

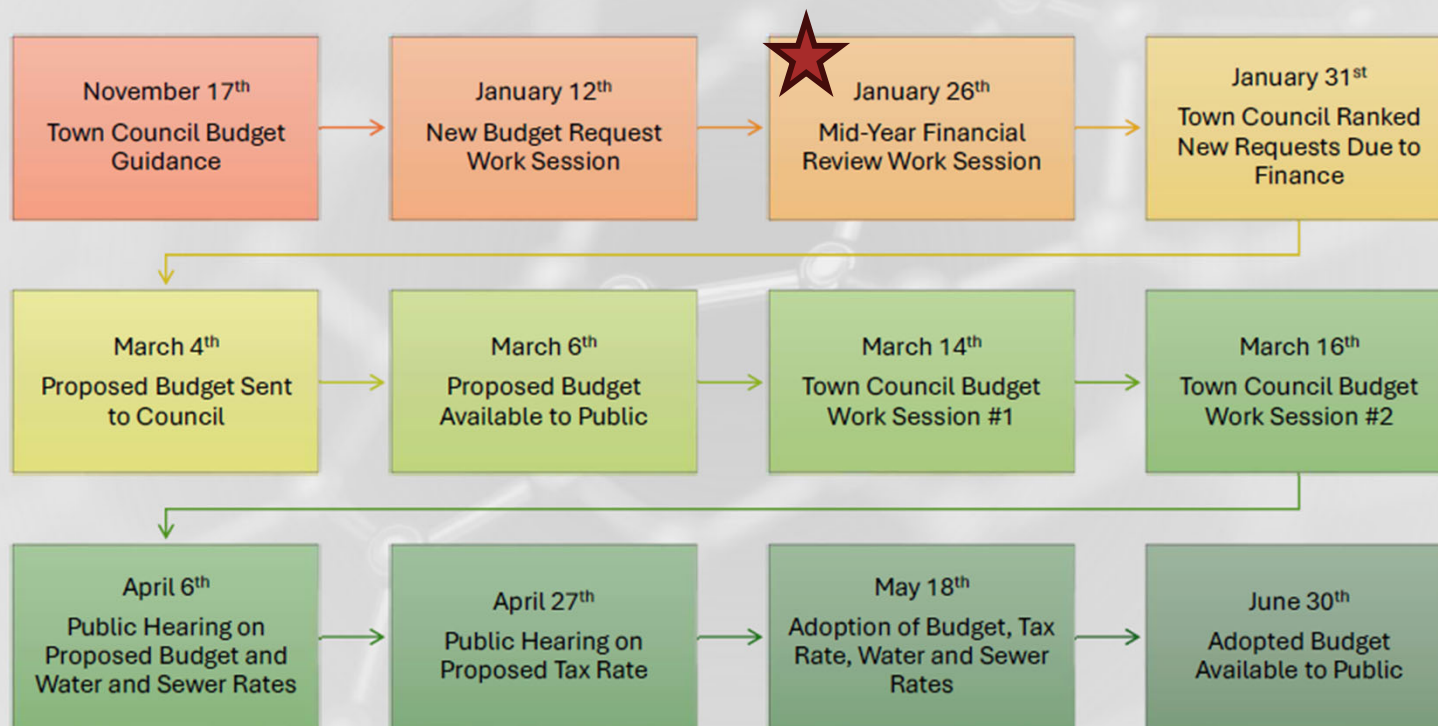


TOWN OF VIENNA, VIRGINIA

Fiscal Year 2026 Mid-Year Financial Review
General Fund, Debt Service Fund, and Water & Sewer Fund
As of December 31, 2025 – Projected Through June 30, 2026

