENUE
FOR THE YEAR ENDED JUNE 30, 2025**

No.	Locality City of:	From the Commonwealth					From the Federal Government				Memo Only	
		Payments in Lieu of Taxes	Non- Categorical State Aid	Shared Expenses (Categorical)	Categorical State Aid	Total from the Commonwealth	Payments in Lieu of Taxes	Non- Categorical Federal Aid	Categorical Federal Aid	Total from the Federal Government	Total State Expenditures Made on Behalf of the Local Government	Total Federal Expenditures Made on Behalf of the Local Government
1	Alexandria	\$ -	\$ 19,524,382	\$ 11,277,837	\$ 130,670,211	\$ 161,472,430	\$ -	\$ 1,013,808	\$ 118,404,735	\$ 119,418,543	\$ 6,798,325	\$ 1,046,675
2	Bristol	-	2,570,857	2,107,524	66,490,159	71,168,540	-	-	12,838,930	12,838,930	1,603,152	903,348
3	Buena Vista	-	877,328	1,022,427	20,305,313	22,205,068	-	-	6,485,335	6,485,335	166,840	260,458
4	Charlottesville	-	9,267,754	2,356,255	61,320,348	72,944,357	-	195,883	27,507,590	27,703,473	1,610,839	803,096
5	Chesapeake	-	39,767,374	23,093,438	474,395,364	537,256,176	8,745	261,826	67,453,818	67,724,389	18,851,000	2,596,756
6	Colonial Heights	-	-	-	-	-	-	-	-	-	-	-
7	Covington	-	759,480	226,644	6,036,656	7,022,780	-	-	951,095	951,095	278,824	250,959
8	Danville	-	28,627,874	3,427,211	132,357,185	164,412,270	-	3,943,811	22,963,194	26,907,005	2,051,582	3,097,114
9	Emporia	-	-	-	-	-	-	-	-	-	-	-
10	Fairfax	-	5,329,898	1,293,865	18,752,090	25,375,853	-	-	11,901,521	11,901,521	77,407	53,791
11	Falls Church	-	2,997,044	543,360	14,223,984	17,764,388	-	4,553,516	1,558,728	6,112,244	73,862	28,971
12	Franklin	-	-	-	-	-	-	-	-	-	-	-
13	Fredericksburg	-	3,124,856	2,674,930	46,729,881	52,529,667	-	-	14,294,887	14,294,887	1,454,969	563,416
14	Galax	-	434,562	158,728	25,212,494	25,805,784	-	-	5,894,823	5,894,823	481,706	498,367
15	Hampton	-	23,125,077	12,358,621	281,153,028	316,636,726	-	10,419	66,277,565	66,287,984	20,288,954	3,199,768
16	Harrisonburg	-	3,021,619	514,362	89,653,458	93,189,439	-	3,315,859	17,184,710	20,500,569	995,315	559,993
17	Hopewell	-	-	-	-	-	-	-	-	-	-	-
18	Lexington	-	793,885	524,909	9,646,322	10,965,116	-	-	1,122,944	1,122,944	181,980	87,855
19	Lynchburg	-	8,623,557	4,174,953	133,500,472	146,298,982	-	8,834,633	43,951,696	52,786,329	3,300,971	3,195,209
20	Manassas	-	9,960,233	476,174	94,984,691	105,421,098	-	185,714	18,194,489	18,380,203	393,614	188,109
21	Manassas Park	-	-	-	-	-	-	-	-	-	-	-
22	Martinsville	-	-	-	-	-	-	-	-	-	-	-
23	Newport News	-	32,250,665	14,156,657	347,602,839	394,010,161	-	239,482	91,614,785	91,854,267	23,942,847	5,306,172
24	Norfolk	1,059,221	55,479,301	9,449,874	397,768,953	463,757,349	-	-	131,428,894	131,428,894	14,542,506	4,856,643
25	Norton	-	-	-	-	-	-	-	-	-	-	-
26	Petersburg	-	5,107,070	3,120,885	90,104,263	98,332,218	-	-	28,433,161	28,433,161	4,972,003	2,204,200
27	Poquoson	-	2,348,721	396,878	21,912,025	24,657,624	-	6,334,498	1,382,988	7,717,486	83,654	29,224
28	Portsmouth	-	-	-	-	-	-	-	-	-	-	-
29	Radford	-	-	-	-	-	-	-	-	-	-	-
30	Richmond	3,828,388	30,291,182	27,983,379	360,641,173	422,744,122	-	56,780,045	222,371,848	279,151,893	13,144,235	5,218,559
31	Roanoke	-	-	-	-	-	-	-	-	-	4,607,659	3,883,462
32	Salem	-	4,453,420	1,921,241	49,365,465	55,740,126	-	10,450	4,244,493	4,254,943	365,473	-
33	Staunton	-	4,054,855	2,118,057	48,380,380	54,553,292	-	65,653	9,010,226	9,075,879	867,846	699,325
34	Suffolk	-	17,027,831	4,256,903	175,074,746	196,359,480	-	-	39,300,096	39,300,096	6,527,884	1,963,136
35	Virginia Beach	-	77,620,029	30,943,502	637,915,722	746,479,253	-	45,404,114	188,467,064	233,871,178	6,263,707	2,871,183
36	Waynesboro	-	3,849,662	1,752,748	48,540,477	54,142,887	-	317,494	13,175,436	13,492,930	641,836	642,206
37	Williamsburg	-	1,243,696	229,466	12,587,918	14,061,080	-	-	2,171,210	2,171,210	1,222,972	114,493
38	Winchester	-	5,777,569	2,605,395	57,482,245	65,865,209	-	338,773	16,424,242	16,763,015	731,124	386,870
38	Total	\$ 4,887,609	\$ 398,309,781	\$ 165,166,223	\$ 3,852,807,862	\$ 4,421,171,475	\$ 8,745	\$ 131,805,978	\$ 1,185,010,503	\$ 1,316,825,226	\$ 136,523,085	\$ 45,509,358

Comparative Report Exhibit: Expenses

COMPARATIVE REPORT
EXHIBIT C- SUMMARY OF MAINTENANCE AND OPERATIONS EXPENDITURES (BY FUNCTION)
FOR THE YEAR ENDED JUNE 30, 2025

Locality No. City of:	General Government Administration (Exhibit C-1)			Judicial Administration (Exhibit C-2)			Public Safety (Exhibit C-3)			Public Works (Exhibit C-4)			Health and Human Services (Exhibit C-5)			Education (Exhibit C-6)	
	Per Capita	Percent of Average	Per Capita	Percent of Average	Per Capita	Percent of Average	Per Capita	Percent of Average	Per Capita	Percent of Average	Per Capita	Percent of Average	Per Capita	Percent of Average	Per Capita	Percent of Average	Per Capita
1 Alexandria	\$ 48,293,550	303.04	117.77	\$ 30,446,211	191.05	176.98	\$ 187,841,559	1,178.70	117.08	\$ 90,067,981	565.17	106.05	\$ 121,463,726	762.18	129.11	\$ 384,756,087	
2 Bristol	5,267,245	318.99	123.97	3,852,361	233.31	216.13	21,477,132	1,300.70	129.20	16,174,351	979.55	183.80	26,739,601	1,619.40	274.32	42,578,691	
3 Buena Vista	1,796,162	270.83	105.26	1,815,943	273.82	253.65	5,205,536	784.91	77.96	3,136,358	472.91	88.74	6,542,817	986.55	167.12	17,059,641	
4 Charlottesville	18,142,149	350.62	136.26	6,636,978	128.27	118.82	61,517,622	1,188.91	118.09	17,245,457	333.29	62.54	75,004,544	1,449.56	245.55	116,760,786	
5 Chesapeake	39,877,211	157.46	61.19	34,051,671	134.45	124.55	201,514,983	795.68	79.03	103,336,359	408.02	76.56	77,814,975	307.25	52.05	732,413,087	
6 Colonial Heights	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7 Covington	2,097,911	379.71	147.57	348,741	63.12	58.47	4,887,864	884.68	87.87	8,785,753	1,590.18	298.37	6,711,703	1,214.79	205.78	3,057,285	
8 Danville	8,110,177	189.93	73.81	4,290,447	100.48	93.08	52,684,280	1,233.82	122.55	26,631,156	623.68	117.02	36,175,537	847.20	143.51	140,936,507	
9 Emporia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10 Fairfax	17,902,770	744.61	289.38	1,738,811	72.32	66.99	40,353,703	1,678.40	166.71	31,569,918	1,313.06	246.38	10,324,249	429.41	72.74	74,060,327	
11 Falls Church	9,023,971	568.69	221.01	1,517,251	95.62	88.58	18,218,573	1,148.13	114.04	10,618,703	669.19	125.56	4,578,878	288.56	48.88	69,109,058	
12 Franklin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13 Fredericksburg	11,803,780	421.13	163.66	6,718,655	239.70	222.05	41,332,130	1,474.62	146.47	21,549,141	768.82	144.26	28,073,542	1,001.59	169.67	67,372,824	
14 Galax	2,273,970	334.55	130.02	988,622	145.45	134.74	4,837,295	711.68	70.69	6,217,265	914.71	171.63	18,447,582	2,714.08	459.76	23,175,841	
15 Hampton	43,720,888	319.61	124.21	10,989,028	80.33	74.42	124,649,799	911.23	90.51	80,925,373	591.59	111.00	99,693,109	728.79	123.45	372,004,490	
16 Harrisonburg	7,676,700	134.97	52.45	3,757,834	66.07	61.20	48,347,317	850.00	84.43	21,811,123	383.47	71.95	20,045,635	352.43	59.70	128,129,371	
17 Hopewell	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18 Lexington	3,806,101	518.54	201.52	430,882	58.70	54.38	4,976,179	677.95	67.34	4,945,813	673.82	126.43	4,534,334	617.76	104.65	9,756,514	
19 Lynchburg	15,876,415	194.13	75.45	9,025,532	110.36	102.23	88,555,446	1,082.82	107.55	33,837,047	413.75	77.63	68,221,012	834.18	141.31	145,645,612	
20 Manassas	9,283,621	216.34	84.08	2,247,684	52.38	48.52	50,947,373	1,187.22	117.92	22,112,706	515.29	96.69	17,248,064	401.93	68.09	150,550,802	
21 Manassas Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
22 Martinsville	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
23 Newport News	30,430,883	166.63	64.76	18,981,028	103.94	96.28	210,947,888	1,155.11	114.73	94,943,769	519.90	97.55	111,058,716	608.14	103.02	482,845,500	
24 Norfolk	50,726,866	206.71	80.33	21,225,470	86.49	80.12	208,857,936	851.07	84.53	132,222,380	538.79	101.10	108,007,096	440.12	74.55	526,793,697	
25 Norton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
26 Petersburg	13,623,252	395.16	153.57	5,387,800	156.28	144.77	37,734,088	1,094.53	108.72	14,470,309	419.73	78.76	21,132,157	612.97	103.84	81,611,971	
27 Poquoson	3,578,805	276.01	107.27	661,581	51.02	47.27	12,759,290	984.06	97.74	4,993,565	385.13	72.26	2,672,907	206.15	34.92	31,700,197	
28 Portsmouth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
29 Radford	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
30 Richmond	81,047,034	347.78	135.16	25,650,085	110.07	101.96	330,879,797	1,419.85	141.03	201,934,637	866.53	162.59	224,761,846	964.48	163.38	530,856,361	
31 Roanoke	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
32 Salem	6,904,445	275.09	106.91	3,541,763	141.11	130.72	30,195,811	1,203.07	119.50	17,243,223	687.01	128.91	11,720,306	466.96	79.10	65,210,481	
33 Staunton	5,161,005	198.72	77.23	3,554,890	136.88	126.80	25,089,359	966.05	95.96	15,212,963	585.77	109.91	17,924,833	690.19	116.92	49,512,062	
34 Suffolk	17,186,787	167.56	65.12	13,498,859	131.60	121.91	114,342,138	1,114.75	110.73	49,841,432	485.92	91.18	32,551,418	317.35	53.76	246,295,246	
35 Virginia Beach	124,908,340	275.76	107.17	29,327,110	64.74	59.98	329,491,227	727.41	72.25	165,857,242	366.16	68.70	178,750,839	394.62	66.85	1,075,238,746	
36 Waynesboro	4,292,167	187.12	71.72	2,770,335	120.77	111.88	20,795,325	906.59	90.05	20,434,149	890.84	167.15	15,034,609	655.45	111.03	57,470,216	
37 Williamsburg	6,947,144	442.78	172.08	685,642	43.70	40.48	18,765,158	1,195.99	118.80	5,337,540	340.19	63.83	5,963,303	380.07	64.38	16,751,391	
38 Winchester	7,000,020	238.96	92.87	6,217,556	212.25	196.62	37,710,226	1,287.30	127.86	14,565,026	497.20	93.29	17,899,917	611.04	103.51	88,060,982	
38 Total	\$ 596,759,369	\$ 257.31	100.00	\$ 250,358,670	\$ 107.95	100.00	\$ 2,334,915,034	\$ 1,006.77	100.00	\$ 1,236,020,739	\$ 532.95	100.00	\$ 1,369,097,255	\$ 590.33	100.00	\$ 5,729,713,773	

