JUNE 30, 2025

CITY OF ROANOKE, VA

Annual Comprehensive Financial Report

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year July 1, 2024 to June 30, 2025

DEPARTMENT OF FINANCE
215 Church Avenue, SW, Room 461
Roanoke, Virginia 24011
(540) 853-2821
www.roanokeva.gov

City of Roanoke, Virginia

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Introductory Section

ROANOKE

City of Roanoke
Department of Finance
Noel C. Taylor Municipal Building
215 Church Ave., SW, Room 461
Roanoke, Virginia 24011

PH: 540.853.5224
FAX: 540.853.2940

August 14, 2026

To the Honorable Mayor, Members of City Council,
and the Citizens of Roanoke, Virginia:

We are pleased to present the City of Roanoke, Virginia (the City) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025, in accordance with Section 25.1(f) of the Roanoke City Charter and the Code of Virginia section 15.2-2511. The Charter requires the City to issue an annual report on its financial position and activity and to have the financial statements included in the report audited by an independent firm of certified public accountants. This report was prepared by the Department of Finance in conformity with generally accepted accounting principles (GAAP) in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB).

This ACFR is designed to provide useful financial information to the City's residents, City Council, creditors, investors, rating agencies, and others seeking a comprehensive understanding of the City's finances. Management assumes full responsibility for the completeness and fair presentation of the information contained in this report. To provide a reasonable basis for these representations, the City maintains a system of internal control designed to safeguard assets, promote compliance with applicable laws, regulations, and City policies, and provide reliable information for the preparation of financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not exceed their benefits, the City's internal control framework is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

Brown Edwards & Company, L.L.P., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Roanoke's financial statements for the year ended June 30, 2025. The independent auditor's report is included at the beginning of the financial section.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Roanoke is the largest city in the Commonwealth of Virginia west of Richmond and serves as the governmental, cultural, medical, and economic center of the Roanoke Valley and much of Southwest Virginia. Chartered by the Commonwealth in 1884, the City encompasses approximately 43 square miles in Virginia's Blue Ridge Region and serves a population of approximately 98,000.

The City of Roanoke operates under the council-manager form of government. The Mayor and six members of City Council are elected at large, and City Council appoints the City Manager, City Attorney, City Clerk, and Municipal Auditor. The City Manager is responsible for administering City operations and implementing the policies established by City Council.

The primary government provides a broad range of municipal services, including public safety; public works; transportation; parks, recreation, and cultural programs; libraries; planning and development; human services; stormwater management; and general governmental services. Public education is provided by Roanoke City Public Schools, whose School Board is appointed by City Council. The City of Roanoke also owns and operates The Berglund Center (civic facility) and parking facilities, including both garages and surface lots.

The City's financial reporting entity includes the primary government and two discretely presented component units: the Greater Roanoke Transit Company and the School Board of the City of Roanoke. These legally separate entities are included because the City is financially accountable for them. Additional information concerning the reporting entity and component units is provided in the notes to the financial statements.

The City adopts a balanced annual budget that provides the legal and managerial framework for the allocation and control of resources. The City develops its annual budget using a budget committee, focusing on City Council's strategic plan and priorities. The City Manager presents a recommended balanced budget to City Council for review and deliberation. Public hearings are held regarding the budget and tax rates. Following the public hearings, changes requested by City Council are incorporated into the final budget for adoption no later than May 15 of each year. Budgetary control is maintained at the department or unit level, and transfers or supplemental appropriations are made in accordance with the City Charter, the Code of Virginia, and City policy.

Local Economy

Roanoke serves as the economic and cultural center of Southwest Virginia, supported by a diverse economy that continues to attract investment across manufacturing, healthcare, technology, tourism, retail, and professional services. The City's economic development efforts focus on expanding the tax base, creating employment opportunities, and enhancing the quality of life for residents while strengthening the long-term economic vitality of the region.

The average unemployment rate in the Roanoke Metropolitan Statistical Area during FY25 was 3.3%, according to the United States Department of Labor's Bureau of Labor Statistics, compared with 3.4% for the Commonwealth of Virginia and 4.3% nationally. Roanoke's economy remains resilient due to its diverse employment base, with representation across every major business sector identified by the United States Census Bureau.

Downtown Investment

Downtown Roanoke remained a focal point for commercial, hospitality, and mixed-use investment during FY25. Major projects included 110 Franklin, the $14 million renovation of Hotel Roanoke & Conference Center, renovation of the Total Action for Progress (TAP) headquarters, and The Bower, a $35 million mixed-use redevelopment of the former Greyhound bus station into residential and commercial space. New restaurants, including Jaybird Tavern and Six and Sky, further enhanced downtown's growing dining and entertainment offerings.

Innovation

The City continued to strengthen the region's innovation ecosystem through partnerships with Carilion Clinic, Virginia Tech's Fralin Biomedical Research Institute, the Virginia Tech Carilion School of Medicine, the Roanoke Blacksburg Innovation Alliance (RBIA), Virginia Western Community College, Radford University, and Roanoke College. These collaborations support technology commercialization, entrepreneurial development, workforce preparation, and the continued growth of a knowledge-based economy.

Major FY25 investments included the start of construction on RoVa Labs, a $20 million wet and dry laboratory and business incubator that will accelerate commercialization of life sciences technologies through a partnership among Carilion, RBIA, Virginia Western Community College, and the Virginia Tech Foundation. During the year, the Regional Accelerator and Mentoring Program (RAMP), administered by RBIA with City support, graduated nine emerging life sciences and technology companies.

The City's innovation strategy also attracted additional private investment. Tiny Cargo, a RAMP graduate utilizing technology developed at the Fralin Biomedical Research Institute, acquired a facility to establish the world's first industrial-scale manufacturing operation dedicated to producing milk-derived exosomes for biotechnology applications. The $1.5 million investment began operations in early 2026, further strengthening the region's growing biotechnology sector.

Manufacturing

Manufacturing remained one of Roanoke's strongest economic sectors during FY25, with continued business expansion, new private investment, and strategic infrastructure improvements reinforcing the City's position as a regional manufacturing center. Growth occurred throughout the City's manufacturing corridors, including the Roanoke Centre for Industry & Technology (RCIT), Statesman Industrial Park, and the Shenandoah Avenue and Norfolk Avenue industrial corridors.

Notable investments included the ChemSolv project, the relocation of TXTUR, Riverdale Southeast development, and a $2 million expansion by Global Metal Finishing for facility improvements and equipment upgrades. Virginia Transformer Corporation expanded operations by adding 300 jobs across its corporate headquarters and Roanoke manufacturing facilities.

RCIT, the City's 496-acre premier industrial park, continued to attract major employers and investment. During FY25, Amazon developed the Roanoke Region's first delivery station—a 125,000-square-foot, $50 million facility expected to create approximately 200 new jobs. The City also received a $7.5 million Virginia Business Ready Sites Program grant to prepare an 82-acre site within RCIT for future advanced manufacturing projects, strengthening the City's long-term economic development capacity.

Retail and Commercial Activity

The City, Roanoke County, and the City of Salem continued implementation of a three-year regional retail recruitment initiative with Retail Strategies. The firm completed a comprehensive assessment of the area's retail market, evaluated existing commercial inventory, identified priority redevelopment sites, and continues to assist with recruitment of retailers that represent the highest and best use of targeted locations. Through its national retailer network, Retail Strategies has become a valuable partner in advancing the region's retail development goals.

Valley View Mall and the surrounding commercial corridor remained the region's premier retail destination. New businesses during FY25 included KPOT Korean BBQ & Hot Pot, Bubba's 33, Panda Express, and the region's first HomeSense location in the adjacent Towne Square Shopping Center. These investments, combined with ongoing leasing activity by CBL Properties, demonstrate continued confidence in the Valley View market, which continues to generate the region's highest daytime population and retail activity.

Healthcare and Professional Services

Healthcare and professional services remained among Roanoke's strongest economic sectors during FY25, with substantial investments that expanded access to advanced medical care while creating new employment opportunities and supporting continued regional growth.

Carilion Clinic completed its $500 million Crystal Spring Tower, significantly expanding emergency and cardiac care through the addition of 125 emergency department treatment spaces and 94 examination and observation rooms. Carilion also broke ground on the $100 million Taubman Cancer Center, which is expected to open in 2027 and will provide proton therapy, consolidate specialized cancer services, and expand access to advanced clinical research and treatment.

Private investment also remained strong throughout the healthcare sector. Several underutilized properties along Brandon Avenue were redeveloped into a new medical campus serving Roanoke Oral Surgery and New River Dermatology. Additional projects included the opening of the 16-bed Good Samaritan Hospice House and Ivy Rehab for Kids, which provides specialized pediatric rehabilitation services throughout the Roanoke Valley. Collectively, these investments reinforce Roanoke's position as the healthcare hub of western Virginia.

Tourism

Tourism continued to serve as a significant economic driver during FY25, supported by nationally recognized events, expanded visitor amenities, and both public and private investment.

Outdoor recreation remained central to the region's tourism economy. Signature events, including the Blue Ridge Marathon and GO Outside Festival (GO Fest), attracted thousands of participants and spectators from across the country and around the world. Roanoke also hosted the 2025 USA Cycling Mountain Bike National Championships, further enhancing the region's reputation as a premier destination for outdoor recreation and competitive cycling. The inaugural Virginia's Blue Ridge Restaurant Week featured 77

participating restaurants, showcasing the region's growing culinary scene while attracting both visitors and local residents.

The City also continued investing in tourism infrastructure with construction beginning on Virginia's first in-river kayak park following the award of a $5.6 million construction contract. Private investment strengthened the hospitality sector through the $6 million renovation of the historic Colony House Motor Lodge into a 67-room boutique hotel and the $9 million redevelopment of the former Days Inn into a 131-room Spark by Hilton. Together, these projects expanded lodging options, revitalized underutilized properties, and increased the City's capacity to support sports tourism, group travel, and future economic growth.

Enterprise Zone

The City's Enterprise Zone Program continued to serve as an important economic development tool by encouraging private investment and job creation through a combination of local and state incentives. Focused primarily on downtown and the City's manufacturing corridors, the program helps businesses bridge financing gaps and supports redevelopment of underutilized properties. During 2024, seven businesses received state Real Property Investment Grants, an increase over three businesses in the previous year. Notable grant recipients included:

- 110 Franklin, LLC, for redevelopment of the former Norfolk Southern headquarters into new commercial space.
- Brandon Surgical Arts Center, for redevelopment of two vacant properties now occupied by River Ridge Dermatology and Donnie D's Bagels.
- Six and Sky, for development of the City's first rooftop dining venue at Center in the Square.

Collectively, these investments demonstrate the continued strength and diversity of Roanoke's economy. Public and private investment across multiple industry sectors expanded employment opportunities, revitalized commercial corridors, enhanced quality of life, and positioned the City for continued long-term economic growth.

Comprehensive Plan

City Plan 2040 is a comprehensive plan that guides investment and decision-making in Roanoke over the next 20 years. City Plan 2040 is directed by six themes recommended by the American Planning Association's Best Practices for Comprehensive Plans. These themes, which ensure an all-inclusive planning approach that addresses environmental, social and economic well-being, are Interwoven Equity, Healthy Community, Harmony with Nature, Livable Built Environment, Responsible Regionalism, and Resilient Economy.

Capital Improvement Program

The City prepares a five-year Capital Improvement Program (CIP) document. This serves as a planning tool for distribution of public improvement resources throughout the City. The CIP focuses on maintaining capital assets and replacement when warranted, infrastructure investment for positioning the

City for growth and stability and taking advantage of potential revenue sources that are not tax driven. The CIP specifies the capital improvement and construction projects over the upcoming five-year period in order to maintain or enhance the City's $852 million in net capital assets. Project descriptions, cost estimates and funding sources are included in the CIP.

Financial Policies

Financial policies serve as the framework for the financial operation of city government as well as the basis for budget development. The City's financial policy statements in their entirety can be located in the City's Adopted Budget. Policies are in place to provide guidance in the areas of budget, expenditures, reserves, revenues and debt management.

The City maintains Reserve and Debt Management Policies, and these were most recently amended in 2018. The Reserve policies call for an unassigned General Fund fund balance of 12% of General Fund expenditures. Policies also call for a Stabilization Reserve of 3% of General Fund expenditures. Reserves may only be used upon appropriation by City Council, and the reserve policies contain stipulations regarding reserve usage and replenishment.

The Debt Management policies identify several self-imposed debt targets:

- Net tax-supported debt as a percentage of the total taxable assessed value of real, personal property, and public service corporations will not exceed 4%.
- Net tax-supported general obligation debt service shall not exceed 10% of General Fund expenditures.
- Net tax-supported debt will be structured in a manner such that not less than 60% of the aggregate outstanding tax-supported debt will be retired within ten years.

Long Term Financial Planning and Major Initiatives

The City incorporates long-term financial planning during the development of the operating budget for each fiscal year as well as during funding for capital projects and debt planning with our financial advisors. The planning process facilitates City Council and City staff's efforts towards a long-term strategy ensuring economic growth and stability and meeting the needs of the City's citizen and business partners through providing service levels necessary for all to be successful.

Public Safety

Public safety remains one of the City's highest priorities. Roanoke is among a select group of communities whose three primary public safety agencies—the Police Department, Fire-EMS Department, and Sheriff's Office—are all nationally accredited. Each agency is committed to continuous improvement through innovation, community engagement, technology, and the efficient use of resources.

The Roanoke Police Department has maintained accreditation through the Commission on Accreditation for Law Enforcement Agencies (CALEA) since 1994 and is one of only five law enforcement agencies in

Virginia to earn the prestigious CALEA TRI-ARC Award, recognizing concurrent accreditation of its law enforcement, public safety communications, and training functions. The department also continues to strengthen community partnerships through its Stratified Policing Model, which promotes geographic accountability and responsive service delivery.

Roanoke Fire-EMS has been accredited by the Commission on Fire Accreditation International (CFAI) since 2002. The department also holds the highest possible Insurance Services Office (ISO) Public Protection Classification of Class 1, placing it among a small number of fire agencies nationwide that have achieved both CFAI accreditation and an ISO Class 1 rating.

The Roanoke City Sheriff's Office has maintained accreditation through the American Correctional Association since 1991 and the National Commission on Correctional Health Care since 1987. The Office also reestablished accreditation with the Virginia Law Enforcement Professional Standards Commission in 2023 and continues to administer the City's Project Lifesaver program, providing enrollment, caregiver support, and coordination with partner agencies during search and rescue operations for vulnerable individuals.

Human Services

The City of Roanoke is committed to promoting self-sufficiency and improving quality of life by providing a broad range of housing, financial, employment, and supportive services. Human Services works collaboratively with public and private partners to assist individuals and families in achieving stable, healthy lives. Through a partnership with Roanoke City Public Schools, the Central Intake program also helps identify and support students and families experiencing or at risk of homelessness.