Roadmap to Budget Adoption

Operating Budget Timeline



Purpose



Provide a mid-year snapshot of Town revenue and expenditures



Compare year-to-date performance to adopted budget



Highlight projected outcomes through fiscal year-end

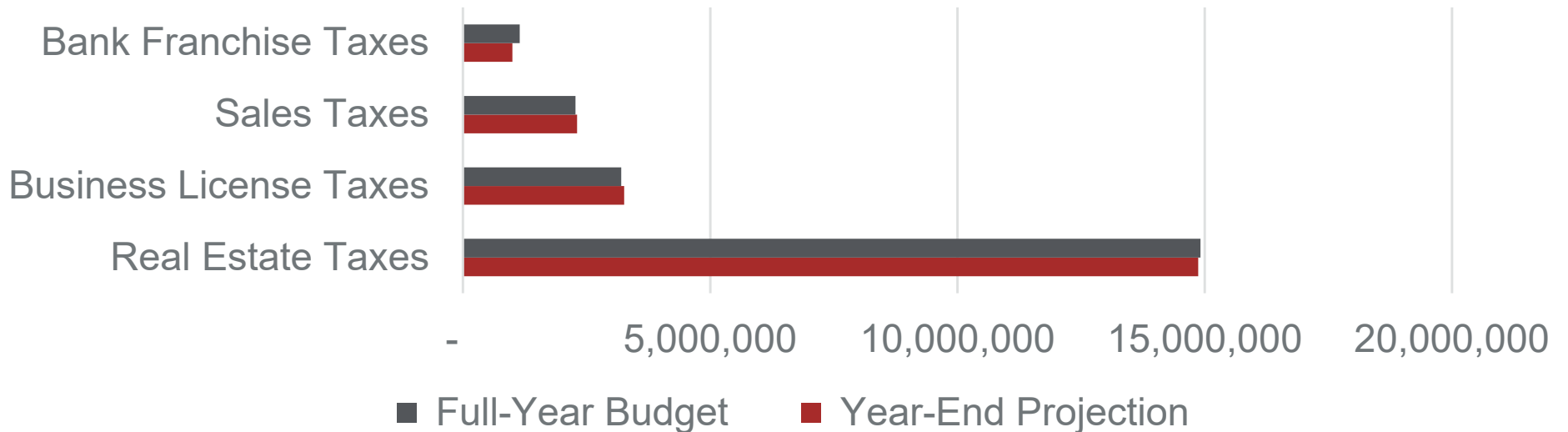
Executive Summary

Fund	Mid-Year Status	Year-End Outlook
General Fund	Revenues On Track	~\$450k Projected Deficit
Debt Service Fund	On Track	Fully Funded (\$300k surplus)
Water & Sewer Fund	On Track	Stable (\$500k surplus)

- Revenues are performing as expected and are not driving the deficit
- Expenditure pressures are driven by retirements, leave payouts, and overtime
- The projected deficit reflects largely one-time personnel-related costs

General Fund: Revenue Snapshot

General Fund - Revenue



- Major revenue categories are tracking in line with projections
- No material revenue shortfalls identified
- Revenue performance remains stable entering the second half of the year

General Fund: Key Expenditure Drivers

Seven Long-Tenured High-Salaried Retirements

- *Under-budgeted leave payouts*

Overtime & On-Call

- *Special Events & Emergencies*

Personnel Cost Variance

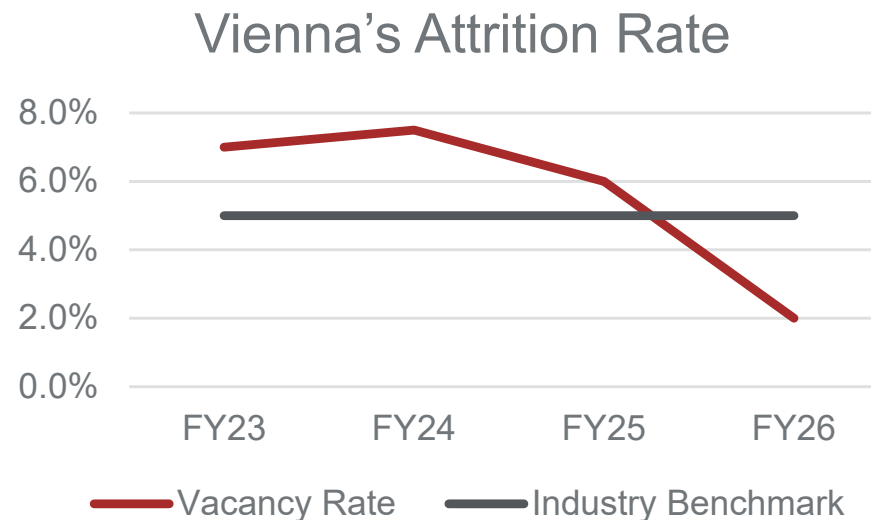
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These costs exceed normal mid-year spending patterns

Workforce Conditions Impacting the Budget

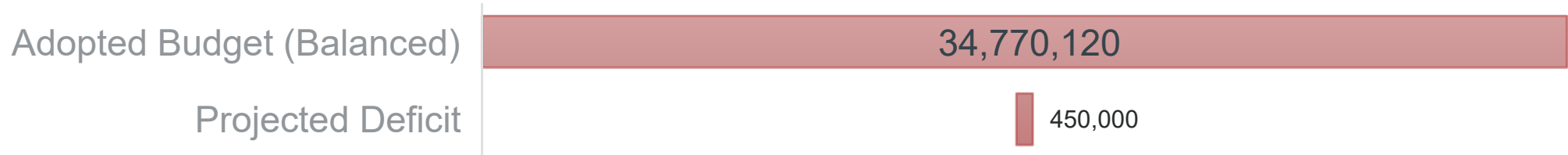
Normal Year	Current Year
Higher Turnover	Low Turnover
Salary Savings	Limited Savings
Lower Overtime	Higher Overtime Demand