Comparative Report Exhibit: Expense Details

COMPARATIVE REPORT
EXHIBIT C6: EDUCATION EXPENDITURES BY ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2025

No.	Locality City of:	Sources of Funds for Expenditures																		
		Instruction	Per Capita	Administration, Attendance and Health		Pupil Transportation Services		Operation and Maintenance Services		Total	Commonwealth Categorical Aid	Percent of Expenditures	Federal Pass-Through	Percent of Expenditures	Direct Federal Aid	Percent of Expenditures				
				Percent of Average	Percent of Average	Percent of Average	Percent of Average	Percent of Average	Percent of Average											
1	Alexandria	\$ 285,997,988	\$ 1,794.63	99.12	\$ 34,776,339	\$ 218.22	145.34	\$ 15,340,744	\$ 96.26	85.53	\$ 31,692,297	\$ 198.87	74.52	\$ 384,756,087	\$ 76,825,986	19.97	\$ 28,603,050	7.43	\$ 159,193	0.04
2	Bristol	32,954,106	1,995.77	110.23	2,076,806	125.78	83.77	1,955,330	118.42	105.21	3,564,705	215.89	80.90	42,578,694	26,900,608	63.18	5,509,841	12.94	47,574	0.11
3	Buena Vista	11,276,693	1,700.35	93.91	1,529,719	230.66	153.62	654,799	98.73	87.72	2,331,031	351.48	131.71	17,050,641	12,401,200	72.69	2,125,009	12.46	64,223	0.38
4	Charlottesville	77,075,301	1,489.58	82.27	16,652,062	321.82	214.34	4,629,777	89.48	79.50	15,369,384	297.03	111.31	116,760,786	20,723,777	17.75	10,365,647	8.88	30,286	0.03
5	Chesapeake	575,372,691	2,271.86	125.48	27,653,187	109.19	72.72	32,883,264	129.84	115.36	75,176,153	296.83	111.24	732,413,087	379,885,221	51.87	42,086,667	5.75	7,877,411	1.08
6	Colonial Heights	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	# Covington	3,054,285	552.81	30.53	-	-	-	-	-	-	-	-	-	3,057,285	11	0.00	-	-	-	-
8	Danville	87,343,548	2,045.52	112.98	13,332,213	312.23	207.95	4,658,983	109.11	96.94	29,142,984	682.51	255.76	140,936,507	90,755,103	64.39	15,699,185	11.14	1,313,011	0.93
9	Emporia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Fairfax	54,782,881	2,278.54	125.85	3,973,496	165.27	110.07	3,426,080	142.50	126.61	10,006,597	416.20	155.97	74,060,327	12,664,935	17.10	-	-	-	-
11	Falls Church	50,170,741	3,161.76	174.63	5,901,432	371.91	247.70	3,347,522	210.96	187.44	5,816,455	366.55	137.36	69,109,058	11,169,227	16.16	1,395,755	2.02	-	-
12	Franklin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Fredericksburg	46,234,240	1,649.51	91.10	4,597,018	164.01	109.23	2,933,585	104.66	92.99	7,150,557	255.11	95.60	67,372,824	28,460,051	42.24	5,963,422	8.85	1,728,808	2.57
14	Galax	16,690,327	2,455.54	135.62	1,518,218	223.37	148.77	917,452	134.98	119.93	2,428,372	357.27	133.88	23,175,841	15,789,365	68.13	3,340,433	14.41	-	-
15	Hampton	252,122,963	1,843.10	101.80	29,109,785	212.80	141.73	14,096,415	103.05	91.56	40,875,367	298.81	111.98	372,004,490	211,001,075	56.72	35,795,444	9.62	1,901,738	0.51
16	Harrisonburg	97,218,671	1,709.22	94.40	7,192,145	126.45	84.22	6,440,954	113.24	100.61	9,361,386	164.58	61.68	128,129,371	69,888,709	54.55	10,482,781	8.18	38,817	0.03
17	Hopewell	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Lexington	7,616,824	1,037.71	57.31	696,835	94.94	63.23	-	-	-	1,070,068	145.79	54.63	9,756,514	5,406,444	55.41	451,975	4.63	-	-
19	Lynchburg	106,171,057	1,298.22	71.70	10,935,705	133.72	89.06	6,739,110	82.40	73.21	13,775,163	168.44	63.12	145,645,612	72,666,724	49.89	22,185,123	15.23	3,048,635	2.09
20	Manassas	113,210,655	2,638.14	145.71	10,643,705	248.03	165.19	7,828,268	182.42	162.08	13,415,121	312.61	117.15	150,550,802	81,429,941	54.09	9,057,956	6.02	-	-
21	Manassas Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Martinsville	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Newport News	339,801,120	1,860.69	102.77	35,243,774	192.99	128.53	26,917,011	147.39	130.96	54,790,541	300.02	112.43	482,845,500	286,980,217	59.44	56,929,979	11.79	3,717,824	0.77
24	Norfolk	369,050,188	1,503.84	83.06	25,279,029	103.01	68.61	20,854,028	84.98	75.50	51,895,360	211.47	79.25	526,793,697	280,986,067	53.34	77,586,820	14.73	2,927,036	0.56
25	Norton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Petersburg	56,140,219	1,628.43	89.94	7,364,682	213.62	142.28	3,607,472	104.64	92.97	11,356,053	329.40	123.44	81,611,971	59,273,514	72.63	16,687,199	20.45	-	-
27	Poquoson	23,077,291	1,779.83	98.30	2,421,122	186.73	124.36	1,184,477	91.35	81.17	2,996,831	231.13	86.61	31,700,197	17,856,772	56.33	927,793	2.93	382,908	1.21
28	Portsmouth	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Radford	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Richmond	392,307,153	1,683.44	92.98	34,383,036	147.54	98.27	27,561,921	118.27	105.08	56,850,981	243.95	91.42	530,856,361	191,694,908	36.11	68,932,334	12.99	10,289,986	1.94
31	Roanoke	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Salem	49,391,098	1,967.85	108.69	4,310,308	171.73	114.38	2,817,065	112.24	99.72	4,813,761	191.79	71.87	65,210,481	35,723,353	54.78	3,648,892	5.60	-	-
33	Staunton	37,469,553	1,442.75	79.68	3,172,366	122.15	81.35	1,736,777	66.87	59.42	4,445,017	171.15	64.14	49,512,062	27,983,066	56.52	4,223,611	8.53	-	-
34	Suffolk	175,169,784	1,707.77	94.32	8,560,880	83.46	55.59	11,780,791	114.85	102.05	40,789,084	397.66	149.02	246,295,246	130,201,563	52.86	20,279,714	8.21	-	-
35	Virginia Beach	814,239,633	1,797.58	99.28	45,642,184	100.76	67.11	52,268,355	115.39	102.52	118,697,182	262.04	98.20	1,075,238,746	507,262,331	47.18	78,802,138	7.33	15,869,632	1.48
36	Waynesboro	41,974,100	1,829.89	101.07	4,045,561	176.37	117.47	1,530,854	66.74	59.30	6,393,939	278.75	104.46	57,470,216	31,076,045	54.07	6,048,905	10.53	-	-
37	Williamsburg	11,869,572	762.88	42.13	1,266,417	80.71	53.76	1,050,591	66.96	59.49	1,832,733	116.81	43.77	16,751,391	6,398,789	38.20	985,812	5.88	17,977	0.11
38	Winchester	71,208,136	2,430.81	134.26	5,943,665	202.90	135.13	3,868,713	132.07	117.34	2,847,223	97.19	36.42	88,060,982	41,316,384	46.92	7,308,448	8.30	1,719,994	1.95
38	Total	\$ 4,199,090,818	\$ 1,810.56	100.00	\$ 348,221,689	\$ 150.15	100.00	\$ 261,030,338	\$ 112.55	100.00	\$ 618,884,345	\$ 266.85	100.00	\$ 5,729,713,773	\$ 2,732,721,386	47.69	\$ 535,373,933	9.34	\$ 51,135,053	0.89