During fiscal year 2024–2025, the City's Homeless Assistance Team (HAT) completed 1,023 new client intakes and provided 4,680 case management contacts serving 1,249 unique individuals. Through these efforts, 277 individuals experiencing homelessness were successfully placed into permanent housing.

Recreational and Outdoor Opportunities

Roanoke is recognized for its unique blend of urban amenities, scenic beauty, and exceptional outdoor recreation. The City's Parks and Recreation Department manages 69 parks, plazas, and greenways; hosts more than 100 cultural events annually; and serves over 115,000 participants through more than 2,000 recreation programs.

The annual GO Outside Festival (GO Fest) has become a signature regional event, featuring more than 150 outdoor activities and experiences that promote healthy, active lifestyles while celebrating the area's outdoor culture through camping, live music, races, demonstrations, and recreational exhibits.

With more than 100 miles of paved and natural-surface trails, Roanoke has earned national recognition as a premier outdoor destination, particularly for mountain biking. Together with neighboring localities, the region has been designated a Silver Ride Center by the International Mountain Bicycling Association—the only Silver Ride Center on the East Coast.

Libraries

Roanoke Public Libraries promote lifelong learning by providing inclusive and equitable access to educational resources, technology, and community programming throughout the City. Guided by the Library Master Plan, the library system enhances quality of life by delivering services that support literacy, lifelong learning, and community engagement.

During 2025, the libraries hosted 1,336 summer reading events, distributed 11,096 books and other materials, and welcomed 16,175 participants. Since its inception in 2014, the award-winning Feed and Read program has provided more than 376,000 meals to children, helping address food insecurity while encouraging literacy. In addition to traditional library services, Roanoke Public Libraries continue to serve as vibrant community hubs by offering educational programs, farmers markets, outdoor story walks, and signature events such as the Read and Ready Festival and the Melrose Fall Festival.

Awards and Recognitions

- The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Roanoke for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024. This was the 50th consecutive year that the City of Roanoke achieved this prestigious award. To be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only.
- The City of Roanoke also received the GFOA's Distinguished Budget Presentation Award for its fiscal year 2026 annual budget document dated May 12, 2025. To qualify for the Distinguished Budget Presentation Award, the City of Roanoke's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.
- Roanoke was nationally recognized with a 2025 ICMA Local Government Excellence Award in Community Sustainability for its work with Bee City USA.
- Roanoke placed 5th in the Digital Cities Survey (75,000 – 124,999 population range), retaining its status as a Top Digital City since 2001.
- Roanoke won the 2024 Virginia Municipal League's Public Safety Award for the 'Lock in Safety. Unlock Hope.' Campaign
- The City of Roanoke won a 2024 Savvy Award for Noke News, recognizing our outstanding achievement in local government communications
- General Manager of Hotel Roanoke, Brian Wells, was named the General Manager of the Year by the American Hospitality and Lodging Association.
- Roanoke was recognized as one of the 100 Best Fleets in the Americas by the National Association of Fleet Administrators for the 2nd consecutive year.
- City of Roanoke Fleet Technician Roger Davis was named NAFA Technician of the Year from

over 100 applicants nationwide, recognized for his outstanding dedication and expertise. Also, Maintenance Supervisor Stephen Brockman received an Honorable Mention for Fleet Professional of the Year.

- Livability.com ranked Roanoke one of the top 100 places to live in in the U.S. in 2025.

Acknowledgements

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Department of Finance. We wish to thank all City of Roanoke departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the Mayor and the Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Valmarie Turner
City Manager

Acquenatta Harris
Interim Director of Finance

City of Roanoke, Virginia

Directory of Principal Officials
June 30, 2025

Members of City Council

Joseph L. Cobb	*Mayor*
S. Terry McGuire	*Vice-Mayor*
Nicolas S. Hagen	
Phazhon T. Nash	
Evelyn W. Powers	
Vivian Sanchez-Jones	
Peter J. Volosin	

Constitutional Officers

Brenda L. Hamilton	*Clerk of Circuit Court*
Antonio Hash	*Sheriff*
John McNeil Jr.	*Commonwealth's Attorney*
Tasha L. Burkett	*Treasurer*
Ryan LaFountain	*Commissioner of the Revenue*

City Council Appointed Officials

Valmarie H. Turner	*City Manager*
Timothy R. Spencer	*City Attorney*
Susie McCoy	*City Clerk*
Drew Harmon, CPA, CIA	*Municipal Auditor*

Other City Officials

Samual Roman	*Assistant City Manager*
Angela O'Brien	*Assistant City Manager*
Margaret A. Lindsey	*Director of Finance*

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Roanoke
Virginia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

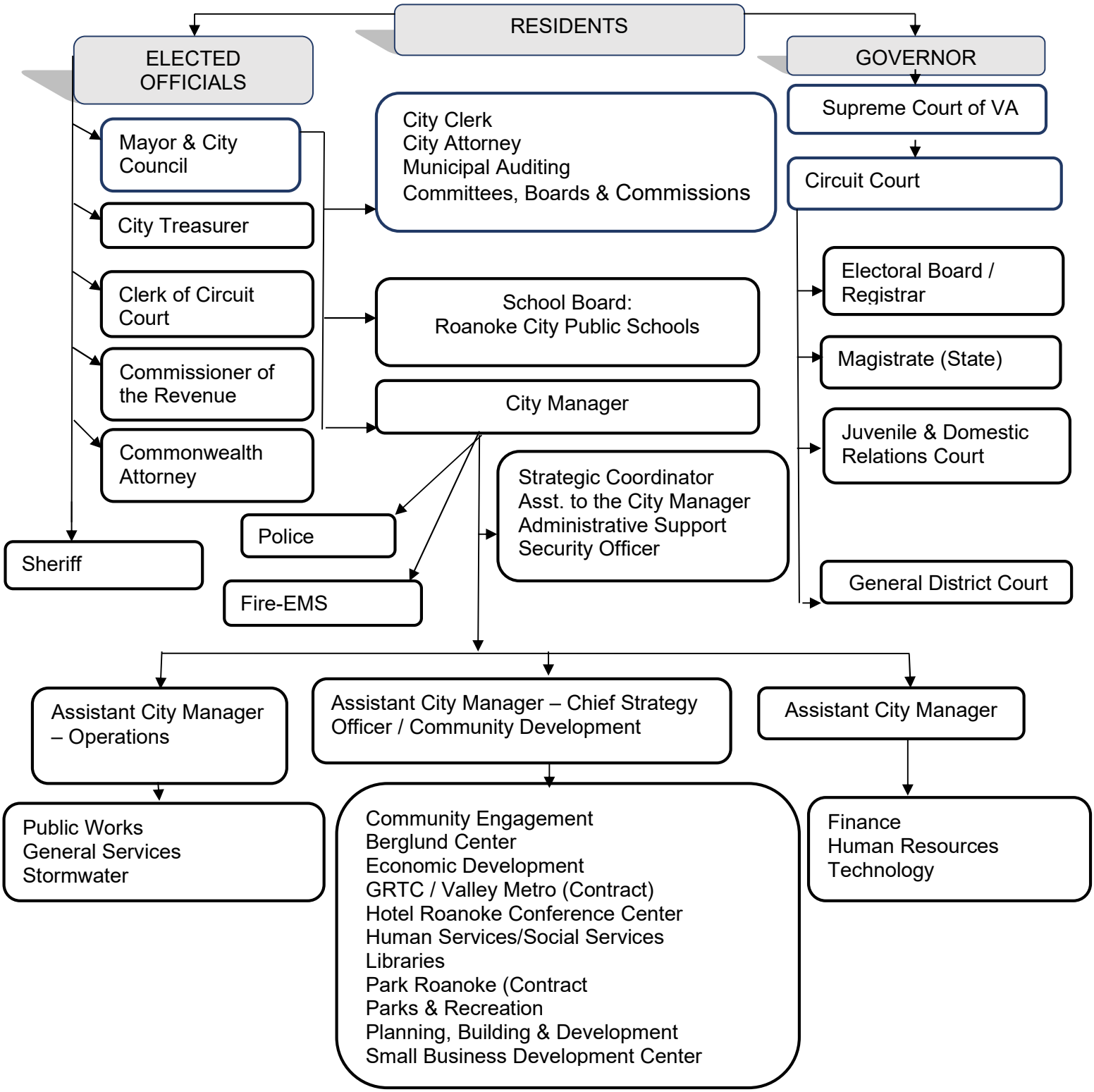
Christopher P. Morrill

Executive Director/CEO

City of Roanoke, Virginia

Organizational Chart

FY2024–2025



Financial Section

BROWNEDWARDS
certified public accountants

Independent Auditor's Report

To the Honorable Members of the City Council
City of Roanoke
Roanoke, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Roanoke, Virginia (the "City") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Restatement of Beginning Net Position

As discussed in Note 20 to the financial statements, the City restated beginning net position in association with the City's implementation of GASB 101 *Compensated Absences* standard. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
August 14, 2026

CITY OF ROANOKE, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025
(UNAUDITED)

This section of the City of Roanoke, Virginia's (City) Annual Comprehensive Financial Report (ACFR) presents Management's Discussion and Analysis (MD&A) of the City's financial performance during the fiscal year ended June 30, 2025. The MD&A should be read in conjunction with the preceding transmittal letter and the City's financial statements.

FINANCIAL HIGHLIGHTS

- At the end of the fiscal year, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $475.4 million, an increase of $12.6 million or 2.7%, over the prior year's ending balance of $462.8 million (restated). Net position was comprised of $515.3 million, attributable to the City's net investment in capital assets, $430,094 restricted for debt service, offset by a negative unrestricted amount of $40.3 million.

- Net position for governmental activities increased $11.3 million. For the fiscal year, $458.6 million of revenues, generated by taxes and other revenues for governmental programs, exceeded expenses by $14.8 million (before transfers), an increase from the prior year of $11.9 million.

- In the City's business-type activities, net position increased by $1.4 million compared to a prior year increase of $1.6 million. Total change in net position before transfers for business-type activities experienced a decrease of $2.1 million over the prior year.

- The City's governmental funds reported a combined ending fund balance of $198.7 million, a 44.8% increase compared to prior year. Of the total fund balance, 1.5% was held in reserves, 3.5% was committed for projects in the capital improvement program, 6.7% categorized as stabilization, and 34.3% remained available for spending at the City's discretion as unassigned.

- The City's bond ratings are further evidence of its financial strength. In September 2024, the City had bond ratings from Standard & Poor's of "AA+" and from Moody's of "Aa2". Such rankings demonstrate that the City's bonds are considered excellent investment quality. Roanoke's strong tax base, solid financial policies, and position as southwest Virginia's economic center are principal reasons for these excellent bond ratings.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements.

The City's financial statements present two types of statements, each with a different focus on the City's finances. The focus is on both the City as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both short-term and long-term information about the City's overall financial status. The fund financials focus on the individual parts of City government, reporting the City's operations in more detail than the government-wide statements, which present a longer-term view. Presentation of both perspectives provides the user a broader overview, enhances the basis for comparisons, and better reflects the City's accountability.

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position (Exhibit A) and the Statement of Activities (Exhibit B). These statements provide information about the City as a whole using the full accrual basis of accounting, which is the method used by most private-sector enterprises. All current year revenues and expenses are reported in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position, the difference between the City's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, is one way to measure the financial health, or position, of the City. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the City, one needs to consider other nonfinancial factors such as changes in the City's property tax base and condition of the City's infrastructure.

In the Statement of Net Position and the Statement of Activities, the City's fund-based activity is classified as follows:

Governmental activities – Most of the City's basic services are reported here, including general government, judicial administration, public safety, public works, health and welfare, parks, recreation, and culture, and community development departments. Property taxes, other local taxes, and federal and state grants finance most of these activities.

Business-type activities – The City's Stormwater Utility, Civic Facilities, and Parking operations are reported here as the City charges fees for services.

Component units – The City includes two discretely presented component units in this report, the School Board of the City of Roanoke (School Board) and the Greater Roanoke Transit Company (GRTC). Although legally separate, the component units are included as the City is financially accountable for them and as such, exclusion could cause the City's financial statements to be misleading.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

The fund financial statements provide detailed information about the City's most significant funds - not the City as a whole. Funds are accounting units that the City uses to keep track of specific sources of funding and spending for particular purposes. The City has three types of funds:

Governmental funds – Most of the City's basic services are reported in governmental funds. These funds are reported on the modified accrual basis of accounting, which measures cash and other liquid assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term overview that helps the reader determine the financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided that explains the relationship (or differences) between them. Governmental funds include the General Fund, Debt Service Fund, Capital Projects Fund, and Special Revenue Fund (Grant Fund).

Proprietary funds – When the City charges for the services it provides, these services are generally reported in proprietary funds, which, like the government-wide financial statements, utilize the full accrual basis of accounting and their statements provide both short and long-term financial information.

The City's enterprise funds, a type of proprietary fund, are accounted for in the same manner as the government-wide business-type activities; however, the fund financial statements provide more detail and additional information, such as cash flows. The City's enterprise funds include Stormwater Utility, Civic Facilities, and Parking.

The City uses an internal service fund, another type of proprietary fund, to report activities that provide or cover services by one City department to other City departments on a cost reimbursement basis. The City has only the Risk Management Fund as an internal service fund. This fund is utilized to cover cost of claims made against the City either for medical and dental, workers' compensation or other general liabilities and the related litigation expenses. The City is self-insured.

Internal service fund activity is reported as governmental activity on the government-wide financial statements.

Fiduciary funds – Resources held for other governments, individuals, or agencies not part of the City are reported as fiduciary funds. These activities are excluded from the government-wide financial statements because the City cannot use these assets to finance its operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City of Roanoke Pension Plan is reported as a pension trust fund. Additionally, the City reports assets for other postemployment benefits (OPEB) related to its healthcare plan for retirees and line of duty benefits for its public safety employees in an OPEB trust fund. The City reports assets held on behalf of the Hotel Roanoke Conference Center Commission as a custodial fund, which are custodial in nature and do not involve measurement of results of operations. The City also reports assets held on behalf of the Inmate Fund associated with the City Jail as a custodial fund. This custodial fund does not involve measurement of results of operations.

FINANCIAL ANALYSIS OF THE PRIMARY GOVERNMENT

A comparative analysis of government-wide information from Exhibit A follows:

Summary of Net Position as of June 30, 2025 and 2024 (In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 301.5	$ 231.8	$ 26.3	$ 20.8	327.7	$ 252.6
Capital assets, net	731.1	688.5	90.5	90.1	821.6	$ 778.6
Total assets	**1,032.5**	**920.3**	**116.7**	**110.9**	**1,149.3**	**1,031.2**
Deferred outflows of resources	**71.0**	**98.0**	**3.4**	**5.5**	**74.4**	**103.5**
Other liabilities*	110.9	102.5	7.8	7.8	118.7	110.3
Long-term liabilities	572.3	494.9	47.2	44.4	619.4	539.3
Total liabilities	**683.2**	**597.4**	**55.0**	**52.2**	**738.1**	**649.6**
Deferred inflows of resources	**8.2**	**9.4**	**1.9**	**2.1**	**10.1**	**11.5**
Net Position:						
Net investment in capital assets	457.8	447.6	57.5	54.6	515.3	502.2
Restricted for Debt Service	430.1	0.2	-	-	430.1	0.2
Unrestricted (deficit)	(46.0)	(36.3)	5.7	7.5	(40.3)	(28.8)
Total net position	**$ 412.2**	**$ 411.5**	**$ 63.2**	**$ 62.1**	**$ 475.4**	**$ 473.6**

Net Position:

The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $475.4 million at the close of the fiscal year. The City's combined net position (the City's bottom line) increased by $12.6 million from prior year's ending balance of $462.8 million. Net position from governmental activities increased by $11.3 million. Business-type activities resulted in an increase in net position of $1.4 million.