- While low vacancies are positive operationally, they reduce budget flexibility

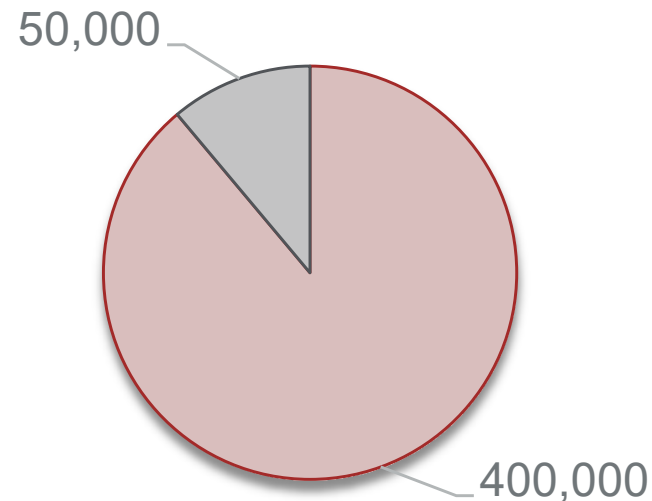


General Fund: Year-End Projection

Fiscal Year 2026 Projected Results



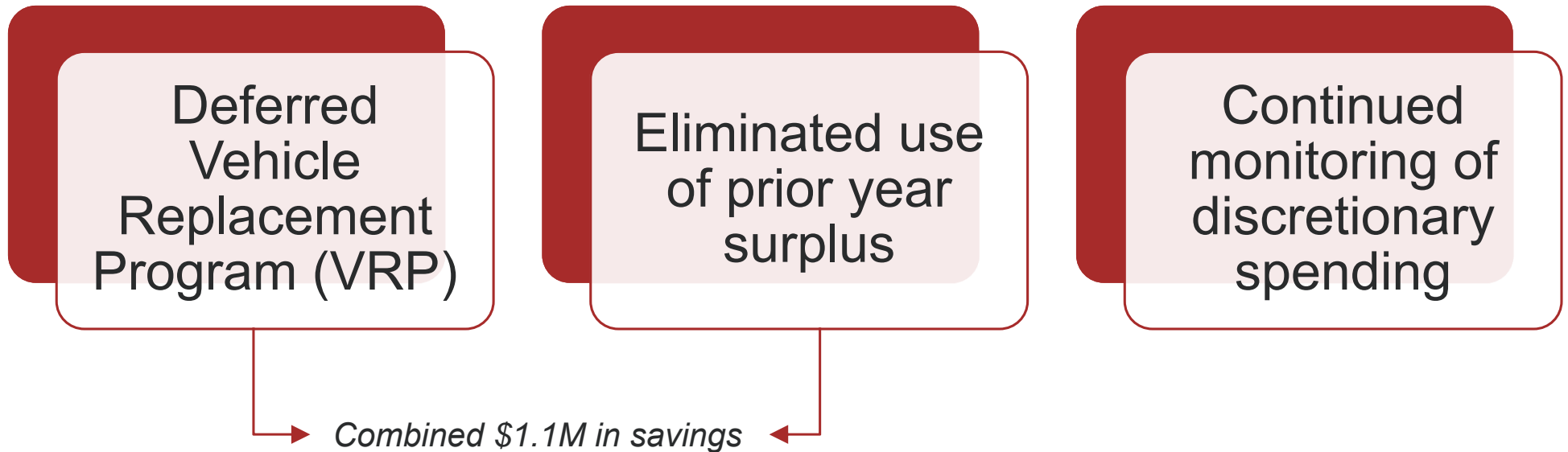
Projected Deficit Components



■ Retirement & Leave Payouts ■ Overtime & On-Call

- Current projection shows an approximate \$450,000 General Fund deficit
- Deficit is expenditure-driven
- Majority of cost pressures are one-time or non-recurring

Actions Taken to Address Mid-Year Pressures



Potential Additional Actions (If Needed)

Personnel Controls

- Temporary hiring freeze for non-essential positions, through March 31st
- Overtime and on-call restrictions where operationally feasible

Operating Controls

- Additional departmental reductions to non-salaried budgets

Other Funds: Debt Service & Water/Sewer



Debt Service Fund

- ✓ Fully Funded
- ✓ No Risk Identified



Water & Sewer Fund

- ✓ Stable
- ✓ Operating as planned

Closing & Next Steps



Revenues remain stable
at mid-year



Expenditure pressures are
being actively managed



Staff will continue
monitoring and return with
updates if conditions
change