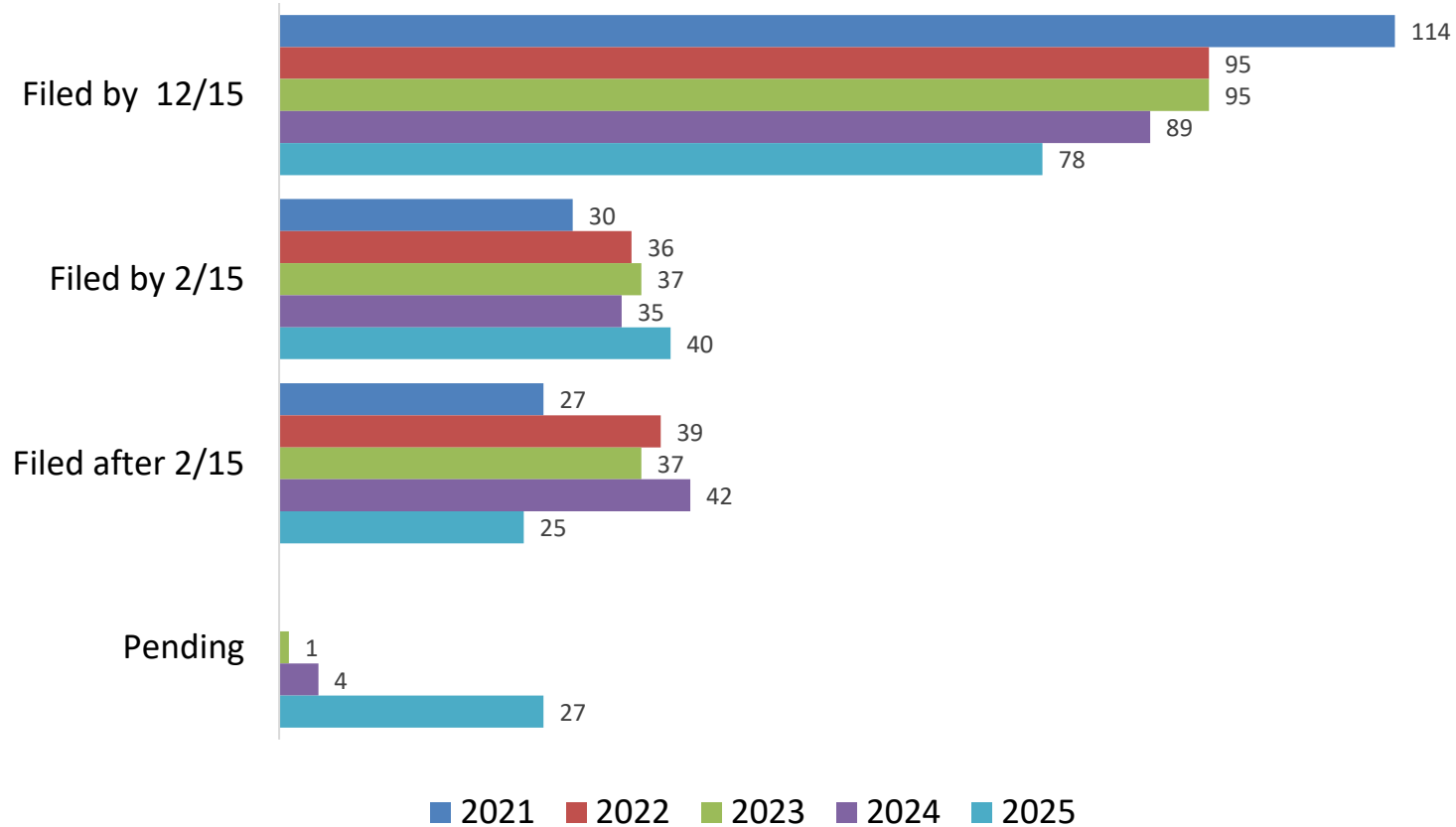
Comparative Report of Local Government

- Draft FY 2025 report published on February 15th (missing data for 52 localities)
- Final FY 2025 report issued April 26, 2026 (missing data for 32 localities)
 - **Cities:** Colonial Heights, Emporia, Franklin, Hopewell, Manassas Park, Martinsville, Norton, Portsmouth, Radford, and Roanoke
 - **Counties:** Amherst, Brunswick, Buckingham, Caroline, Floyd, Halifax, Isle of Wight, King and Queen, King William, Lee, Northumberland, Pulaski, Richmond, Russell, Sussex, and Warren
 - **Towns:** Big Stone Gap, Blacksburg, Broadway, Clifton Forge, Richlands, and Vinton

Comparative Report of Local Government

- As of the end of May, received required FY 2025 reporting for 5 additional localities, 27 localities remain delayed
- For 11 of the localities that remain delayed, our office was unable to find a notification of audit delay published on their website as required by Code of Virginia § 15.2-2511
 - 8 of these localities sent correspondence to notify our office regarding their delay
- Will publish an amended report at a later date

Trends in Locality Annual Financial Report Submissions*



*Audited annual financial report submissions as of May 29, 2026

Locality Prior Year Reporting Delays

- In addition to FY 2025 reporting delays, certain localities also remain late with submitting required reporting for prior fiscal years

Locality	Financial Report Delays	Transmittal Data Delays
Cities of Colonial Heights, Emporia, and Manassas Park	N/A*	FY 2024
City of Hopewell	N/A*	FY 2019 - FY 2024
City of Norton	N/A*	FY 2022 - FY 2024
County of Warren	FY 2024	FY 2024
Town of Big Stone Gap	FY 2023 & FY 2024	FY 2022 - FY 2024
Towns of Broadway and Vinton	FY 2024	FY 2024

*Localities have submitted prior year audited financial report.

Local Fiscal Distress Monitoring

- Acts of Assembly and Code of Virginia directs our Office to annually review financial data and information as part of our early warning system to identify potential fiscal distress at localities
- Early warning system consists of two components

Perform Ratio Analysis

- Calculate 12 financial ratios using data from audited financial reports
- Analyze each locality's ratio performance using a points-based methodology
- Examine any trends showing significant increases in total points from year to year

Evaluate Qualitative Analysis

- Review demographic and other non-financial factors for a locality whose financial ratio results indicate a need for further review
- Consider whether locality is significantly delayed with submitting its audited annual financial report

Fiscal Distress Monitoring – Coordination with Commission on Local Government

- APA is required to provide technical assistance to Commission on Local Government (CLG) based on our existing oversight and support provided for local governments
- During the year, continued to provide guidance and information to staff from Department of Housing and Community Development (DHCD) as CLG implemented their oversight responsibilities to monitor plan for state assistance provided to Town of Tangier

2024 - 2025 Fiscal Distress Monitoring

- For 2024 - 2025 process, completed ratio analysis based on FY 2023 and FY 2024 financial data and performed qualitative evaluation as necessary
- Identified City of Radford and Town of Tangier as meeting state's defined criteria for fiscal distress under the framework of early warning system, and issued recommendation for state assistance based on completed follow-up review process
- Notified County of Charles City of our preliminary determination for additional follow-up review

2024 - 2025 Fiscal Distress Monitoring

- Continue qualitative monitoring of Town of Big Stone Gap due to delay in submitting FY 2023 and FY 2024 audited financial reports
 - August 2025, issued notification regarding Town's 18-month delay in submitting FY 2023 report
 - Based on Town's communicated plan and timeline to address late audits, expect to issue additional 18-month delay notification for FY 2024 report

2024 - 2025 Fiscal Distress Monitoring

- Unable to evaluate FY 2024 financial data for County of Warren and Towns of Vinton and Broadway due to reporting delays
 - Localities do not show any unfavorable trends in recent years' analyses
 - During current 2026 monitoring, will continue to evaluate ratio trends and any other factors once localities submit audited financial reports

Fiscal Distress Monitoring Results - Charles City

- November 2025, formally notified County of Charles City regarding results of analyses and our preliminary determination for additional review
 - Noted downward trends and high number of ratio points in FY 2024 ratio analysis, along with external factors in qualitative analysis related to fiscal and budgetary challenges
- County management submitted completed financial assessment questionnaire in December 2025, but has not formally requested further participation in our follow-up review process

Fiscal Distress Monitoring Results - Charles City

- Our office performed limited, internal review of county's submitted questionnaire and initial analysis of FY 2025 audited financial data
 - Improvements noted in FY 2025 ratio analysis and total ratio points no longer exceed our evaluation threshold; no other unfavorable trends noted
- Based on internal review, have not identified unique or elevated factors that would classify Charles City as meeting the state's defined criteria of fiscal distress
- During 2026 monitoring process, will continue to monitor any other trends and qualitative factors and communicate as necessary

Fiscal Distress Monitoring Results - Radford

- Continued ongoing monitoring of City of Radford due to results in prior years' analyses
- November 2025, sent notification letter to city officials regarding results in our 2025 monitoring process and our subsequent determination for additional review
 - Noted further downward trends and high number of ratio points in FY 2024 ratio analysis, along with external factors in qualitative analysis related to fiscal issues and budgetary challenges