The largest component of the City's net position was the investment in capital assets ($515.3 million) (e.g., land, buildings, infrastructure improvements, machinery and equipment, net of accumulated depreciation) less any related outstanding debt and payables used to acquire those assets, plus any unspent bond proceeds. The slight decrease in the City's net position was a result of significant capital asset investment offset by an increase in the deficit balance in unrestricted net position. Restricted debt service net position improved Net position is reported as restricted when constraints on its use are externally imposed by creditors, grantors, contributors, or regulators, or are imposed by law through constitutional provisions or enabling legislation. Restricted net position related to debt service totaled $430,094. The City's unrestricted net position, which may be used to finance the day-to-day operations of the City, totaled a negative $46.0 million, an increase of the deficit of $9.7 million from fiscal year 2024 unrestricted net position.

FINANCIAL ANALYSIS OF THE PRIMARY GOVERNMENT (Continued)

Summary of Changes in Net Position:

The following two tables summarize the changes in net position from Exhibit B:

Summary of Changes in Net Position For the years Ended June 30, 2025 and 2024 (In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for services	$ 23.9	$ 25.1	$ 27.7	$ 27.5	$ 51.6	52.6
Operating grants and contributions	116.8	119.2	-	-	116.8	119.2
Capital grants and contributions	8.5	9.1	0.2	1.4	8.7	10.5
General Revenues:						
Property taxes	171.2	160.2	-	-	171.2	160.2
Local portion of state sales tax	29.1	28.4	-	-	29.1	28.4
Business and professional occupational license taxes	18.8	17.6	-	-	18.8	17.6
Utility taxes	9.6	8.3	-	-	9.6	8.3
Prepared food and beverage taxes	22.6	21.7	-	-	22.6	21.7
Bank Stock Taxes	1.4	-			1.4	-
Commonwealth share-personal property taxes	8.1	8.1	-	-	8.1	8.1
Cigarette taxes	1.5	1.4	-	-	8.1	1.4
Transient room taxes	5.7	5.6	-	-	1.5	5.6
Telecommunications taxes	4.5	4.5	-	-	5.7	4.5
Motor vehicle license tax	3.1	3.2	-	-	4.5	3.2
Other tax	6.1	4.8	-	-	3.1	4.8
Other	-	-				
Recovered Cost	-	0.1	-	-	-	0.1
Payment from Component Unit	10.3	11.5	-	-	10.3	11.5
State Aid Not Restricted	-	2.1	-	-	-	2.1
Grants and Contributions		1.4	-	-	-	1.4
Interest and investment income	8.7	7.5	1.1	0.9	9.8	8.4
Miscellaneous	8.8	0.8	0.3	0.4	9.1	1.2
Total Revenues	$ 458.6	$ 440.6	$ 29.3	$ 30.2	$ 489.8	$ 470.8

FINANCIAL ANALYSIS OF THE PRIMARY GOVERNMENT (Continued)

Summary of Changes in Net Position: (Continued)

Summary of Changes in Net Position For the years Ended June 30, 2025 and 2024 (In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Expenses						
General government	$ 49.0	$ 54.3	$ -	$ -	$ 49.0	$ 54.3
Judicial administration	16.0	13.6	-	-	16.0	13.6
Public safety	114.9	106.0	-	-	114.9	106.0
Public works	53.8	39.2	-	-	53.8	39.2
Health and welfare	64.8	59.5	-	-	64.8	59.5
Parks, recreation, and cultural	16.7	17.6	-	-	16.7	17.6
Community development	15.6	33.2	-	-	15.6	33.2
Education	101.7	105.9	-	-	101.7	105.9
Interest	11.2	8.4	-	-	11.2	8.4
Civic facilities	-	-	19.8	19.8	19.8	19.8
Parking	-	-	4.3	4.3	4.3	4.3
Stormwater utility	-	-	7.3	7.7	7.3	7.7
Other	-	-		-	-	-
Total Expenses	443.8	437.7	31.4	31.8	475.2	469.5
Increase in Net Position before transfers	14.8	2.9	(2.1)	(1.5)	12.6	1.4
Transfers	(3.5)	(3.1)	3.5	3.1	-	-
Increase in Net Position	11.3	(0.2)	1.4	1.6	12.6	1.4
Total Net Position, Beginning*	400.9	411.7	61.8	60.5	462.8	472.2
Total Net Position, Ending	$ 412.2	$ 411.5	$ 63.2	$ 62.1	$ 475.4	$ 473.6

*Amounts for 2025 reflect restatement. See Note 20.

Governmental Activities

The net position of governmental activities increased $11.3 million as compared to the ($0.3) million decrease in prior year. Significant current year activities affecting net position include:

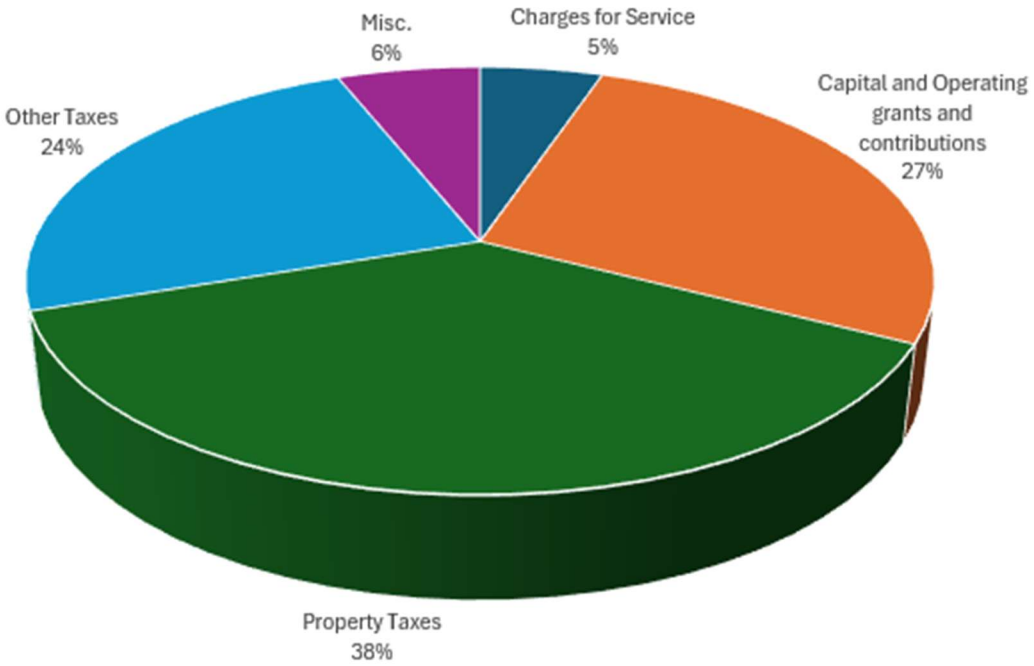
- Governmental Activities' revenues increased 7.7% and were primarily due to real estate and personal property. Expenses increased year over year by 1.4%, related to the Health and Welfare category from Children's Services Act (CSA). Services for children in need of placement, a variety of therapeutic services vary each year and costs for these services. Public Works expenditure also contributes to the expenditure increase.

FINANCIAL ANALYSIS OF THE PRIMARY GOVERNMENT (Continued)

Summary of Charges

Revenues generated for governmental activities are presented below by category:

Revenue by Source – Primary Government for the year ended June 30, 2025



The property tax classification was approximately 38% of the total revenue generated by governmental activities and included real estate tax, the local portion of personal property tax, and public service corporation taxes. Real estate tax revenue, the largest source of revenue for the City, totaled $126 million. The assessed value of real property in the City increased 8.23% for the 2025 calendar year primarily based on the market and low inventory of available properties for sale. A presentation to Council is made every January on this information.

Personal property tax revenue, including the Commonwealth share and public service tax, totaled $41.3 million. The revenue received locally from citizens totaled $33.3 million. Funding from the Commonwealth under its amended Personal Property Tax Relief Act (PPTRA) program provided revenue totaling $8.1 million and is unchanged. Revenue from the Commonwealth provided relief of 41.72% on the first $20,000 in vehicle value for the current fiscal year and is included in the other taxes category.

Sales, prepared food and beverage, business and professional occupational license, utility, telecommunication, transient room and cigarette taxes, as well as funding from the Commonwealth under PPTRA, comprise the majority of other local taxes collected by the City. Other taxes equated to just over 24% of total revenues generated for governmental activities.

FINANCIAL ANALYSIS OF THE PRIMARY GOVERNMENT (Continued)

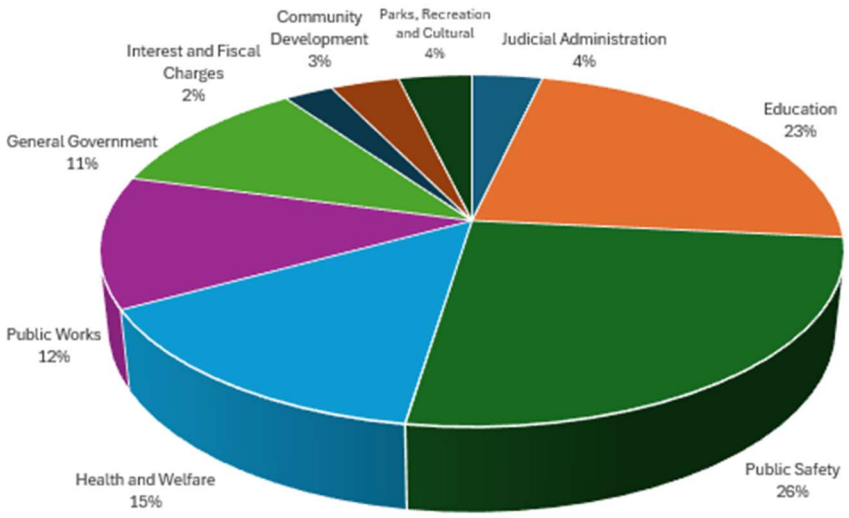
Summary of Charges: (Continued)

Operating grants and contributions were 27.3% of governmental activities' revenues. Social service programs, street maintenance funds, reimbursement for shared expenses of constitutional officers, reimbursement for funding received under House Bill 599 for law enforcement, and jail per diems are the major sources of revenue included in this category.

Charges for services included items such as fines, court fees, inspection fees, reimbursements for housing prisoners, solid waste collection fees, and recreation and other program-based fees.

Expenses of the governmental activities are shown below by functional area:

Expenses – Primary Government for the year ended June 30, 2025



Education comprised 22.9% of governmental activities. Funding of $101.6 million was provided to the Roanoke City School Board to support operations and debt service.

Public Safety comprised 25.9% of expenses of governmental activities. Operations of the City Jail, Police, and Fire Departments were included in this category, along with expenses of Emergency Medical Services, Communications (E911 Call Center), and the cost of juvenile justice programs.

Public Works and Health and Welfare expenses comprised approximately 12.1% and 14.6%, respectively, of governmental activities expenses. Expenses for Solid Waste Management, Building Maintenance, Street Paving and Street Maintenance were some of the departments included in the Public Works category. The Children's Services Act and social services programs along with the City's contribution to the Health Department are the primary expenses reported in the Health and Welfare category.

Business-type Activities

The net position of business-type activities increased the City's net position $1.3 million. Expenses for the City's business-type activities totaled $31.4 million.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting (either modified accrual or full accrual basis) to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds - For the fiscal year ended June 30, 2025, governmental funds reported a combined ending fund balance of $198.7 million, an increase of $61.5 million from the prior year. Approximately 34.3% of this total ($68.1 million) constitutes unassigned fund balance. Assigned fund balance consists of the General Fund Reserve and Stabilization Reserve, which provide the City with working capital and a margin of financial safety to address unforeseen, one-time expenditure emergencies or declines in revenues for which there is no other budgetary resource or other designations of fund balance available to satisfy the funding need. Additional assigns are interest earned on invested American Rescue Plan Act funds that exceed what was budgeted for that revenue line and funds ascribed to future capital projects. The total assigned fund balance is $34.4 million. Committed fund balance of just under $43.9 million consists of funding for outstanding purchase commitments either in the general fund or the capital projects fund. $62.2 million of the fund balance is restricted and consists of funds provided by bonded debt for future capital project expenditures, funds restricted to debt service and the special revenue fund. The remaining fund balance of $292.347 is non-spendable and is inventory.

The City reports fund balance in accordance with accounting principles generally accepted in the United State of America (GAAP), which categorizes fund balance into five classifications based upon constraints placed on the use of resources. See Note 1 of the Notes to Basic Financial Statements for additional information on the fund balance categories.

The General Fund is the primary operating fund of the City. The total fund balance increased by $21.3 million (revenue of $395.2 million less expenditures of $344.6 million and other financing uses of $29.3 million (net transfers) with unassigned fund balance increasing by $17.7 million to $68.1 million.

Local taxes increased by 6.6% compared to last year. Taxes related to real estate, sales, business licenses, transient, and prepared food and beverage, utility consumer all increased for the fiscal year 2025. Motor vehicle license fees and admissions decreased for the fiscal year 2025. Real estate taxes, the City's largest single source of revenue, continues to show an increase year over year.

Intergovernmental revenue is the second largest source of General Fund revenues, accounting for $96.1 million in fiscal year 2025. The Commonwealth is the primary source of Intergovernmental revenue by providing revenues for social services programs, street maintenance funds, and law enforcement funding received under House Bill 599.

In fiscal year 2025 the total increase in funding from the Commonwealth compared to fiscal year 2024 was approximately 4.96%. Much of that year over year increase is attributed to funds received for social services programs, including foster care, and adoptions under the Children's Service Act.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund begins each fiscal year with budgeted revenue and expenditure amounts that are equal. During the year, encumbrances unpaid at the end of the prior year are liquidated, increasing expenditures. Other budgetary adjustments are made to recognize additional sources and uses of funding or to accept donations.

Actual General Fund revenues were $16.4 million or 4.3% higher than the original adopted fiscal year 2025 revenues estimates and were lower than the final revenue estimates by 0.2%. The General Fund revenue increase versus original budget was driven by local revenue performance, primarily real estate.