Fiscal Distress Monitoring Results - Radford

- December 2025, City of Radford officials participated in our office's follow-up review process
- Based on results from review process, we concluded that Radford meets defined criteria for fiscal distress
- Observed two primary conditions:
 - Challenges sustaining structurally balanced budget, driven by shortcomings in revenue projections and uncertainty in billing and revenue collections
 - Accumulating unpaid liabilities for purchase of wholesale electricity, further strained by external factors impacting the future sustainability of the city's electric operations

Fiscal Distress Monitoring Results - Radford

- March 2026, we issued formal recommendation to Governor and legislative committees to consider providing state assistance to support Radford's efforts to remediate the underlying factors contributing to fiscal distress
- Based on information discussed in CLG May 2026 meeting, CLG is awaiting a decision from state officials regarding approval of a plan for state assistance

Fiscal Distress Monitoring Results - Tangier

- April 2025, qualitatively identified the Town of Tangier based on correspondence we received directly from state entities and town officials concerning various fiscal issues and budgetary challenges
- June 2025, town officials participated in our office's follow-up review process
- July 2025, based on results from review, concluded that Tangier meets defined criteria for fiscal distress
- Issued formal recommendation to Governor and legislative committees to consider providing state assistance

Fiscal Distress Monitoring Results - Tangier

- November 2025, state officials approved plan to provide state assistance to Town of Tangier through contracted fiscal turnaround services from external consulting firm
 - Assist town officials with further assessing financial condition and addressing current cash flow issues, and provide recommendations for town to begin implementing recovery plan
- January 2026, CLG began oversight monitoring of state funded assistance provided by external turnaround specialists

Fiscal Distress Monitoring Results - Tangier

- March 2026, external turnaround specialists reported to CLG on results of their review with Town of Tangier
- Scope of issues identified by turnaround specialists:
 - Constraints on town's capacity to resolve existing fiscal and operational challenges
 - Lack of audits and ongoing deficiencies in key financial and budgetary internal controls, processes, and procedures
 - Lack of financial vision, systems, and planning to manage operations or make informed decisions
 - Organizational challenges that limit financial management

Fiscal Distress Monitoring Results - Tangier

- External turnaround specialists recommended three core strategies for Tangier to begin addressing immediate fiscal stabilization
 - Strengthen governance, documentation, and day-to-day management so town officials can reliably oversee operations with minimal new cost
 - Obtain focused legal assistance to review contracts, secure records, and support immediate actions that reduce liability and exposure
 - Take measures throughout the organization to ensure financial components are working in concert with each other, and maximize service delivery to residents and generate maximum revenue

Fiscal Distress Monitoring Results - Tangier

- May 2026, CLG issued letter to Governor and legislative committees to report first periodic update from their oversight responsibilities to monitor progress of assistance to Town of Tangier
- CLG will continue monitoring Tangier's progress over planned one-year performance period to determine whether town implements appropriate actions from turnaround specialists based on recommended strategies to address identified issues of fiscal distress

Fiscal Distress Monitoring Results - Hopewell

- As of May 2026, City of Hopewell has submitted all prior outstanding audited financial reports
 - For FY 2020 through FY 2025, external auditor issued “clean” opinion for all financial activity
 - City continues to receive audit material weakness related to financial reporting and internal controls
- Office evaluated city’s financial data in ratio analysis for prior fiscal years and recent FY 2025
 - Ratio results do not indicate unfavorable or downward trends; total ratio points remain below our evaluation threshold

Fiscal Distress Monitoring Results - Hopewell

- As part of ongoing monitoring, will continue qualitatively evaluating Hopewell to assess city's progress on timely completing and submitting audited financial statements
- In future, our office will evaluate appropriate timing to make formal determination that city is no longer considered designated under state's defined fiscal distress criteria
 - Will confer with DHCD staff and CLG as it relates to their oversight responsibilities under § 15.2-2512.1

Small Town Audits

- Towns under 3,500 population (small towns) are not required by statute to have an annual audit
- Small towns may be required to have an audit based on debt covenants or federal/state grant funding requirements
- Code of Virginia § 15.2-2511 requires small towns that voluntarily elect to have an audit to submit audit report to our office upon completion
- Annually, receive 20 to 25 audit reports (approx. 15%) for small towns

Citizen Local Government Inquiries

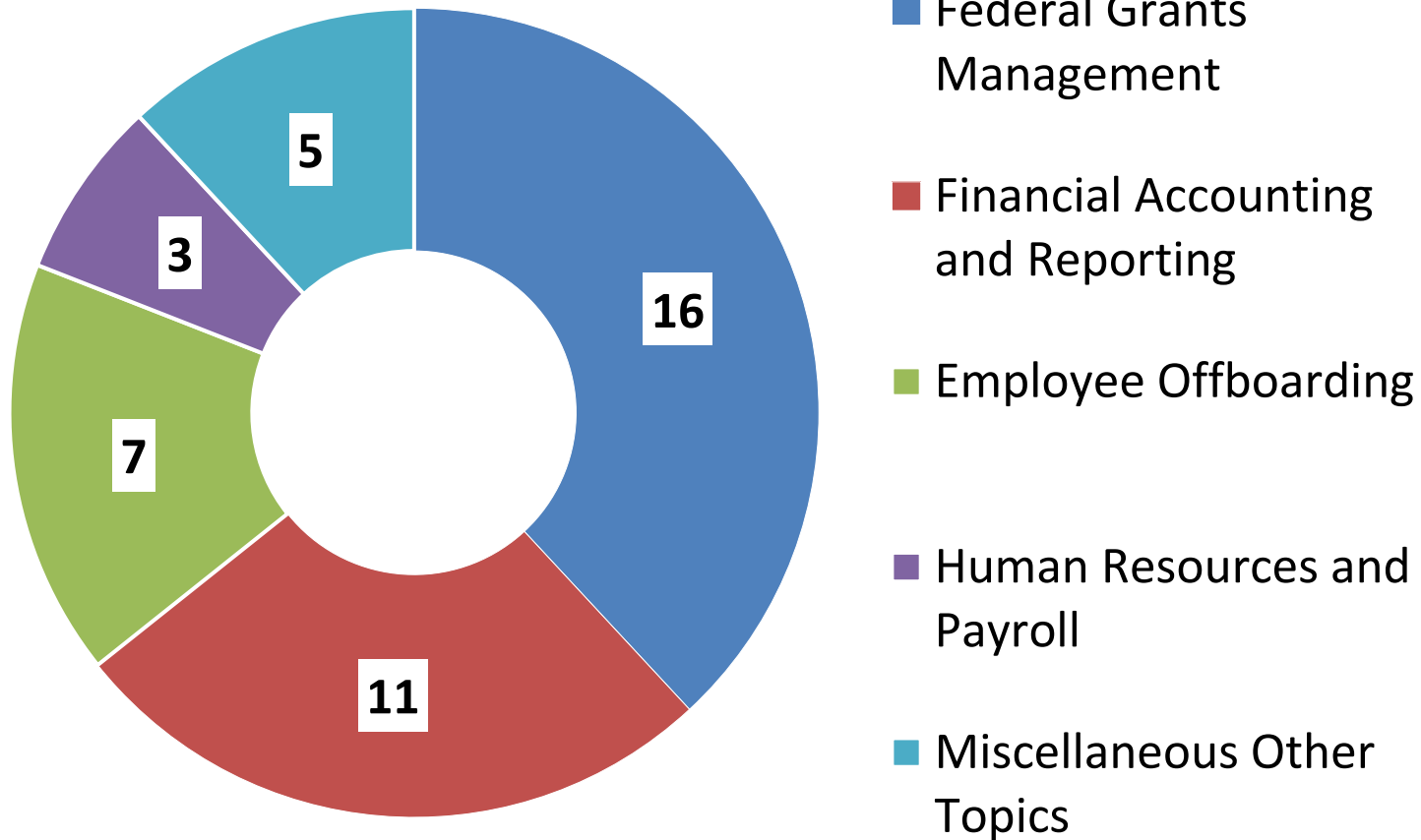
- Continue to receive significant number of citizen concerns communicated to our office regarding local governments
- Concerns primarily relate to council and board officials and general administration of the locality
 - Policy and budgetary decisions
 - Fiscal management
 - Conflict of interests
 - Lack of transparency and accountability

Current Authority to Audit Local Governments

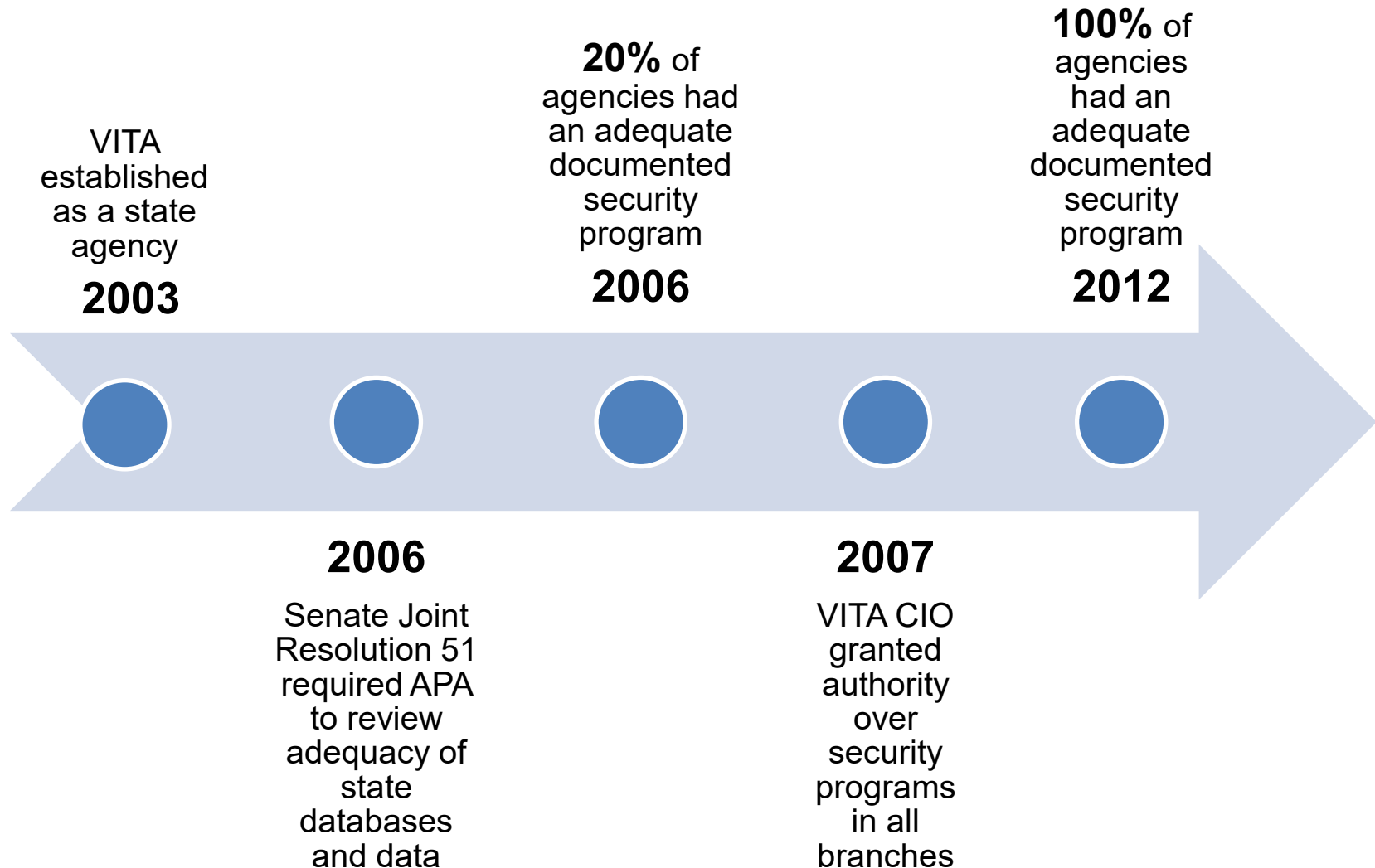
- Code of Virginia § 15.2-2511 provides the APA limited authority to audit local governments
 - Special circumstances
 - Fraud or inappropriate handling of funds that may affect the financial interests of the Commonwealth
 - Local governing body may vote to have APA perform an audit
- JLARC approval is required prior to APA performing audits under this provision

ACFR & SINGLE AUDIT OF FEDERAL FUNDS RESULTS

ACFR and Single Audit Findings (42) (excluding IT)



Background on APA Approach to IT Audits

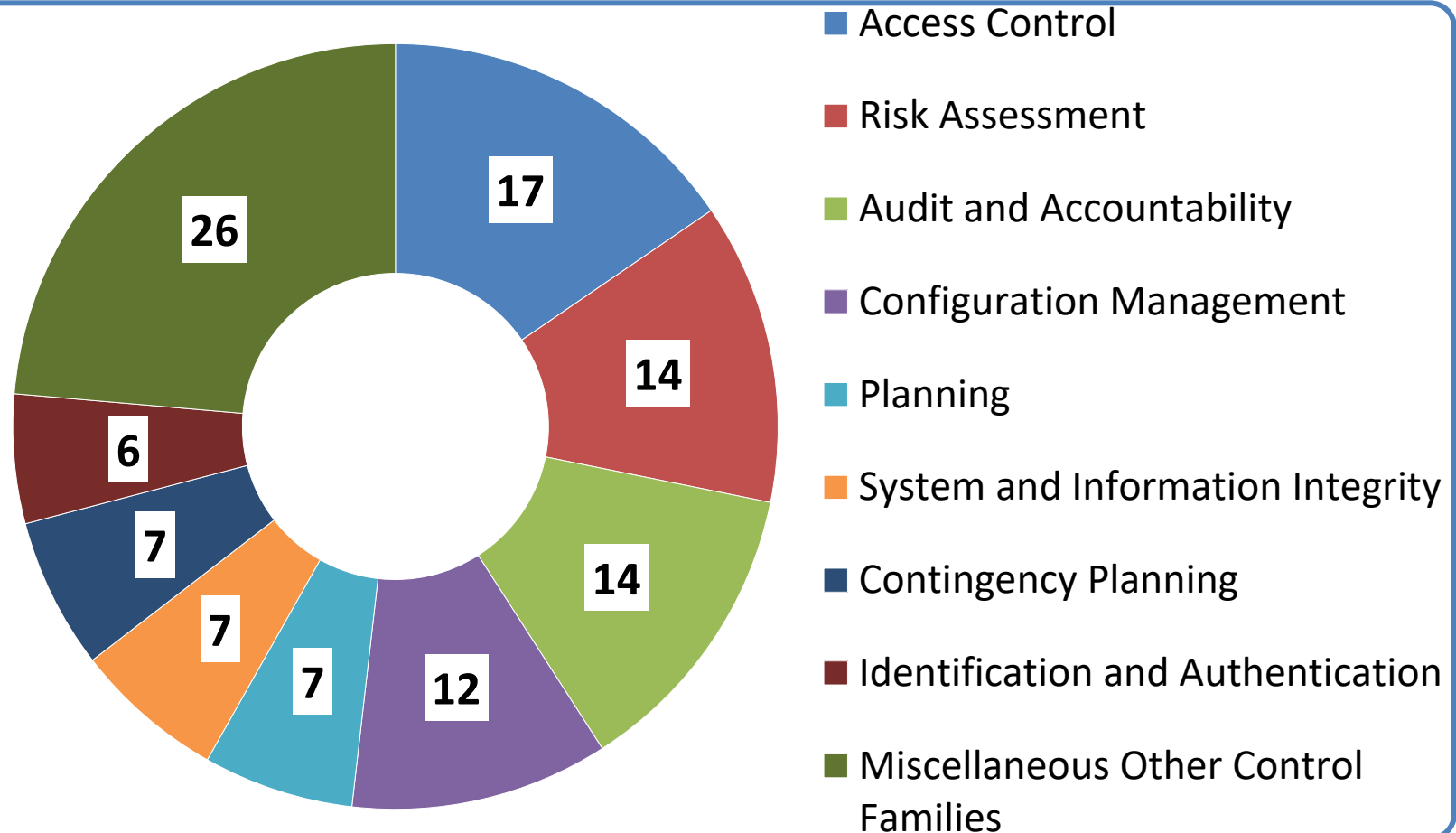


Background on APA Approach to IT Audits (cont.)

Our system security auditors perform the following:

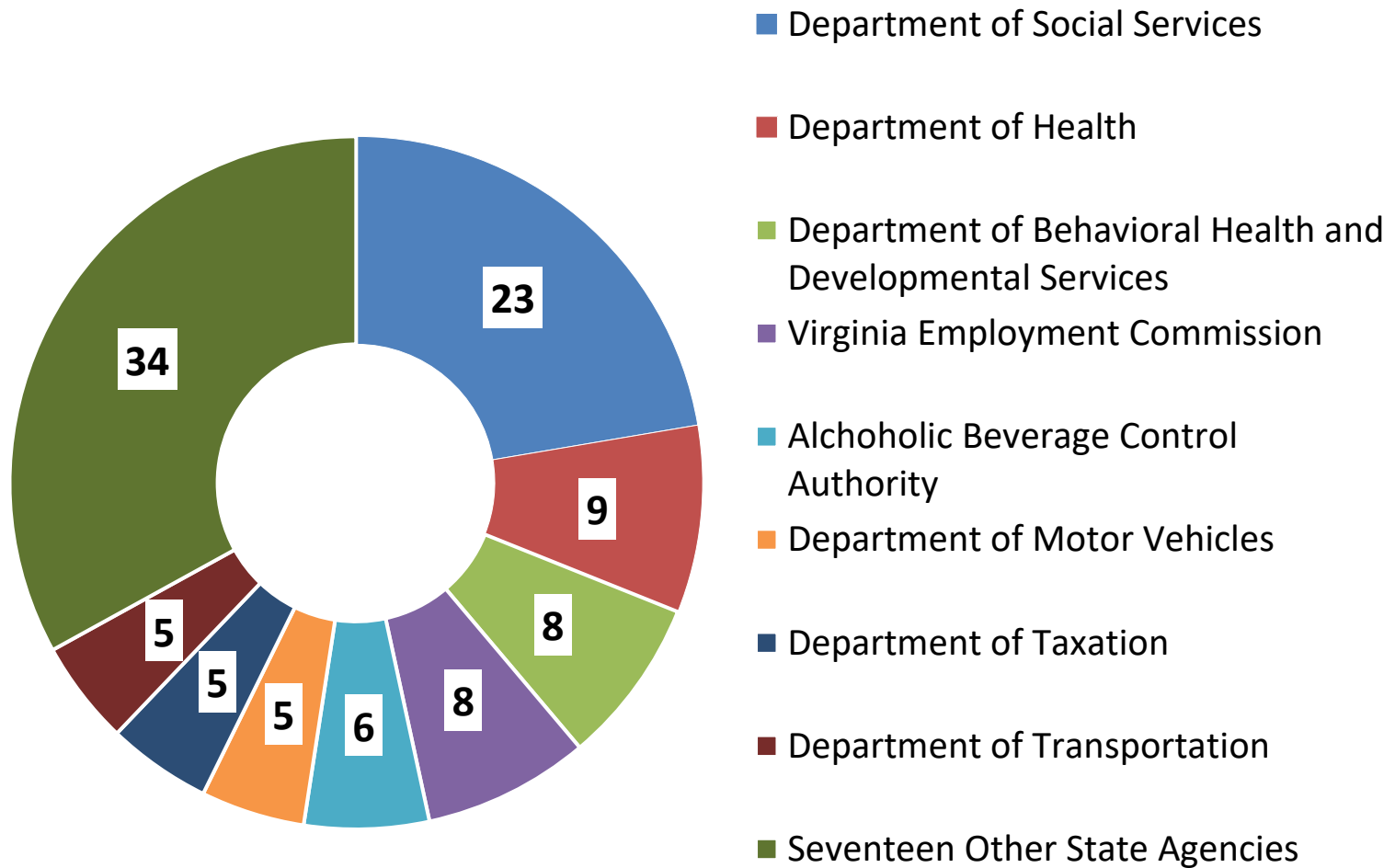
- Ensure the security program meets best practices
 - Most agencies must follow the Commonwealth's security program
 - Others must adopt an equivalent program that meets industry best practices
- Document understanding of IT environment including assessment of significant financial systems, changes from the prior year, and other risk factors
- Select IT control families to review on a cyclical basis according to the risk assessment
- Test IT controls to ensure alignment with the adopted security program

ACFR and Single Audit IT Deficiencies (61 Findings)



*Out of 61 IT findings, 24 findings reported deficiencies in multiple control families. The chart above illustrates the impact on the Commonwealth by control family.