In the local tax area, real estate tax revenue increased primarily due to assessment values which increased 9.3% from the previous year as a result of both existing and new construction activity. Personal property, business and professional license, and transient occupancy taxes improved as compared to their fiscal year 2025 budget because of a reasonably stable economy. Performance of other local taxes, such as sales tax, experienced a slight decrease from the original adopted budget when comparing actual revenue to budget due to consumer spending.

Actual General Fund expenditures and transfers were higher than the original budget by $3.6 million, primarily due to increased services of the Children's Services Act (CSA) expenditures, reflecting increased needs for services for children. Public Works expenditures were also higher than budgeted primarily due to snow events that required additional snow removal and related services

CAPITAL ASSETS

As of June 30, 2025, the City's capital assets for its governmental and business-type activities amounted to $849.2 million, net of accumulated depreciation. This investment includes land, historical treasures, construction in progress, land improvements, buildings and structures, equipment and infrastructure. The City's capital assets increased year over year by $70.8 million or 9.1% when compared to fiscal year ended 2024.

The following table shows summarized balances of major categories of capital assets as of June 30, 2025 and 2024.

Summary of Capital Assets Net of Depreciation as of June 30, 2025 and 2024 (In Millions)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land and Improvements	$ 66.2	$ 61.7	$ 10.7	$ 10.5	$ 76.9	$ 72.2
Buildings and Improvements	346.1	330.6	45.0	45.2	391.1	375.8
Equipment	33.2	27.8	31.3	3.6	64.5	31.4
Infrastructure	240.5	237.8	24.1	20.6	264.6	258.4
Construction in Progress	44.3	29.7	7.0	10.1	51.3	39.8
Historical Tresures	0.8	0.8	-	-	0.8	0.8
Total	$ 731.1	$ 688.4	$ 118.1	$ 90.0	$ 849.2	$ 778.4

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CAPITAL ASSETS (Continued)

Detailed information regarding capital assets is disclosed in Note 6 of the Notes to the Basic Financial Statements and Required Supplementary Information, Section 3.

LONG-TERM DEBT

At June 30, 2025, the City's long-term liabilities, excluding lease and subscription liabilities, compensated absences, and claims payable, totaled $171.0 million, comprised of $303.1 million related to governmental activities and $39 million related to business-type activities. Total debt increased by a net amount of $54.2 million during the fiscal year. The City issued a bond anticipation note in September 2025 of $57.5 to fund capital projects. Additionally in December the City issued general obligation bonds of $20.2 million in bonds for projects within City, Schools and Stormwater.

Management is responsible for the identification and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements.

The City's ratings for S&P and Moody's rating agencies continue as AA+/Aa. The City's strong bond ratings continue to translate into favorable borrowing costs related to capital improvement projects.

The *Charter of the City* and *Code of Virginia* limit the City's net debt to 10% of the assessed valuation of real estate within the City limits. The limit applies to tax supported debt paid by the governmental funds. Long-term liabilities of business-type funds will be met by revenues generated by those funds. The City considers long-term debt of its Stormwater Utility and Parking Enterprise Funds to be self-supporting. The City's tax-supported debt of $356.3 million less the Debt Service Fund Balance of $430,094 designated for the repayment of debt service is well below the legal debt limit of $1,066.9 million.

The School Board Component Unit relies upon the City to provide full faith and credit for any debt obligations incurred. Therefore, the City reports School Board Component Unit long-term liabilities, other than claims payable, net pension liability, other postemployment benefits, and compensated absences, as its own. In addition to bonded debt and capital lease obligations, the City's long-term obligations include compensated absences and claims payable.

Detailed information concerning the City's long-term liabilities is presented in Note 9 of the Notes to Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The average unemployment in the Roanoke Metropolitan Statistical Area (MSA), which includes the City, was 3.4% as of fiscal year end June 30, 2025, using data from the Federal Reserve "FRED" system up from 3.2% at June 30, 2024. Comparatively, the national unemployment in fiscal year 2025 was 4.1%. Employment in Roanoke is diverse with representation within the area of all census-defined industries. The industries providing the largest number of jobs in the region are health care and social assistance. Additional information concerning the City's demographics and employment is presented in Tables 13, 16, 17, 18, 20, and 21 of the Statistical Section.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (Continued)

Fiscally responsible budgeting for 2025 provides for continued programming levels for services in response to an increase in real estate and property tax revenues, among others. Service levels remain stable and within the means of conservatively budgeted revenues. General Fund fiscal year 2026 revenues increased 7.6% compared to the fiscal year 2025 adopted budget. The increase was attributable to reassessment value growth in real estate, assessment value increases in personal property, increases to the funding for street maintenance, increases to the Fire-EMS fees, and an increase to the prepared food and beverage tax rate.

General property taxes increased $15.4 million or 9.3% compared to the fiscal year 2025 adopted budget. Other local taxes increased by $5.9 million or 6.0% compared to the fiscal year 2025 adopted budget, primarily due to the increase in prepared food and beverage tax from 5.5% to 6.5% scheduled to sunset at the end of fiscal year 2026. Funding for schools in fiscal year 2026 is projected to be $106.9 million, remaining the same as the budgeted amount for fiscal year 2025. As the City begins to look ahead toward fiscal year 2027, strategic budget priorities will include Civic Stewardship and Infrastructure, Community and Economic Vitality, Community Safety, Healthy and Sustainable Communities, and Education. The City continues to be the center of a strong regional business environment with a creative, diverse, and growing community. Management believes that the positive fiscal year 2026 revenue estimates are attainable. Local taxes, including real estate and personal property taxes, are consistently performing above budgeted levels, partially due to conservative forecasting for budgets but also as a measure of a vibrant City population, even though population growth remains steady. As inflation continues to rise, the decision to temporarily increase the prepared food and beverage tax in fiscal year 2026 aims to address operational challenges and backlog issues.

The City's Pension Plan's increase in Net Position Restricted for Pensions is due primarily to the annual investment return. The Plan experienced an investment return of 10.8%, net of fees, for the fiscal year ended June 30, 2025. The positive investment return for the current fiscal year is attributed to strong performance in the domestic and international equity markets with bond and real estate investments finishing with solid returns. International equities and the plan's Mid-Cap Growth manager produced the highest returns during fiscal year 2025. The Plan's real estate allocation showed signs of recovery as liquidity improved and market conditions stabilized. The Plan's long-term annualized investment return continues to rank in the top quartile of the investment advisor's comparative universe of all retirement plans.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives and their uses. Questions concerning this report or requests for additional information should be directed to the Director of Finance, 215 Church Avenue, SW, Room 461, Roanoke, Virginia 24011, telephone (540) 853-5224 or email finance@roanokeva.gov. The City's website address is www.roanokeva.gov.

Basic Financial Statements

Exhibit A

City of Roanoke, Virginia

Statement of Net Position

June 30, 2025

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	GRTC
ASSETS					
Cash and cash equivalents					
Unrestricted	$ 126,618,590	$ 17,057,429	$ 143,676,019	$ 54,011,546	$ 1,754,268
Restricted	86,413,280	6,075,946	92,489,226	-	476,420
Due from primary government	-	-	-	7,120,077	-
Due from component unit	27,481,184	-	27,481,184	-	-
Due from other governments	24,354,625	45,191	24,399,816	15,806,356	1,194,496
Taxes and accounts receivable, net	35,819,365	1,196,833	37,016,198	3,823,561	268,951
Lease receivable	74,394	1,635,566	1,709,960	-	-
Inventory	39,821	179,713	219,534	-	501,433
Prepaid items	652,526	65,078	717,604	1,297,794	2,750
Net pension asset	-	-	-	1,122,460	-
Net OPEB asset	-	-	-	35,984	-
Capital assets:					
Non-depreciable capital assets	164,414,329	16,757,074	181,171,403	6,604,047	1,900,502
Depreciable capital assets, net	566,675,691	73,715,686	640,391,377	46,600,792	28,094,360
Capital assets, net	731,090,020	90,472,760	821,562,780.00	53,204,839	29,994,862
Total assets	1,032,543,805	116,728,516	1,149,272,321	136,422,617	34,193,180
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension	65,197,678	2,587,567	67,785,245	47,384,017	-
Deferred outflows related to OPEB	4,681,737	225,725	4,907,462	5,101,231	-
Deferred outflows from debt refundings	1,137,479	552,850	1,690,329	-	-
Total deferred outflows of resources	71,016,894	3,366,142	74,383,036	52,485,248	-
LIABILITIES					
Accounts payable and accrued expenses	29,015,200	1,917,885	30,933,085	17,511,177	1,146,841
Accrued interest payable	2,665,965	306,903	2,972,868	-	-
Arbitrage liability	1,317,899	154,327	1,472,226	-	-
Due to component unit	7,120,077	-	7,120,077	-	-
Due to fiduciary funds	1,052,455	47,835	1,100,290	-	-
Due to other governments	1,500	-	1,500	27,481,184	5,400
Unearned revenues	31,938,824	2,005,017	33,943,841	4,411,584	293,464
Long-term liabilities due within one year	37,819,951	3,362,815	41,182,766	13,212,419	161,371
Long-term liabilities due in more than one year:					
Net pension liability	243,214,880	10,476,084	253,690,964	107,359,430	-
Net OPEB liability	8,666,784	319,066	8,985,850	18,248,698	-
Other long-term liabilities due in more than one year, net	320,380,085	36,364,885	356,744,970	20,783,155	115,162
Total liabilities	683,193,620	54,954,817	738,148,437	209,007,647	1,722,238
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from leases	70,763	1,573,352	1,644,115	-	-
Deferred inflows from debt refundings	192,003	28,772	220,775	-	-
Deferred inflows related to pension	2,210,059	2,329	2,212,388	18,056,943	-
Deferred Inflows related to OPEB	5,692,849	318,934	6,011,783	2,011,982	-
Total deferred inflows of resources	8,165,674	1,923,387	10,089,061	20,068,925	-
NET POSITION (DEFICIT)					
Net investment in capital assets	457,811,818	57,483,672	515,295,490	29,426,964	29,911,573
Restricted for:					
Pension and OPEB assets	-	-	-	1,158,444	-
Debt service	430,094	-	430,094	-	-
Unrestricted (deficit)	(46,040,507)	5,732,782	(40,307,725)	(70,754,115)	2,559,369
Total net position (deficit)	**$ 412,201,405**	**$ 63,216,454**	**$ 475,417,859**	**$ (40,168,707)**	**$ 32,470,942**

The Notes to Financial Statements are an integral part of this statement.

Exhibit B

City of Roanoke, Virginia

Statement of Activities

Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	$ 49,007,110	$ 1,674,263	$ 17,960,287	$ 93,886
Judicial administration	16,003,045	1,636,995	12,691,888	-
Public safety	114,937,695	10,476,452	11,917,970	-
Public works	53,782,726	5,159,425	21,472,239	7,383,697
Health and welfare	64,846,304	3,585,061	44,594,445	-
Parks, recreation, and cultural	16,675,157	548,837	361,592	1,046,790
Community development	15,619,397	772,133	2,492,267	-
Education	101,681,359	-	5,285,305	-
Interest	11,220,275	-	-	-
Total governmental activities	443,773,068	23,853,166	116,775,993	8,524,373
Business-type activities:				
Civic facilities	19,766,404	14,347,467	-	-
Parking	4,341,569	4,065,576	-	-
Stormwater utility	7,339,308	9,313,622	-	218,544
Total business-type activities	31,447,281	27,726,665	-	218,544
Total primary government	**$ 475,220,349**	**$ 51,579,831**	**$ 116,775,993**	**$ 8,742,917**
Component Units				
School Board of the City of Roanoke	**$ 319,599,978**	**$ 3,283,292**	**$ 83,810,028**	**$ 5,618,944**
Greater Roanoke Transit Company	**$ 17,645,319**	**$ 1,568,555**	**$ 12,555,022**	**$ 3,071,023**

General revenues
- Taxes:
  - General property - real estate and personal property
  - Local portion of state sales
  - Business, professional, and occupational license
  - Utility consumer
  - Prepared food and beverage
  - Bank stock taxes
  - Commonwealth share - personal property
  - Cigarette
  - Transient room
  - Telecommunication
  - Motor vehicle license
  - Other taxes
- Other
- State aid not restricted to a specific program
- Payment from City of Roanoke
- Payment from component unit
- Interest and investment income
- Miscellaneous

Transfers
- Transfers
  - Total general revenues and transfers
  - Change in net position

NET POSITION (DEFICIT) AT JULY 1
RESTATEMENT (NOTE 20)
NET POSITION (DEFICIT) - BEGINNING, AS RESTATED
NET POSITION (DEFICIT) AT JUNE 30

The Notes to Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	School Board	GRTC
$ (29,278,674)	$ -	$ (29,278,674)	$ -	$ -
(1,674,162)	-	(1,674,162)	-	-
(92,543,273)	-	(92,543,273)	-	-
(19,767,365)	-	(19,767,365)	-	-
(16,666,798)	-	(16,666,798)	-	-
(14,717,938)	-	(14,717,938)	-	-
(12,354,997)	-	(12,354,997)	-	-
(96,396,054)	-	(96,396,054)	-	-
(11,220,275)	-	(11,220,275)	-	-
(294,619,536)	-	(294,619,536)	-	-
-	(5,418,937)	(5,418,937)	-	-
-	(275,993)	(275,993)	-	-
-	2,192,858	2,192,858	-	-
-	(3,502,072)	(3,502,072)	-	-
$ (294,619,536)	**$ (3,502,072)**	**$ (298,121,608)**	**$ -**	**$ -**
$ -	**$ -**	**$ -**	**$ (226,887,714)**	**$ -**
$ -	**$ -**	**$ -**	**$ -**	**$ (450,719)**
$ 171,166,277	$ -	$ 171,166,277	$ -	$ -
29,082,525	-	29,082,525	-	-
18,758,519	-	18,758,519	-	-
9,569,934	-	9,569,934	-	-
22,632,447	-	22,632,447	-	-
1,383,805	-	1,383,805	-	-
8,075,992	-	8,075,992	-	-
1,468,183	-	1,468,183	-	-
5,665,559	-	5,665,559	-	-
4,511,609	-	4,511,609	-	-
3,124,481	-	3,124,481	-	-
6,142,708	-	6,142,708	-	-
-	-	-	-	29,200
-	-	-	108,711,519	-
-	-	-	86,309,874	-
10,318,817	-	10,318,817	-	-
8,709,015	1,050,117	9,759,132	2,408,483	-
8,791,247	313,053	9,104,300	1,716,623	-
(3,511,935)	3,511,935	-	-	-
305,889,183	4,875,105	310,764,288	199,146,499	29,200
11,269,647	1,373,033	12,642,680	(27,741,215)	(421,519)
411,452,826	62,068,928	473,521,754	(7,860,964)	32,830,035
(10,521,068)	(225,507)	(10,746,575)	(4,566,528)	62,426
400,931,758	61,843,421	462,775,179	(12,427,492)	32,892,461
$ 412,201,405	**$ 63,216,454**	**$ 475,417,859**	**$ (40,168,707)**	**$ 32,470,942**