ACFR and Single Audit Findings by Agency



ACFR and Single Audit HHR Findings

Agency	Finding Area	2022	2023	2024	2025
DBHDS	Payroll, Human Resources & Benefits	2	4	1	1
	Conflict of Interests Act Requirements	1	1	1	0
	Federal Grants Management	1	0	0	1
	Financial Reporting & Fiscal Processes	2	1	1	1
	Third-Party Service Providers	0	0	1	0
	Information Systems Security	10	10	8	5
DMAS	Federal Grants Management	1	1	0	0
	Third-Party Service Provider	0	0	1	1
	Information Systems Security	3	3	4	1
DSS	Payroll, Human Resources & Benefits	2	1	1	1
	Conflict of Interests Act Requirements	1	1	0	0
	Federal Grants Management	13	11	11	9
	Financial Reporting & Fiscal Processes	1	2	0	1
	Third-Party Service Provider	0	0	1	1
	Information Systems Security	8	11	12	11
VDH	Payroll, Human Resources & Benefits	2	1	1	2
	Conflict of Interests Act Requirements	1	0	0	0
	Federal Grants Management	2	0	2	0
	Financial Reporting & Fiscal Processes	2	2	2	0
	Procurement and Contract Management	0	0	1	0
	Information Systems Security	4	4	5	7

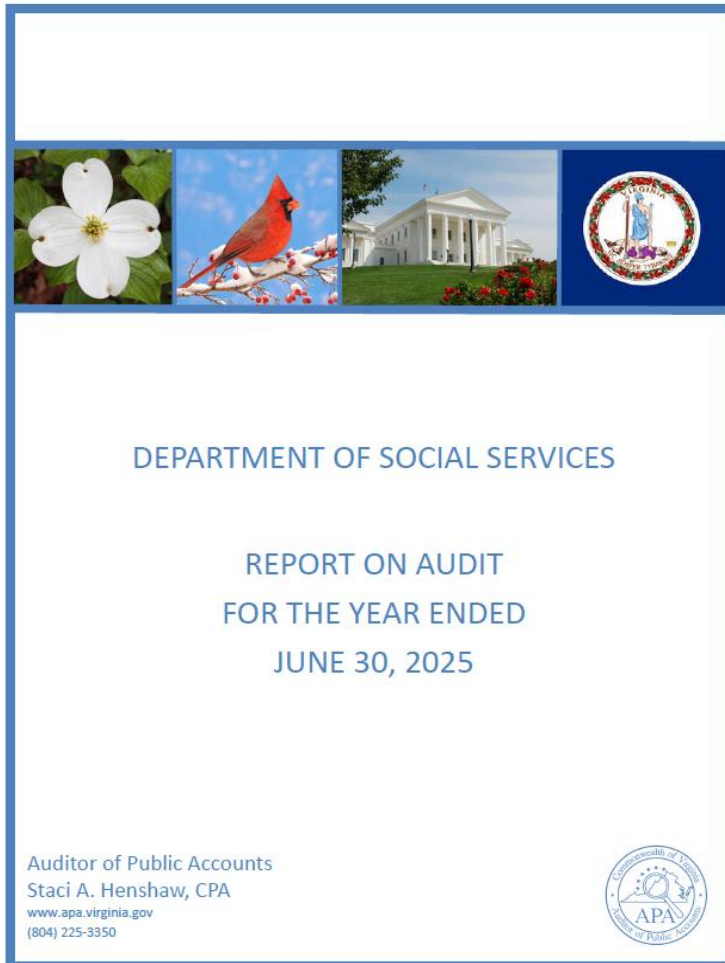
Single Audit Material Weaknesses

- **Department of Social Services**
 - Federal Grant Subrecipient Monitoring
 - Federal Grant Performance Reporting*
- **Department of Wildlife Resources**
 - Federal Grant Financial Management
- **Department of Energy**
 - Federal Grant Time and Reporting*

A **material weakness** is a deficiency, or a 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 on a timely basis.

**Resulted in qualified opinion on compliance with federal requirements.*

Department of Social Services Audit Results



Material Weakness: Subrecipient Monitoring Activities (2018)

- Does not ensure risk-based approach to subrecipient monitoring
- Does not ensure completeness of sub-recipient monitoring documentation
- Does not review each division's monitoring activities and report noncompliance to leadership
- Established Agency Monitoring Plan and anticipates completing corrective action in FY2026

Material Weakness: TANF Federal Performance Reporting (2022)

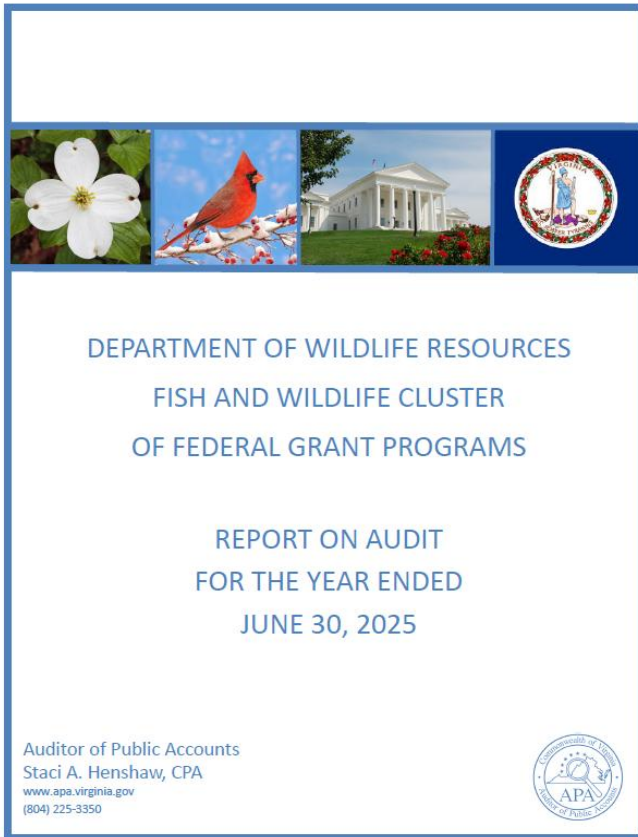
- Inaccurate federal performance reporting for 50% of cases reviewed (up from 32% in prior year)
- "Work Participation Status" and "Hours of Participation" were primary fields with errors
- Significantly revised corrective action plan to be implemented by FY 2026 year-end

Prior Year Risk Alert: Address Audit Findings

- Engaged consultants, reduced ongoing findings by 30%, and reduced severity of material weakness in IT governance

Department of Wildlife Resources Material Weakness

Finding Title: Improve Financial Management of Federal Grants



Condition:

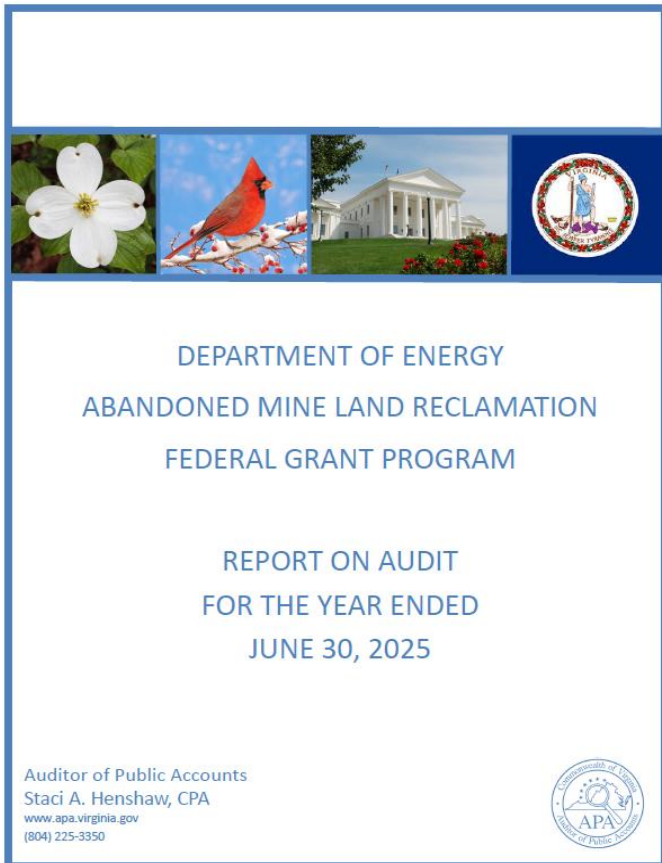
- Untimely and unsupported journal entries and drawdowns
- Recorded \$2.3 million in the incorrect fiscal year
- Schedule of Expenditures of Federal Awards (SEFA) did not agree to accounting records

Causes:

- **Turnover** – Responsible department recently experienced significant turnover in key positions
- **Policies and Procedures** - Responsible department lacks detailed written policies and procedures required for financial management of federal grants

Department of Energy Material Weakness

Finding Title: **Strengthen Controls over Payroll Costs Charged to Federal Grants**



Condition:

- Does not verify time and effort to support allowability of 21% of costs charged to grant program
- Material noncompliance resulted in qualified audit opinion and indeterminate questioned costs

Causes:

- **Resource Allocation** – Energy did not allocate resources to establish adequate internal control over payroll costs, instead relying on expected costs developed during the budget phase of the grant program