Exhibit C

City of Roanoke, Virginia

Balance Sheet – Governmental Funds

June 30, 2025

	General Fund	Debt Service Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents					
Unrestricted	$ 61,224,522	$ 614,437	$ 23,445,558	$ 31,022,984	$ 116,307,501
Restricted	-	105,800	-	86,307,480	86,413,280
Due from component unit	20,877,137	-	-	-	20,877,137
Due from other governments	14,775,747	-	5,711,298	262,162	20,749,207
Due from federal government	-	-	3,321,288	284,130	3,605,418
Taxes receivable, net of allowance	28,344,183	-	-	-	28,344,183
Accounts receivable, net of allowance	4,026,391	-	3,373,023	75,768	7,475,182
Lease receivable	74,394	-	-	-	74,394
Inventory	39,821	-	-	-	39,821
Prepaid items	-	252,526	-	-	252,526
Total assets	**$ 129,362,195**	**$ 972,763**	**$ 35,851,167**	**$ 117,952,524**	**$ 284,138,649**
LIABILITIES					
Accounts payable and accrued expenditures	21,312,059	$ 144,105	$ 3,186,941	$ 4,260,122	$ 28,903,227
Due to other governments	1,500	-	-	-	1,500
Due to fiduciary funds	1,052,455	-	-	-	1,052,455
Due to component unit	-	146,038	-	6,974,039	7,120,077
Unearned revenues	787	-	27,692,543	4,245,494	31,938,824
Total liabilities	22,366,801	290,143	30,879,484	15,479,655	69,016,083
DEFERRED INFLOWS OF RESOURCES					
Uncollected taxes and charges	13,156,447	-	-	-	13,156,447
Deferred inflows – leases	70,763	-	-	-	70,763
Deferred Inflow from opioid settlement	-	-	3,239,599	-	3,239,599
Total deferred inflows of resources	13,227,210	-	3,239,599	-	16,466,809
FUND BALANCES					
Nonspendable					
Inventory and prepaids	39,821	252,526	-	-	292,347
Restricted					
Debt service	-	430,094	-	-	430,094
Grants	-	-	1,732,084	-	1,732,084
Unspent bond proceeds	-	-	-	60,056,984	60,056,984
Committed					
Encumbrances					
Community development	84,622	-	-	-	84,622
General government	1,315,819	-	-	4,170,364	5,486,183
Health and human welfare	306,073	-	-	-	306,073
Judicial administration	2,158,015	-	-	3,592,413	5,750,428
Parks, recreation, and cultural	101,499	-	-	836,198	937,697
Public safety	788,128	-	-	111,945	900,073
Public works	3,688,774	-	-	26,751,374	30,440,148
Assigned					
ARPA interest earnings	959,452	-	-	-	959,452
Reserves	2,950,000	-	-	-	2,950,000
Stabilization	13,245,931	-	-	-	13,245,931
Future capital projects	-	-	-	6,953,591	6,953,591
Unassigned	68,130,050	-	-	-	68,130,050
Total fund balances	93,768,184	682,620	1,732,084	102,472,869	198,655,757
Total liabilities, deferred inflows of resources and fund balances	**$ 129,362,195**	**$ 972,763**	**$ 35,851,167**	**$ 117,952,524**	**$ 284,138,649**

The Notes to Financial Statements are an integral part of this statement.

City of Roanoke, Virginia

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2025

Total Fund Balance – Governmental Funds		$ 198,655,757
Amounts reported for governmental activities in the Statement of Net Position are different due to:		
Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported as assets in the governmental funds.		
Governmental capital assets, at cost	$ 1,185,350,899	
Less accumulated depreciation	(454,260,879)	731,090,020
Other assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds.		
Deferred outflows (inflows) of resources from debt refundings resulting in loss (gain)	3,052,897	
Less accumulated amortization	(2,107,421)	945,476
Long-term capital asset receivable from Roanoke City Public Schools Component Unit		6,604,047
Property taxes receivable, which are expected to be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds.		13,156,447
Opioid settlements receivable, which are expected to be collected in future years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds.		3,239,599
Long-term liabilities, including bonds payable with related accrued interest, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Governmental bonds and loans payable	(288,166,135)	
Note payable	(3,500,000)	
Lease liabilities	(14,217,891)	
Subscription liabilities	(3,081,529)	
Bond premium	(23,004,999)	
Less accumulated amortization of bond premium	8,052,642	
Compensated absences	(20,218,950)	
Arbitrage liability	(1,317,899)	
Accrued interest payable	(2,665,965)	(348,120,726)
Long-term liabilities and deferred flows of resources related to pensions and other post-employment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds.		
Net deferred outflows related to pensions	65,197,678	
Net deferred inflows related to pensions	(2,210,059)	
Net pension liability	(243,214,880)	
Net deferred outflows of resources related to OPEB	4,681,737	
Net deferred inflows of resources related to OPEB	(5,692,849)	
Net OPEB liability	(8,666,784)	(189,905,157)
Internal Service Fund is used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, deferred inflows and net position of the Internal Service Fund are included with governmental activities in the Statement of Net Position.		(3,464,058)
Total Net Position – Governmental Activities		**$ 412,201,405**

City of Roanoke, Virginia

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds

Year Ended June 30, 2025

	General Fund	Debt Service Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES					
Local taxes	$ 270,446,642	$ -	$ -	$ -	$ 270,446,642
Permits, fees and licenses	2,163,918	-	-	-	2,163,918
Fines and forfeitures	837,569	-	-	-	837,569
Rental income	195,474	-	-	-	195,474
Investment income	3,882,040	104,655	18,786	4,514,547	8,520,028
Intergovernmental	96,057,861	10,525,660	24,200,741	8,838,437	139,622,699
Charges for services	20,129,188	-	-	-	20,129,188
Miscellaneous	1,481,502	-	688,157	13,019	2,182,678
Total revenues	395,194,194	10,630,315	24,907,684	13,366,003	444,098,196
EXPENDITURES					
Current operating					
General government	29,367,894	-	17,861,676	216,976	47,446,546
Judicial administration	12,434,683	-	1,337,747	-	13,772,430
Public safety	93,763,903	-	3,284,862	-	97,048,765
Public works	39,518,962	-	554,168	-	40,073,130
Health and welfare	59,988,066	-	523,741	-	60,511,807
Parks, recreation, and cultural	12,805,977	-	87,795	-	12,893,772
Community development	10,445,113	-	2,888,760	-	13,333,873
Education	86,309,874	-	-	-	86,309,874
Other	-	-	1,072,028	-	1,072,028
Debt service					
Principal retirement	-	18,580,891	-	-	18,580,891
Interest and other charges	-	10,879,724	-	-	10,879,724
Capital outlays	-	-	-	65,016,800	65,016,800
Total expenditures	344,634,472	29,460,615	27,610,777	65,233,776	466,939,640
Excess (deficiency) of revenues Over (under) expenditures	50,559,722	(18,830,300)	(2,703,093)	(51,867,773)	(22,841,444)
OTHER FINANCING SOURCES (USES)					
Issuance of promissory note	-	-	-	3,500,000	3,500,000
Issuance of subscription liability	-	-	-	3,418,130	3,418,130
Issuance of lease liability	-	-	-	11,483,100	11,483,100
Issuance of bond anticipation note	-	-	-	54,510,000	54,510,000
Issuance of public improvement bonds	-	-	-	13,840,000	13,840,000
Issuance of refunding bonds	-	1,590,897	-	1,914,353	3,505,250
Premium on issuance of bonds	-	34,780	-	1,251,499	1,286,279
Payment to refunded bond escrow agent	-	(1,533,714)	-	(2,094,717)	(3,628,431)
Transfers in	378,371	19,246,000	2,781,309	6,651,902	29,057,582
Transfers out	(29,639,964)	-	(23,807)	(2,996,538)	(32,660,309)
Total other financing sources (uses), net	(29,261,593)	19,337,963	2,757,502	91,477,729	84,311,601
Net change in fund balances	21,298,129	507,663	54,409	39,609,956	61,470,157
FUND BALANCE AT JULY 1	72,470,055	174,957	1,677,675	62,862,913	137,185,600
FUND BALANCE AT JUNE 30	**$ 93,768,184**	**$ 682,620**	**$ 1,732,084**	**$ 102,472,869**	**$ 198,655,757**

The Notes to Financial Statements are an integral part of this statement.

City of Roanoke, Virginia

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities

Year Ended June 30, 2025

Net Change in Fund Balance - Governmental Funds		$ 61,470,157
Amounts reported for governmental activities in the Statement of Activities are different due to:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate the cost of those assets over the life of the asset.		
Expenditures for capital assets	$ 64,686,238	
Donation of capital assets	8,428,517	
Net book value of assets disposed	(138,998)	
Less: current year depreciation expense	(30,394,012)	42,581,745
Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.		
Changes in long-term amounts due from component unit	5,285,305	
Changes in tax deferred inflows	549,185	
Changes in opioid settlement deferred inflow	193,447	6,027,937
Bond and other long-term debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Lease liability	(11,483,100)	
Subscription liability	(3,418,130)	
Bond and other long-term debt proceeds	(75,355,250)	
Payment to escrow for refunding	3,628,431	
Principal payments	18,580,891	
Bond Premiums on issuance	(1,286,279)	(69,333,437)
Governmental funds report employer pension and other post-employment benefit contributions as expenditures. However, in the Statement of Activities, the cost of benefits earned net of employee contributions is reported as pension expense.		
Subsequent employer pension contribution	20,789,208	
Employer pension expense	(52,544,763)	
Subsequent employer OPEB contribution and administrative expense	828,495	
Employer OPEB expense	548,713	(30,378,347)
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Amortization of bond premiums	1,186,923	
Changes in deferred gain and loss on refundings	(264,596)	
Change in long-term compensated absences	554,939	
Change in arbitrage liability	(743,075)	
Change in accrued interest payable	(519,803)	214,388
The Internal Service Fund is used by management to charge the costs of certain services to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities.		687,204
Change in Net Position - Governmental Activities		**$ 11,269,647**

City of Roanoke, Virginia

Statement of Net Position – Proprietary Funds

June 30, 2025

	Enterprise Funds				
	Stormwater	Civic Facilities	Parking	Total	Internal Service Fund
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$ 12,040,126	$ 1,515,675	$ 3,501,628	$ 17,057,429	$ 10,311,089
Cash and investments, restricted	2,512,934	3,563,012	-	6,075,946	
Due from other governments	45,191	-	-	45,191	-
Accounts receivable, net	416,295	780,538	-	1,196,833	-
Lease receivable	-	11,383	494,652	506,035	-
Inventory	-	179,713	-	179,713	-
Prepaids	-	65,078	-	65,078	400,000
Total current assets	15,014,546	6,115,399	3,996,280	25,126,225	10,711,089
NONCURRENT ASSETS					
Lease receivable	-	-	1,129,531	1,129,531	-
Capital assets:					
Land, land improvements, and infrastructure	34,384,418	1,215,005	3,326,508	38,925,931	-
Buildings and structures	1,360,061	48,943,370	49,154,818	99,458,249	-
Equipment and other capital assets	6,138,604	3,033,555	1,578,026	10,750,185	-
Construction in progress	6,910,105	40,153	-	6,950,258	-
Less accumulated depreciation	(8,172,726)	(29,473,535)	(27,965,602)	(65,611,863)	-
Capital assets, net	40,620,462	23,758,548	26,093,750	90,472,760	-
Total assets	55,635,008	29,873,947	31,219,561	116,728,516	10,711,089
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pension	1,514,521	1,044,356	28,690	2,587,567	-
Deferred outflows related to OPEB	101,568	101,567	22,590	225,725	-
Deferred outflows related to deferred loss on refundings	55,938	173,522	323,390	552,850	-
Total deferred outflows of resources	1,672,027	1,319,445	374,670	3,366,142	-
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	907,518	569,251	323,680	1,800,449	111,973
Accrued interest payable	203,036	75,954	27,913	306,903	-
Due to fiduciary funds	27,207	19,834	794	47,835	-
Unearned revenue	-	1,879,539	125,478	2,005,017	-
Other liabilities	-	117,436	-	117,436	-
Long-term liabilities due within one year	1,278,773	1,286,166	797,876	3,362,815	-
Total current liabilities	2,416,534	3,948,180	1,275,741	7,640,455	111,973
LONG-TERM LIABILITIES					
Compensated absences payable	312,589	265,753	9,920	588,262	-
Claims payable	-	-	-	-	14,063,174
General obligation bonds payable, net	20,577,086	14,644,500	3,911,749	39,133,335	-
Lease liabilities	-	-	6,103	6,103	-
Arbitrage liability	109,153	45,174	-	154,327	-
Net pension liability	6,160,992	4,219,200	95,892	10,476,084	-
Net OPEB liability	205,922	110,061	3,083	319,066	-
Less current maturities	(1,278,773)	(1,286,166)	(797,876)	(3,362,815)	-
Total long-term liabilities	26,086,969	17,998,522	3,228,871	47,314,362	14,063,174
Total liabilities	28,503,503	21,946,702	4,504,612	54,954,817	14,175,147
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	1,370	938	21	2,329	-
Deferred inflows related to OPEB	188,930	126,587	3,417	318,934	-
Deferred inflows related to leases	-	10,582	1,562,770	1,573,352	-
Deferred inflows related to deferred gain on refundings	8,308	20,464	-	28,772	-
Total deferred inflows of resources	198,608	158,571	1,566,208	1,923,387	-
NET POSITION (DEFICIT)					
Net investment in capital assets	22,154,662	12,830,119	22,498,891	57,483,672	-
Unrestricted (deficit)	6,450,262	(3,742,000)	3,024,520	5,732,782	(3,464,058)
Total net position (deficit)	**$ 28,604,924**	**$ 9,088,119**	**$ 25,523,411**	**$ 63,216,454**	**$ (3,464,058)**

The Notes to Financial Statements are an integral part of this statement.

City of Roanoke, Virginia

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds

Year Ended June 30, 2025

	Enterprise Funds				
	Stormwater	Civic Facilities	Parking	Total	Internal Service Fund
OPERATING REVENUES					
Charges for services	$ -	$ 14,347,467	$ 4,065,576	$ 18,413,043	$ 18,984,484
Stormwater fees	9,313,622	-	-	9,313,622	-
Other revenue	49,217	263,836	-	313,053	1,392,361
Total operating revenues	9,362,839	14,611,303	4,065,576	28,039,718	20,376,845
OPERATING EXPENSES					
Personal services	4,096,651	4,199,731	107,222	8,403,604	-
Other services and charges	1,109,608	13,127,706	2,867,719	17,105,033	20,017,471
Materials and supplies	96,335	369,609	1,346	467,290	-
Depreciation and amortization	1,184,886	1,369,677	1,160,583	3,715,146	-
Total operating expenses	6,487,480	19,066,723	4,136,870	29,691,073	20,017,471
Operating income (loss)	2,875,359	(4,455,420)	(71,294)	(1,651,355)	359,374
NONOPERATING REVENUES (EXPENSES)					
Investment income	620,395	265,893	163,829	1,050,117	237,038
Loss on disposal of assets	(101,376)	(203,360)	-	(304,736)	-
Arbitrage expense	(43,669)	(28,291)	-	(71,960)	-
Interest expense	(706,783)	(468,030)	(204,699)	(1,379,512)	-
Net nonoperating revenues (expenses)	(231,433)	(433,788)	(40,870)	(706,091)	237,038
Income (loss) before capital contributions and transfers	2,643,926	(4,889,208)	(112,164)	(2,357,446)	596,412
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital grants	218,544	-	-	218,544	-
Transfers in	-	3,957,291	-	3,957,291	90,792
Transfer out	(235,852)	(90,589)	(118,915)	(445,356)	-
Net capital contributions and transfers	(17,308)	3,866,702	(118,915)	3,730,479	90,792
Change in net position	2,626,618	(1,022,506)	(231,079)	1,373,033	687,204
NET POSITION (DEFICIT) AT JULY 1	26,092,962	10,216,761	25,759,205	62,068,928	(4,151,262)
RESTATEMENT (NOTE 20)	(114,656)	(106,136)	(4,715)	(225,507)	-
NET POSITION (DEFICIT) - BEGINNING, AS RESTATED	25,978,306	10,110,625	25,754,490	61,843,421	(4,151,262)
NET POSITION (DEFICIT) AT JUNE 30	**$ 28,604,924**	**$ 9,088,119**	**$ 25,523,411**	**$ 63,216,454**	**$ (3,464,058)**

The Notes to Financial Statements are an integral part of this statement.

City of Roanoke, Virginia

Statement of Cash Flows – Proprietary Funds

Year Ended June 30, 2025

	Enterprise Funds				
	Stormwater	Civic Facilities	Parking	Total	Internal Service Fund
OPERATING ACTIVITIES					
Cash received from customers	$ 9,310,553	$ 13,954,769	$ 4,087,667	$ 27,352,989	$ 20,376,845
Cash payments to suppliers for goods and services	(603,410)	(13,132,773)	(2,799,007)	(16,535,190)	-
Cash payments to employees	(3,351,071)	(3,507,958)	(77,859)	(6,936,888)	-
Cash payments for claims	-	-	-	-	(20,398,875)
Net cash provided by (used in) operating activities	5,356,072	(2,685,962)	1,210,801	3,880,911	(22,030)
NONCAPITAL FINANCING ACTIVITIES					
Transfers In (Out)	(235,077)	3,871,138	(118,783)	3,517,278	90,792
Net cash provided by (used in) noncapital financing activities	(235,077)	3,871,138	(118,783)	3,517,278	90,792
CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(4,201,602)	(61,633)	-	(4,263,235)	-
General obligation bond issuance	2,790,000	3,084,750	-	5,874,750	-
Bond premiums	245,268	1,853	-	247,121	-
Cash received from capital grants	173,353	-	-	173,353	-
Principal paid on bonds and lease liabilities	(811,314)	(1,578,254)	(882,817)	(3,272,385)	-
Interest paid on bonds and lease liabilities	(702,667)	(532,929)	(180,919)	(1,416,515)	-
Net cash provided by (used in) capital and related financing activities	(2,506,962)	913,787	(1,063,736)	(2,656,911)	-
INVESTING ACTIVITIES					
Interest received	620,395	265,893	163,829	1,050,117	237,038
Net cash provided by investing activities	620,395	265,893	163,829	1,050,117	237,038
Net increase in cash and cash equivalents	3,234,428	2,364,856	192,111	5,791,395	305,800
CASH AND CASH EQUIVALENTS					
Beginning at July 1	11,318,632	2,713,831	3,309,517	17,341,980	10,005,289
Ending at June 30	**$ 14,553,060**	**$ 5,078,687**	**$ 3,501,628**	**$ 23,133,375**	**$ 10,311,089**
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	$ 2,875,359	$ (4,455,420)	$ (71,294)	$ (1,651,355)	$ 359,374
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	1,184,886	1,369,677	1,160,583	3,715,146	-
Pension expense, net of employer contributions	731,866	676,879	28,188	1,436,933	-
OPEB expense, net of employer contributions	(24,076)	(356)	(489)	(24,921)	-
Changes in Assets and Liabilities:				-	
(Increase) in Due From Other Governments	-	(21,517)	-	(21,517)	-
(Increase) decrease in accounts receivable	(52,286)	171,922	-	119,636	-
Decrease in lease receivable	-	1,083	3,354	4,437	-
Decrease in inventory	-	13,194	-	13,194	-
Decrease in other assets	-	75,072	-	75,072	-
Increase in accounts payable and accrued expenses	602,533	283,218	70,057	955,808	(8,554)
Increase in other liabilities	-	68,129	-	68,129	-
Increase in compensated absences payable	37,790	15,250	1,665	54,705	-
Increase (decrease) in unearned revenues	-	(883,093)	18,737	(864,356)	-
Decrease in claims payable	-	-	-	-	(372,850)
Total adjustments	2,480,713	1,769,458	1,282,095	5,532,266	(381,404)
Net cash provided by (used in) operating activities	**$ 5,356,072**	**$ (2,685,962)**	**$ 1,210,801**	**$ 3,880,911**	**$ (22,030)**
RECONCILIATION TO EXHIBIT G					
Cash and cash equivalents	$ 12,040,126	$ 1,515,675	$ 3,501,628	$ 17,057,429	$ 10,311,089
Cash and investments, restricted	2,512,934	3,563,012	-	6,075,946	-
	$ 14,553,060	**$ 5,078,687**	**$ 3,501,628**	**$ 23,133,375**	**$ 10,311,089**

NONCASH CAPITAL AND FINANCING ACTIVITIES

Stormwater Fund noncash activities consisted of capital asset acquisitions of $449,277 recorded as accounts payable at June 30, 2025.

City of Roanoke, Virginia

Statement of Fiduciary Net Position – Fiduciary Funds

June 30, 2025

	Pension and OPEB Trust Funds	Hotel Roanoke and Inmate Custodial Funds
ASSETS		
Cash and cash equivalents	$ 801,376	$ 3,960,283
Receivables:		
Employer contributions (includes due from other funds of $1,100,290)	1,235,884	-
Employee contributions	245,441	-
Investment income	637,359	-
Other receivables	-	114,870
Receivable for security transactions	13,693	-
Total receivables	2,132,377	114,870
Investments held by trustee, at fair value:		
Cash equivalents	3,292,764	-
U.S. government securities	14,767,698	-
Municipal and agency bonds	26,727,545	-
Corporate bonds	15,062,355	-
Common stocks	51,334,285	-
Domestic mutual funds	275,913,615	-
International mutual funds	81,719,205	-
Real Estate mutual funds	27,182,031	-
Investment in pooled funds	12,797,837	-
Total investments	508,797,335	-
Total assets	511,731,088	4,075,153
LIABILITIES		
Accounts payable and accrued expenses	314,223	92,411
Payable for security transactions	244,457	-
Total liabilities	558,680	92,411
Net position restricted for Hotel Roanoke Conference Center Fund	-	3,847,646
Net position restricted for Inmate Fund	-	135,096
Net position restricted for Pension Fund	498,374,571	-
Net position restricted for OPEB Fund	12,797,837	-
Total net position	**$ 511,172,408**	**$ 3,982,742**

The Notes to Financial Statements are an integral part of this statement.

City of Roanoke, Virginia

Statement of Changes in Fiduciary Net Position – Fiduciary Funds

Year Ended June 30, 2025

	Pension and OPEB Trust Funds	Hotel Roanoke and Inmate Custodial Funds
ADDITIONS/(REDUCTIONS)		
Contributions from employer	$ 21,558,200	$ -
Contributions from employee	4,709,937	-
Contributions from inmates	-	1,040,388
Investment income		
Net appreciation in fair value of investments	39,136,600	-
Interest	2,739,060	164,017
Dividends	8,364,078	-
Other	6,957	607,855
Total investment income	50,246,695	771,872
Less investment expenses	(1,025,926)	-
Net investment income	49,220,769	771,872
Total additions	75,488,906	1,812,260
DEDUCTIONS		
Benefit payments	48,421,127	982,874
Administrative expenses	510,311	28,991
Total deductions	48,931,438	1,011,865
Change in net position	26,557,468	800,395
NET POSITION JULY 1	484,614,940	3,182,347
NET POSITION JUNE 30	**$ 511,172,408**	**$ 3,982,742**

The Notes to Financial Statements are an integral part of this statement.

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the City of Roanoke, Virginia (the City) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments.

A – Reporting Entity

The City is a municipal corporation organized under the laws of the Commonwealth of Virginia (the Commonwealth) and governed by seven elected City Council members. The City's reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable is defined as appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit or impose a financial burden on the primary government.

The accompanying financial statements present the City and its component units. The financial data of the component units are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

Discretely Presented Component Units

The School Board of the City of Roanoke, Virginia (School Board) is a legally separate entity, which operates seventeen elementary schools, five middle schools, and two high schools for students residing in the City. School Board members are appointed by City Council. City Council also provides fiscal guidance because it levies taxes to fund School Board's operations and issues debt for its capital projects. In accordance with GAAP, the City reports the School Board as a discretely presented component unit. Certain note disclosures are included in the City's Annual Comprehensive Financial Report for component unit transactions, which are material. Additional disclosures are available in the separately published School Board Component Unit Annual Financial Report (AFR).

Complete financial statements for this discretely presented component unit may be obtained by writing to the School Board of the City of Roanoke, P.O. Box 13145, Roanoke, Virginia 24031.

The Greater Roanoke Transit Company (GRTC) is a public service bus company organized to provide mass transportation services to the Roanoke Valley. GRTC, known locally as Valley Metro, is a private non-profit public service organization wholly owned by the City of Roanoke. Operations began in 1975 when the privately owned transit system, the Roanoke City Lines, went public. GRTC is dependent on various operating grants to subsidize operations. Even though GRTC is legally separate, it is reported as if it were part of the City because City Council and staff members also serve as four of the seven members of the governing board. In addition, the City provides financial support to GRTC through annual appropriations for the GRTC operating budget.

Complete financial statements for this discretely presented component unit may be obtained by writing to the Greater Roanoke Transit Company, P.O. Box 13247, Roanoke, Virginia 24032.

B – Financial Statement Presentation

The City's financial statements, which have been prepared in accordance with GAAP as promulgated by the Governmental Accounting Standards Board (GASB) includes:

Government-Wide Financial Statements and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Governmental Funds account for expendable financial resources, other than proprietary fund types. Governmental fund types use the flow of current financial resources measurement focus. The major governmental funds are:

General Fund – Accounts for all revenues and expenditures, which are not accounted for in other funds. The General Fund finances the regular day-to-day operations of the City.

Debt Service Fund – Accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and fiscal charges not being financed by proprietary funds.

Special Revenue Fund – Accounts for the proceeds of specific revenue sources (other than expendable trusts or funds for major capital projects) that are legally restricted to expenditures for specified purposes. The Special Revenue Fund provides accounting for certain federal and state grants awarded to the City.

Capital Projects Fund – Accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Proprietary Funds account for operations that are financed and operated in a manner similar to private business enterprises. The proprietary fund measurement focus is on the flow of economic resources. Operating revenues include charges for services and other revenue. Operating expenses include personal services, as well as other services and charges, materials and supplies and depreciation. All revenues and expenses, excluding capital contributions and transfers, not meeting these definitions are reported as non-operating revenues and expenses. The proprietary fund types are:

Enterprise Funds – Account for the financing of services to the general public where all or most of the operating expenses involved are recovered in the form of charges to users of such services. All funds included in this category are major funds and are as follows:

Civic Facilities Fund – Accounts for the operation of the Berglund Center. The City manages the civic center operations.

Parking Fund – Accounts for the operation of seven parking garages and several parking lots. SP & Metropolis manages the parking operations on the City's behalf.

Stormwater Utility Fund – Accounts for stormwater activities related to the City's stormwater infrastructure.

Internal Service Fund – Accounts for the financing of goods or services provided by one department primarily or solely to other departments within the City government on a cost-reimbursement basis. The fund included in this category is:

Risk Management Fund – Finances workers' compensation, employee medical, auto, and general liability insurance coverage. Accounts for court settlements and related legal expenses.

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent for individuals, other governmental units, or other funds. The fiduciary funds are:

Pension Trust Fund – Accounts for the operations of the City's Pension Fund. It is accounted for in the same manner as a proprietary fund type. Measurement focus is upon determination of the change in net position.

OPEB Trust Fund – Accounts for the assets held for, and costs of, other post-employment benefits (OPEB). It is accounted for in the same manner as a proprietary fund type. Measurement focus is upon determination of the change in net position.

Custodial Funds – Accounts for assets held for the use of others, not included in the other funds (Pension and OPEB). These are the Hotel Roanoke Conference Center Commission, and the Inmate Fund associated with the City Jail. Custodial funds use the economic resources measurement focus.

C – Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of accounting refers to the point at which revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental activities in the government-wide statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are

recognized when earned and expenses are recognized when a liability has been incurred, regardless of the timing of related cash flows.

Governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. General fund tax revenues are considered measurable when they have been levied. To be considered available and thus susceptible to accrual, taxes must be collected within the City's period of availability of 60 days. Uncollected taxes at the end of this period are reported as deferred revenues. Interest income and intergovernmental receivables (state and federal grants to the extent of allowable expenditures) are considered susceptible to accrual. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The City generally uses restricted assets first for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific situation.

As a result of the different measurement focus and basis of accounting used in preparing the government-wide statements, a reconciliation between the government-wide and fund financial statements is necessary. Exhibit D presents a reconciliation of the net position as reported on the Statement of Net Position (Exhibit A) to total governmental fund balance as reported on the Balance Sheet - Governmental Funds (Exhibit C). Exhibit F presents a reconciliation of the total change in net position as reported on the Statement of Activities (Exhibit B) and the total net change in fund balances as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds (Exhibit E).

D – Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in order to reserve the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as Committed Fund Balance since they do not constitute current year expenditures or liabilities and as such, are approved by Council for inclusion in the next fiscal year budget. Encumbrances are reported as expenditures using the budgetary basis of accounting. Funding for all outstanding encumbrances at June 30, 2025, are reappropriated to the next fiscal year to the same department and account for which they are encumbered in. For fiscal year ended June 30, 2025, significant encumbrances in the General Fund totaled $8.4 million and related to fleet management, social services, prisoner sustenance, and street and other maintenance contracts.

E – Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the government to invest in obligations such as U.S. Treasury, commercial paper, corporate bond, repurchase agreements, and the State Treasurer's Investment Pool. Investments for the government, as well as for the component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate laws and regulations. The reported value of the pool approximates the fair value of the pooled shares.

F – Interfund Receivables and Payables

Outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide statements as internal balances. Outstanding balances between the City and its component units are reported as due to/from component unit or due to/from City of Roanoke.