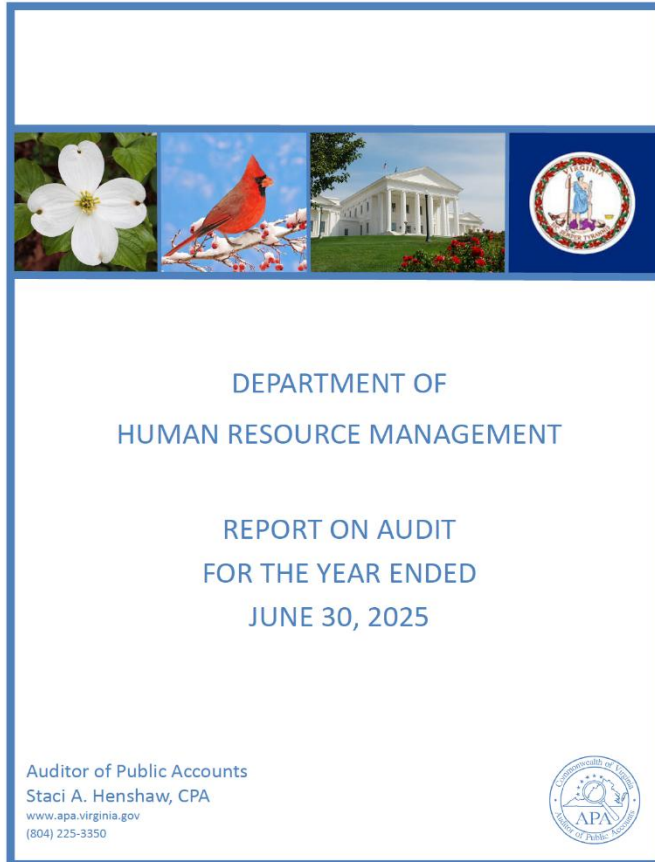
ACFR Material Weaknesses

- **Department of Human Resource Management**
 - Financial Reporting Controls
- **Virginia Employment Commission**
 - Financial Reporting Controls

A **material weakness** is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement will not be prevented or detected on a timely basis.

Department of Human Resource Management Repeat Material Weakness (First Issued 2022)

Finding Title: **Strengthen Controls over Financial Reporting**



Condition:

- Misstated claims expense and cash by \$32.3 million in manual reversing entry
- Misclassified direct expenses between general government and education by approximately \$178 million
- Misstated claims rebates by \$41.2 million and \$15.5 million for internal service and enterprise funds, respectively

Causes:

- **Execution** – Internal controls performed by new staff under recently revised policies and procedures take time to mature
- **Policies and Procedures** - The claims rebate error resulted from a lack of documented policies and procedures

Virginia Employment Commission Material Weakness

Finding Title: **Improve Internal Controls over the Collection and Reporting of Accounts Receivable**



VIRGINIA EMPLOYMENT COMMISSION

REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2025

Auditor of Public Accounts
Staci A. Henshaw, CPA
www.apa.virginia.gov
(804) 225-3350



Condition:

- Inaccurately reported negative \$37.6 million in receivables for employment overpayments
- Did not provide accurate receivable amounts until three months after the Department of Accounts' due date
- Did not take steps to collect \$2.8 million due from other states

Causes:

- **Turnover** – Leadership transition with the Finance Division
- **Communication** – Lack of inter-divisional collaboration
- **Policies and Procedures** - Lack of documented responsibilities and processes

Repeat Risk Alert - Financial Reporting

Risk: The Commonwealth may not meet the December 15th statutory deadline

Cause: Leading up to 2025, agencies and institutions have increasingly submitted inaccurate and late financial information to Accounts for use in preparing the Commonwealth’s ACFR

Tradeoff: Notable reductions in 2025 audit adjustments and material weaknesses support progress in the accuracy of financial reporting in the Commonwealth. However, in some cases, improved accuracy has resulted in longer delays.

FY	# of Entities Audited	# of Entities with Audit Adjustments	\$ of Audit Adjustments	Accounts’ ACFR Compilation Process Adjustments		2025	2024	2023	2022	2021
2025	22	11	\$1.6 billion	\$221.2 million	Material Weakness	2	5	5	5	1
2024	22	12	\$4.1 billion	\$115.5 million	Significant Deficiency	5	1	1	1	2
2023	22	13	\$2.4 billion	\$469.5 million						
2022	22	9	\$3.2 billion	\$229.1 million						

HIGHER EDUCATION AUDIT RESULTS

Higher Education Financial Statement Audit Results



FY 2025 fieldwork complete for audits of CNU, CWM, JMU, RU, UMW, UVA, VCU, VMI, and VT



FY 2025 Audits in Process: GMU, LU, NSU, ODU, VSU, and VCCS



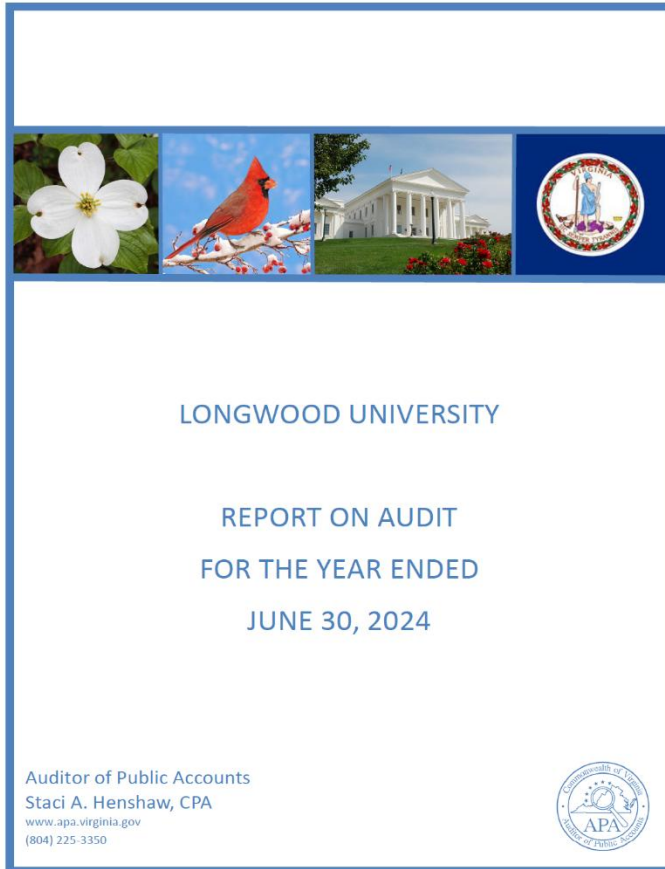
Continued challenges with weaknesses in financial reporting controls



Financial reporting weaknesses and other factors have resulted in audit delays for certain institutions

Longwood University Material Weakness

Finding Title: Improve Internal Controls over Financial Reporting



Condition:

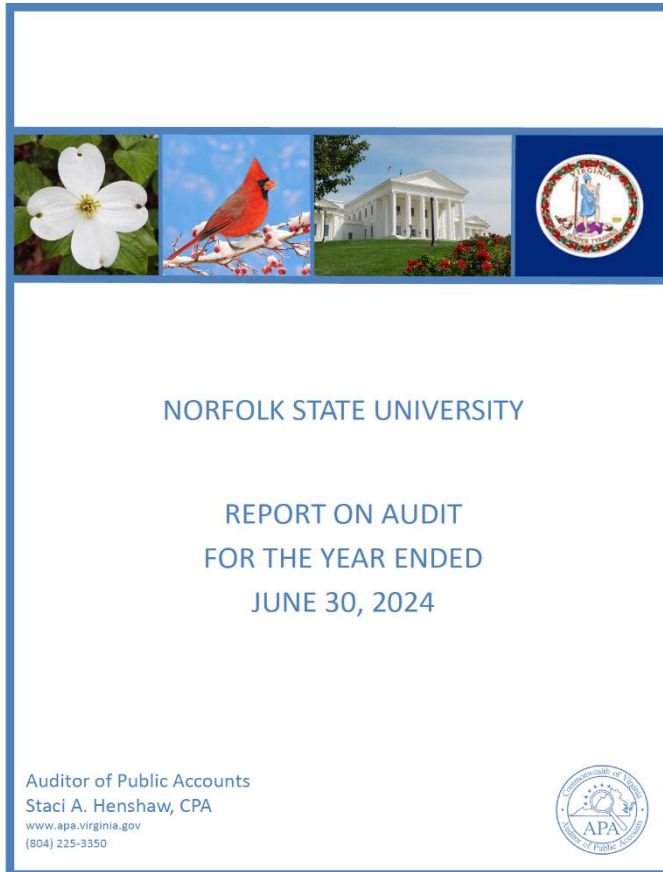
- Did not identify, support, record, or disclose significant transactions with foundations, including unrecorded \$11.3M in unpaid rent and inadequate disclosure related to liabilities and other multi-year commitments

Causes:

- **Financial Weakness** – Several indicators of financial weakness (declining cash, negative unrestricted net position, transfers to cover operating expenses, etc.) and interdependence with foundations
- **Related Parties** - Inadequate controls over transactions with component units

Norfolk State University Material Weakness (First Issued 2023)

Finding Title: **Improve Internal Controls over Financial Reporting**



Condition:

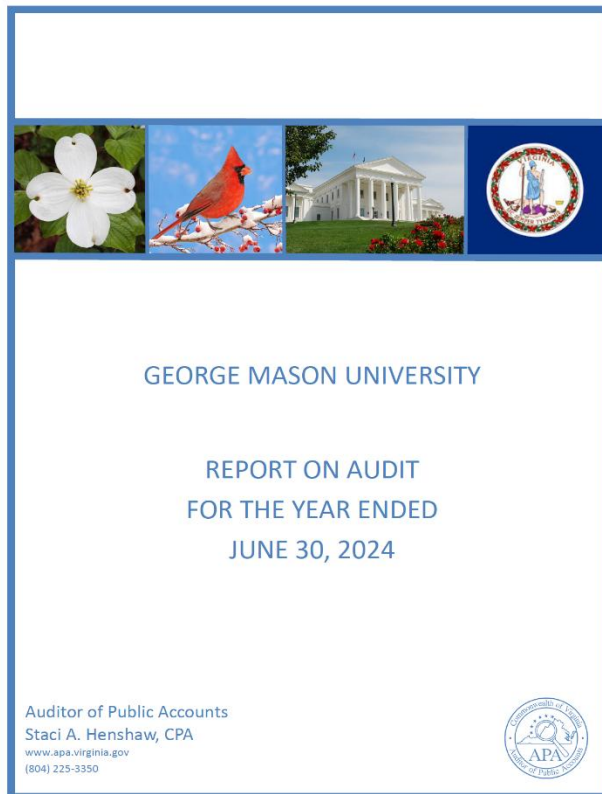
- Financial statements not completed until 8 months after year-end
- Significant misstatement in several accounting cycles
- Did not adequately prepare and implement provisions of GASB Statement No. 96

Causes:

- **Turnover** – Responsible department recently experienced turnover in a key position
- **Financial Oversight**- Inadequate review of financial statements and supporting financial information

George Mason University Scope Limitation

Comment to Management: Ensure Appropriate Oversight of Sponsored Programs in Emerging Areas



Condition:

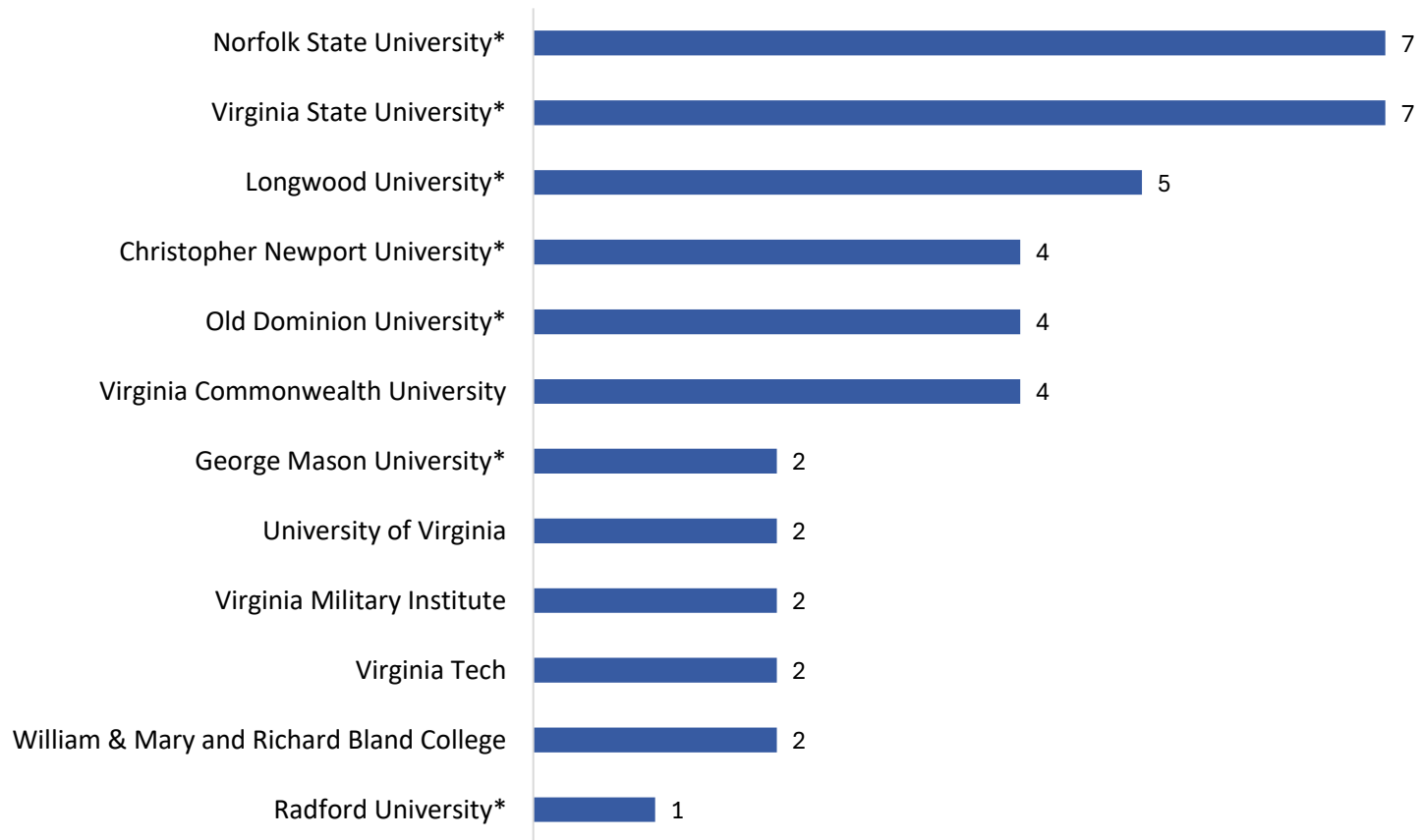
- In FY24, GMU restricted access to financial information at the direction of a federal sponsor and subcontractor requiring us to rely on alternative audit procedures
- In FY25, GMU restricted access to financial information supporting \$45 million in expenses at the direction of two federal sponsors which may result in a disclaimer of opinion and questioned costs

Causes:

- **Enterprise Risk Management** – GMU did not fully consider audit requirements when entering into sponsored agreements with subcontractors. GMU also did not take steps to prepare for the FY25 audit based on our comment to management and has not effectively consulted legal counsel.

Findings by Institution**

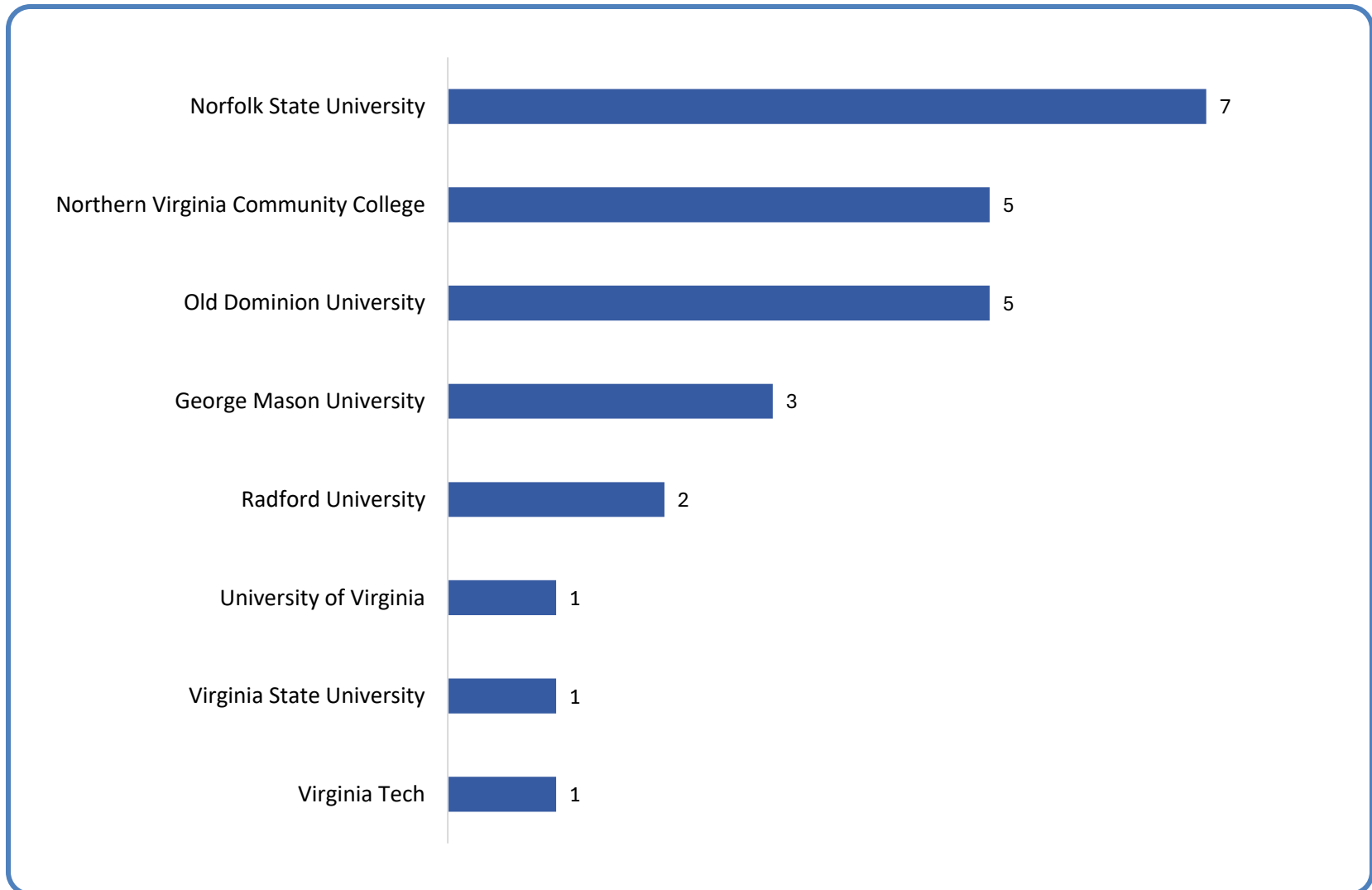
(excluding findings related to federal student financial assistance)



*Fiscal year 2024 audit results as fiscal year 2025 audit work remains ongoing.

**James Madison University and the University of Mary Washington did not have any non-student financial assistance findings in their most recently issued reports.

Ongoing Federal Student Financial Assistance Findings as of FY 2025 by Institution



Substantial Progress Addressing Findings

The following agencies and institutions have allocated significant resources to address prior material weaknesses and are demonstrating substantial progress:

- **University of Virginia**
 - Improve Governance Structure and Resources Surrounding Financial Reporting Process (first reported in 2021)
- **Department of General Services**
 - Improve Internal Controls over Financial Reporting of Leased Assets (first reported in 2022)
- **Virginia Information Technology Agency**
 - Improve Controls Over Identifying, Tracking, Recording, and Reporting Right-to-Use Assets (first reported in 2022)

Questions?



Richmond Times-Dispatch