G – Allowance for Uncollectible Taxes and Accounts Receivable

The City calculates its allowance for uncollectible receivables based on historical collection data and specific account analyses. At June 30, 2025, the allowance for General Fund's uncollectible taxes receivable was $7,500,127 and the allowance for the uncollectible accounts receivable was $939,710. At June 30, 2025, the allowance for the Stormwater uncollectible customer receivable was $64,734. No allowance was recorded for Civic Facilities and Parking as of June 30, 2025.

H – Property Taxes

Property taxes are assessed annually as of January 1. Real estate tax is payable in two equal installments, each due on or before October 5 and April 5. On April 6, real property taxes become an enforceable lien against the property. The annual assessment for real estate is based on 100% of the assessed fair market value. The tax rates are established annually, without limitation, by City Council. The tax rate for real estate was $1.22 per $100 of assessed value for the year.

Personal property tax is normally due on or before May 31 during the year of assessment. The personal property tax rate was $3.45 per $100 of assessed value for the year. The Commonwealth funds localities for a portion of the personal property taxes billed to property tax owners. The Personal Property Tax Relief Act as amended provides a flat amount of reimbursement to localities, such as the City of Roanoke, thereby altering the percent of tax relief provided. The Commonwealth's share of the tax was 42% for tax year 2025. A penalty of 10% of unpaid real estate and personal property tax is due for late payment. Interest on unpaid taxes is 10% in the first year. Thereafter, the interest is calculated using the Internal Revenue Service (IRS) rate. At June 30, 2025, the IRS rate was 6%.

Property taxes are recognized as revenues in the year for which they are levied. The City bills and collects taxes and recognizes revenue upon levy for government-wide purposes.

I – Inventory and Prepaid Items

Inventory for proprietary funds is valued at cost, determined using the moving weighted average method using the first-in/first-out (FIFO) method. Inventory consists of materials and supplies held for and are accounted for using the consumption method. The cost is recorded as an expense when individual items of inventory are used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

J – Capital Assets

Capital assets acquired or constructed by the City with a value in excess of $5,000 are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets belonging to proprietary funds are also reported in the applicable fund financial statements. Capital assets are recorded at historical cost or estimated historical cost. Gifts or contributions of capital assets are recorded at acquisition value when received. Depreciation is recorded on a straight-line basis over the estimated useful life of each capital asset. No depreciation

expense is recorded for land, inexhaustible infrastructure (e.g., flood reduction), construction-in-progress, or items designated as historical treasures. The estimated useful lives for capital assets are as follows:

Land improvements	15-40 years
Buildings and structures	5-50 years
Equipment	2-20 years
Infrastructure	15-50 years
Subscriptions	3 years

The City has adopted the modified approach allowed for in GAAP for certain assets determined 'inexhaustible'. Assets in this category are characterized as those whose economic benefit or service potential is used up so slowly that the estimated useful life is extraordinarily long. Assets of this nature are not depreciated, but are required to be maintained at a certain condition level. See Note 6 for additional information regarding the City's application of the modified approach.

Pursuant to the City Charter, all real estate, including buildings and improvements thereon, financed by debt issued by the City for the purpose of public education on behalf of the School Board component unit are the property of the City.

K – Compensated Absences Payable

It is the City's policy to permit employees to accumulate earned but unused compensated absences. For government-wide reporting, a liability is recorded for compensated absences when services are rendered and employees have earned the right to receive compensation for such services.

Liabilities for compensated absences are not liquidated until leave is actually taken by employees or leave balances are paid upon termination. Accordingly, in the governmental fund's financial statements, no expenditure is reported for compensated absences until they are paid. Current and non-current portions of compensated absences totaling are recorded for governmental activities in the government-wide statements and represent a reconciling item between the government-wide and governmental fund presentations.

The City implemented GASB 101 *Compensated Absences,* which resulted in the restatement of prior-year balance. See Note 20 for further details.

L – Unearned Revenues

Unearned revenues represent amounts for which asset recognition criteria have been met but for which revenue recognition criteria have not been met.

M – Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face value of the debt issued plus premium is reported as other financing sources. Discounts on debt issuances are reported as debt service expenditures.

N – Net Position and Fund Balance

Net position is the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation less any outstanding debt related to the acquisition, construction, or improvement of those assets.

Fund Balances – Governmental Funds

Within GAAP, fund balance is potentially divided into five classifications based upon the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** – amounts that cannot be spent because they are not in spendable form, or legally contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.
- **Restricted** – Amounts constrained to specific purposes by their provider (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- **Committed** – Amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council through adoption of a resolution. Only City Council may modify to rescind the commitment.
- **Assigned** – Amounts are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by City management based on City Council direction through adoption or amendment of the budget or through ordinance or resolution.
- **Unassigned** – Amounts that are available for any purpose; positive amounts are reported only in the general fund.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The City maintains fund balance reserve policies to ensure sound financial management, protecting the City's credit ratings, ensuring prudent use of the City's debt issuance authority and guiding the City and its managers in policy and debt issuance decisions. Key components of the reserve policies are as follows as of June 30, 2025:

The Unassigned General Fund Reserve target is 12% of the expenditure budget to provide the City with sufficient working capital and margin of financial safety to address unforeseen, one-time expenditure emergencies or significant unforeseen declines in revenues in a specific fiscal year.

The Stabilization Reserve serves to provide coverage for an economic downturn to smooth financial operation, cover the risk exposure the City has relating to its self-insurance program, and demonstrate a commitment to financial planning for economic and community development projects. The minimum balance level for the Stabilization Reserve is 3% of General Fund Expenditures.

The fund balance reserves may only be used upon appropriation by City Council and the reserve policies contain stipulations regarding reserve usage and replenishment.

O – Use of Estimates

Management of the City has made use of estimates and assumptions relating to the reporting of assets, liabilities, revenues, expenditures/expenses and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with GAAP. Actual results could differ from those estimates.

P – Deferred Inflows/Outflows of Resources

In addition to assets, the statement which presents financial position reports a separate section for deferred outflows of resources. These items represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement which presents financial positions reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

- Deferred charge on refunding. A deferred gain or loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Due to the relationship with outstanding debt, these deferred outflows and inflows are included in the calculation of net position, net investments in capital assets
- Contributions subsequent to the measurement date for pension and OPEB are always a deferred outflow; these will be applied to the net pension or OPEB liability in the next fiscal year.
- Difference between projected and actual earnings on pension and OPEB plan investments. These differences will be recognized in pension or OPEB expense over the closed five-year period and may be reported as a deferred outflow or inflow as appropriate.
- Changes in proportion and differences between employer contributions and the proportionate share of employer contributions, resulting from participation in cost-sharing pension and OPEB plans, are reported as deferred outflows or inflows as appropriate. This difference is deferred and recognized in expense over the average remaining service life of the employees who are subject to the plan, and may be reported as a deferred outflow or inflow as appropriate.
- Governmental funds report unavailable revenue from property taxes and other receivables not collected within the availability period. These amounts are recognized as an inflow of resources in the period they become available.
- Differences between expected and actual experience for economic/demographic factors and changes of assumptions in the measurement of the total pension or OPEB liability. This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as deferred inflow or outflow as appropriate.
- Lease-related amounts are recognized at the inception of leases in which the City is a lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Note 2 – Deposits and Investments

Governmental Funds

The City maintains a consolidated account that is available for use by all funds, including fiduciary funds. Each fund's portion of this account is presented in the basic financial statements as "Cash and Cash Equivalents". The School Board

component unit maintains separate cash and investment accounts. The GRTC component unit maintains separate cash and investment accounts consisting of cash. Investments for GRTC and the School Board are presented in conjunction with City investments. The City acts as one of the fiscal agents for the Hotel Roanoke Conference Center Commission (HRCCC), as well as the Roanoke City Jail Inmate Custodial Fund. Investments and related disclosures for the City of Roanoke Pension Plan and the OPEB Trust Fund, which are fiduciary funds, are presented separately.

Deposits

Custodial Credit Risk – Deposits: City deposits face the risk that in the event of a bank failure, the City's deposits may not be returned. To mitigate this risk, the City's investment policy requires all deposits to be federally secured or held in accordance with the Virginia Security for Public Deposits Act (the "Act"). Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC) must pledge collateral to the Commonwealth of Virginia. In agreement with the policy, as of June 30, 2025, the entire deposit balance held in the bank's trust department under the City's name was covered by the FDIC or collateralized in accordance with the Act.

Investments

Investment Policy: The City, School Board, and GRTC adhere to a City Council adopted investment policy (Policy). The Policy, in accordance with the Code of Virginia and other applicable laws and regulations, articulates the City's investment objectives and authorized investments and serves as a guide for asset allocation development, cash equivalent development, fixed income development and investment performance measurement. The Policy permits investments in Treasury Securities, agency securities, prime quality commercial paper, certificates of deposit maturing within one year and issued by domestic banks, banker's acceptances, Commonwealth of Virginia and Virginia Local Government Obligations, repurchase agreements, open-end investments, the Virginia State Non-Arbitrage Program (SNAP) or other authorized Arbitrage Investment Management programs, and the State Treasurer's Local Government Investment Pool (Virginia LGIP). Preservation of principal is the City's primary responsibility in making investment decisions, and these decisions are made under the assumption that all investments will be held to maturity unless a specific case warrants otherwise.

Investments at June 30, 2025, consisted of the following:

	Total Primary Government	School Board Component Unit	Fiduciary Funds
Virginia LGIP	$ 6,081,376	$ 5,504,804	$ -
Virginia Investment Pool Stable NAV Liquidity Pool (VIP)	103,162,218	42,840,407	3,854,060
Money Market Accounts	17,182,504	-	-
U.S. Treasury / Agency Securities	4,614,377	-	-
Cash and Equivalents	6,700,936	-	-
Mutual Funds	75,281,866	-	-
Total	**$ 213,023,277**	**$ 48,345,211**	**$ 3,854,060**

Investments with a short-term maturity, less than 3 months, are classified as cash and cash equivalents in accordance with GAAP. See reconciliation here to Exhibit A and J. See also reconciliation later in this note a reconciliation to cash and cash equivalents. The majority of investments of the City are short-term in nature:

	Total Primary Government	School Board Component Unit	Fiduciary Funds (Custodial Funds)
Total investments	$ 213,023,277	$ 48,345,211	$ 3,854,060
Less short-term maturities:			
Virginia LGIP	(6,081,376)	(5,504,804)	-
VIP Stable NAV Liquidity Pool (VIP)	(103,162,218)	(42,840,407)	(3,854,060)
Money Market Accounts	(17,182,504)	-	-
U.S. Treasury / Agency Securities	(4,614,377)	-	-
Cash and Equivalents	(6,700,936)	-	-
Mutual Funds (SNAP)	(75,281,866)	-	-
Total investments – Exhibit A and J	**$ -**	**$ -**	**$ -**

Short-term investments are included with cash and cash equivalents on the Statement of Cash Flows (Exhibit I).

Fair Value Measurement: The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and is described as follows.

- Level 1 inputs are quoted prices in active markets for identical assets;
- Level 2 inputs are significant other observable inputs;
- Level 3 inputs are significant unobservable inputs.

As of June 30, the City's investments consist of fixed income investments in U.S. Treasury / Agency Securities that are classified as Level 2 investments in the fair value hierarchy.

The City's investments are subject to credit risk, custodial credit risk, concentration of credit risk, and interest rate risk as described below.

Credit Risk. State law limits local governments and other public bodies to investing in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, bankers' acceptances, repurchase agreements, and the LGIP. The State Treasurer's Office of the Commonwealth of Virginia has regulatory oversight over the LGIP. The City's fair value of investment in the LGIP is the same as the pooled value of its shares. It is the City's policy to limit its investments in commercial paper to the top rating issued by Nationally Recognized Statistical Rating Organizations (NRSROs).

At June 30, 2025, investment holdings as a percentage of total investments, excluding Pension and OPEB Trust Fund investments, were as follows:

Investment Type	Primary Government	Component Unit	Fiduciary Funds (Custodial Funds)	Credit Rating
Virginia LGIP	2.85%	11.39%	- %	AAAm
Virginia Stable NAV Liquidity Pool (VIP)	48.43	88.61	100.00	AAAm
Money Market Accounts	8.07	-	-	AAAm
U.S. Treasury / Agency Securities	2.17	-	-	AA1
Cash and Equivalents	3.15	-	-	NR
Mutual Funds (SNAP)	35.33	-	-	AAAm
Total investment percentage	**100.00%**	**100.00%**	**100.00%**	

Custodial Credit Risk – Investments. For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investments at June 30, 2025 were held in the name of the City. The City's investment policy requires all purchase securities, money market instruments, and certificates of deposit with maturity dates less than thirty (30) days to be held by the bank or securities dealer through which they were purchased.

Securities with maturity dates exceeding thirty days are electronically transferred and held by a third party.

Investments are considered to be exposed to custodial credit risk if they are uninsured and unregistered with the securities held by the counterparty or by its trust department or agent, but not in the City's name. At June 30, 2025, the City did not hold any investments considered to be exposed to custodial credit risk. The School Board and GRTC component units do not hold any investments exposed to custodial credit risk.

Concentration of Credit Risk. The City's investment policy establishes limitations on portfolio composition by issuer in order to control concentration of credit risk. No single issue shall constitute more than 5% of the total value of the portfolio, except U.S. Treasury and Federal Agency obligations. Not more than 35% of the total funds available for investment may be invested in commercial paper, and no single industry group, as defined by Standard & Poor's, shall constitute more than 5% of the investment portfolio.

At June 30, 2025, the portions of the City's debt securities that exceed 5% of the total value, excluding certificates of deposit, which were fully insured by Federal Deposit Insurance Corporation (FDIC) and the Virginia LGIP, held in SNAP were as follows:

Issuer	Percent of Portfolio Primary Government
State Non-Arbitrage Program (SNAP)	35.34%

At June 30, 2025, the School Board's investment portfolio of $42,840,407 was invested in the Virginia VIP Stable NAV Liquidity Pool and $5,504,804 in LGIP.

Interest Rate Risk. The City's investment policy limits maturities to a maximum of five years as a means of managing its exposure to fair value losses arising from increasing interest rates. However, as a means of limiting its exposure to an even higher degree, the City's investments are highly concentrated in investments of less than one year, and the City holds no investments with a maturity date of greater than three years.

As of June 30, 2025, the Primary Government had the following investments and maturities:

	Investment Maturity		
Investment Type	**Fair Value**	**Less than 1 year**	**More than 1 year**
Virginia LGIP	$ 6,081,376	$ 6,081,376	$ -
VIP Stable NAV Liquidity Pool (VIP)	103,162,218	103,162,218	-
Money Market Accounts	17,182,504	17,182,504	-
Federal Agency Bonds/Notes	4,614,377	4,614,377	-
Cash and Equivalents	6,700,936	6,700,936	-
Mutual Funds	75,281,866	75,281,866	-
Total	**$ 213,023,277**	**$ 213,023,277**	**$ -**

As of June 30, 2025, the School Board Component Unit had the following investments and maturities:

	Investment Maturity	
	Fair Value	**Less than 1 year**
Virginia LGIP	$ 5,504,804	$ 5,504,804
VIP Stable NAV Liquidity Pool	42,840,407	42,840,407
	$ 48,345,211	**$ 48,345,211**

As of June 30, 2025, the Hotel Roanoke Conference Center Commission, a custodial fund, had the following investments and maturities:

	Investment Maturity		
	Fair Value	**Less than 1 year**	**More than 1 year**
VIP Stable NAV	**$ 3,854,060**	**$ 3,854,060**	**$ -**

Reconciliation to Exhibit A:

	Governmental Activities	**Schools**
Investments	$ 213,023,277	$ 48,345,211
Cash and cash equivalents	23,141,968	5,666,335
Cash and cash equivalents, restricted (SNAP)	(92,489,226)	-
Total cash and cash equivalents	**$ 143,676,019**	**$ 54,011,546**

Separately Presented Fiduciary Funds

Pension Trust Fund (the "Plan")

Investment Policy. The Board has adopted a Statement of Investment Policy Guidelines and Objectives (Policy), which articulates the Plan's investment objectives and risk tolerance and serves as a guide for asset allocation development, investment manager and fund selection, investment performance monitoring and evaluation. The Policy addresses credit risk, concentration risk, and foreign currency risk as outlined in the following paragraphs.

Plan Investments as of June 30, 2025 consisted of the following:

Investment in pooled funds [1]	$ 3,450,077
U.S. Government securities	14,767,698
Municipal and Agency bonds	26,727,545
Corporate bonds	15,062,355
Common stocks	51,334,285
Domestic mutual funds	275,913,615
International mutual funds	81,719,205
Real Estate funds	27,182,031
Total investments	**$ 496,156,811**

[1] Local Government Investment Pool (LGIP) in the amount of $157,313 is included in Cash and Cash Equivalents in the statement of Fiduciary Net Position.

Fair Value of Investments

The Plan categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

- **Level 1** – Unadjusted quoted prices for identical instruments in active markets for identical assets.
- **Level 2** – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.
- **Level 3** – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net position value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest, which approximates market or fair value.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Investments Measured at Net Position Value

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Fixed income investments				
Co-mingled domestic fixed income	$ 59,410,338	$ -	Daily	0-3 Days
Total fixed income investments measured at the NAV	59,410,338	-		
Equity investments				
Co-mingled domestic equity	14,163,221	-	Daily	0-3 Days
Total equity investments measured at the NAV	14,163,221	-		
Real estate investments				
Real estate	27,182,031	-	Quarterly	45-90 Days
Total real estate investments measured at the NAV	27,182,031	-		
Total investments measured at the NAV	**$ 100,755,590**	**$ -**		

		Fair Value Measures Using		
	June 30, 2025	**Quoted Price in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Input (Level 3)**
Investments by fair value level				
Fixed income				
U.S. Government securities	$ 14,767,698	$ -	$ 14,767,698	$ -
Municipal and Agency bonds	26,727,545	-	26,727,545	-
Corporate bonds	15,062,355	-	15,062,355	-
Domestic bond mutual funds	53,465,503	53,465,503	-	
Total fixed income	110,023,101	53,465,503	56,557,598	-
Domestic equity				
Financial and Utility common stock	13,470,618	13,470,618	-	-
Basic Industrial and Materials common stock	10,445,742	10,445,742	-	-
Consumer and Service common stock	18,272,122	18,272,122	-	-
Technology and Telecommunications common stock	9,145,803	9,145,803	-	-
Domestic Equity mutual fund	148,874,553	148,874,553	-	-
Total domestic equity	200,208,838	200,208,838	-	-
International equity				
International Equity mutual fund	81,719,205	81,719,205	-	-
Total international equity	81,719,205	81,719,205	-	-
Short-term investments				
Cash and cash equivalents	3,292,764	3,292,764	-	-
Total short-term investments	3,292,764	3,292,764	-	-
Total investments by fair value level	**$ 395,243,908**	**$ 338,686,310**	**$ 56,557,598**	**$ -**

Credit Risk. Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligation to the Plan. The Plan's investment policy limits investments in fixed income securities to issues, which are rated at least Baa or BBB by either Moody's or Standard and Poor's. Below investment grade fixed income securities may be purchased and held in accounts specifically selected to hold such issues. Purchases of non-U.S. government securities are restricted to issues of $50 million or greater.

As of June 30, 2025, the Plan's pooled and fixed income investments consisted of the following:

		Moody's Rating
U.S Government securities	$ 12,136,221	Aaa
	2,631,477	NR
	$ 14,767,698	
Municipal and Agency bonds	$ 488,684	Aaa
	241,313	Aa1
	208,155	Aa2
	51,289	Aa3
	25,738,104	NR [1]
	$ 26,727,545	
Corporate bonds	$ 1,746,549	Aaa
	186,128	Aa2
	253,006	Aa3
	753,699	A1
	328,326	A2
	1,000,414	A3
	2,767,490	Baa1 & Below
	8,026,743	NR
	$ 15,062,355	
Domestic bond mutual funds	$ 14,566,062	Aaa
	19,703,434	BB
	$ 34,269,496	
Investment in pooled funds	$ 3,292,764	Aaa
	157,313	AAAm
	$ 3,450,077	

[1] The bonds within this category are implicitly backed by the U.S. Government.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Plan's deposits may not be returned to it. The Plan's investment policy does not specifically address custodial credit risk. The City maintains a cash and investment pool, in which the Plan is a participant. The carrying amount of the Plan's deposits was $4,094,140 equal to the bank balance as of June 30, 2025. Of the bank balance, $801,376 as of June 30, 2025, was covered by Federal depository insurance or collateralized pursuant to agreements with all participating financial institutions to pledge assets on a pooled basis to secure public deposits pursuant to the Virginia Security for Public Deposits Act (Act) Regulations of the Code of Virginia.

Such collateralization qualifies as state depository insurance. Accordingly, the bank balance of $801,376 as of June 30, 2025, is considered to be insured. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loans. The remaining bank balance of $3,292,764 as of June 30, 2025, respectively, is uninsured and uncollateralized. The uninsured and uncollateralized deposits are held by Comerica Bank.

Custodial Credit Risk – Investments. The Plan held the following investments as of June 30, 2025: cash equivalents; investments in pooled funds, U.S. government securities; agency and municipal bonds; corporate bonds; common stocks; domestic, international, and real estate mutual funds. Investments in external investment pools and in open-end mutual funds are not considered to be exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. Investments are considered to be exposed to custodial credit risk if they are uninsured and unregistered with the securities held by the counterparty or by its trust department or agent but not in the Plan's name. The Plan's investments are not considered to be exposed to custodial credit risk.

Concentration of Credit Risk. The Plan's investment policy prohibits the investment of more than 5% of plan assets in either fixed income or equity securities of any single issuer based on cost. Securities of the U.S. government and investment company shares (mutual funds) are exempted from this limitation. The Plan did not own securities of a single organization, other than positions in mutual funds, representing five percent or more of the Plan's fiduciary net position at June 30, 2025.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan's Policy does not address investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Policy does define the investment objectives for both the passive and actively managed segments of the fixed income portfolio. The objective of the passive segment is to replicate the return of the Bloomberg Barclays Aggregate Bond Index, thus providing broad diversification that, in the Board's opinion, would be impractical to achieve in an actively managed portfolio. The objective of the actively managed fixed income portfolio is to outperform the Bloomberg Barclays Aggregate Bond Index over a moving 3 – 5 year range, with the exception of long duration fixed income, which has an objective of outperforming the Bloomberg Barclays Capital Long Government/Credit Index over a moving 3 – 5 year range.

The fair value of the Plan's fixed income portfolio consisted of the following investments and maturities as of June 30, 2025:

		Maturities			
Investment Type	**Fair Value**	**<1 Year**	**1-5 Years**	**5-10 Years**	**>10 Years**
U.S Government securities	$ 14,767,698	$ -	$ 1,397,171	$ 10,701,514	$ 2,669,013
Municipal and Agency bonds	26,727,545	129,491	2,172,891	1,857,479	22,567,684
Corporate bonds	15,062,355	88,927	6,711,772	3,696,605	4,565,051
Bond mutual funds	34,269,496	-	19,703,434	14,566,062	-
	$ 90,827,094	**$ 218,418**	**$ 29,985,268**	**$ 30,821,660**	**$ 29,801,748**

The City maintains a cash and investment pool in which the Plan is a participant. The fair value of the Plan's investments in the pool at June 30, 2025, were:

Investment Type	**Fair Value**	**<1 Year**
Virginia LGIP	$ 157,313	$ 157,313
	$ 157,313	**$ 157,313**

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan's investment policy prohibits investment in securities that are not denominated in U.S. dollars and/or that are traded solely on exchanges outside the U.S., with the exception of international commingled funds. The Plan had no investments that were not denominated in U.S. dollars or that were traded solely on exchanges outside the U.S. as of June 30, 2025.

OPEB Trust Fund

The City's OPEB Trust Fund is a participant in the Virginia Pooled OPEB Trust. Funds of participating jurisdictions are pooled and are invested in name of the OPEB Trust Fund. The City's share in this pool is reported as an asset on the Statement of Fiduciary Net Position of the OPEB Trust Fund (Exhibit J).

Investment Policy. The Board of Trustees of the OPEB Trust Fund has adopted an investment policy to achieve a compound annualized total expected rate of return over a market cycle, including current income and capital appreciation, of 7.5%. Investment decisions for the funds' assets are made by the Board of Trustees, which establish investment objectives, risk tolerance and asset allocation policies in light of the investment policy, market and economic conditions, and generally prevailing prudent investment practices.

The Board of Trustees also monitors the investments to ensure adherence to the adopted policies and guidelines. In addition, the Trustees review, monitor, and evaluate the performance of the investments and the Board's investment advisors in light of available investment opportunities, market conditions, and publicly available indices for the generally accepted evaluation and measurement of such performance. Specific investment information for the OPEB Trust Fund can be obtained by writing to VML/VACo Finance, 8 E Canal Street, Richmond, Virginia 23219.

Credit Risk. State law (*Code of Virginia*, Chapter 3, Title 26) limits local governments and other public bodies to investing in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, bankers' acceptances, repurchase agreements, and the LGIP. As of June 30, 2025, the City's OPEB Trust Fund was exclusively invested in the OPEB Trust Fund.

Custodial Credit Risk – Investments. For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are considered to be exposed to custodial credit risk if they are uninsured and unregistered with the securities held by the counterparty or by its trust department or agent but not in the City's name. At June 30, 2025, the OPEB Trust Fund did not hold any investments considered to be exposed to custodial credit risk.

Concentration of Credit Risk. The OPEB investment policy establishes limitations on portfolio composition by issuer in order to control concentration of credit risk. No single issue shall constitute more than 5% of the total value of the portfolio, except U.S. Treasury and Federal Agency obligations. Not more than 35% of the total funds available for investment may be invested in commercial paper, and no single industry group, as defined by Standard & Poor's, shall constitute more than 5% of the bond portfolio.

As of June 30, 2025, the OPEB Trust Fund did not own securities other than the OPEB Trust Fund, which classified as a co-mingled multi-strategy pooled investment fund. The value of these investments has been allocated among the participants using a net asset value per share.

Multi-strategy Investments	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Co-mingled	$ 12,797,837	$ -	Daily	0-3 Days
Total multi-strategy measured at the NAV	**$ 12,797,837**	**$ -**		

The market value of the OPEB Trust Fund's fixed income holdings within the OPEB Trust Fund consisted of the following investments and maturities at June 30, 2025:

Investment Type	Fair Value	<5 Years	5-10 Years
Bond mutual funds	$ 1,937,893	$ -	$ 1,937,893
Virginia VIP	79,848	79,848	-
	$ 2,017,741	**$ 79,848**	**$ 1,937,893**

Interest Rate Risk. The investment policy of the OPEB Trust Fund does not address investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Note 3 – Receivables and Due from Other Governments

Receivables as of June 30, 2025, consisted of the following:

Governmental Funds	General	Special Revenue	Capital Projects	Total Governmental Activities
Receivables				
Federal government	$ -	$ 3,321,288	$ 284,130	$ 3,605,418
State government	14,593,553	5,711,298	262,162	20,567,013
Component unit	20,877,137	-	-	20,877,137
Other governments	182,194	-	-	182,194
Total governments	35,652,884	9,032,586	546,292	45,231,762
Taxes, net of allowance	28,344,183	-	-	28,344,183
Accounts	4,966,101	3,373,023	75,768	8,414,892
Less allowance for uncollectible accounts	(939,710)	-	-	(939,710)
	32,370,574	3,373,023	75,768	35,819,365
Governmental fund receivables	**$ 68,023,458**	**$ 12,405,609**	**$ 622,060**	**$ 81,051,127**

Component Units	School Board Component Unit	GRTC Component Unit
Receivables		
Federal government	$ -	$ 800,208
State government	-	394,288
City of Roanoke	7,120,077	-
Other governments	15,806,356	-
Total government	22,926,433	1,194,496
Accounts	3,823,561	268,951
Component unit receivables	**$ 26,749,994**	**$ 1,463,447**

Enterprise Funds	Stormwater	Civic Facilities	Total Enterprise Funds
Receivables			
Other governments	$ 45,191	$ -	$ 45,191
Accounts	481,029	780,538	1,261,567
Less allowance for uncollectible accounts	(64,734)	-	(64,734)
Total receivables	**$ 461,486**	**$ 780,538**	**$ 1,242,024**

The taxes receivable account is largely comprised of the current and past nineteen years of uncollected tax levies on real property, the current and prior four years of uncollected tax levies for personal property, and business and professional occupational license tax. The ability to collect these accounts has been considered in the allowance for uncollectible accounts.

Net taxes and accounts receivable, as reported on the government-wide Statement of Net Position, include taxes receivable of approximately $13.2 million that are not available to pay for current period expenditures and are, accordingly, recorded as deferred revenue in the governmental funds balance sheet. Governmental funds have $20,877,137 due from Schools related to the return of fund balance.

In addition to the fund-level receivable from the Schools, the City also recorded a long-term entity-wide receivable for the Schools of $6,604,047 related to a capital project at the Schools. Under City Code, while the Schools are managing and constructing the project, the title currently resides with the Schools, the Schools cannot ultimately own the completed building. Due to the nature of this legal requirement, the project is recorded as an asset for the Schools with an equal amount due to the City. This receivable will be satisfied when title formally transfers from the Schools to the City at the completion of the project.

Note 4 – Lease Receivables

The City, as lessor, has entered into several noncancelable lease agreements involving infrastructure, several of which are with global telecommunication providers. The City has a lease receivable of $1,494 and a deferred inflow of resources of $1,404 as of June 30, 2025, related to telecommunications in the General Fund. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows related to telecommunications, recognized during the fiscal year was $17,903 for the Debt Service Fund. The significant telecommunication-related leases are as follows:

Lease*	Contract Date	Maturity Date
Radio Communications 1	08/1/2020	07/31/2025
Radio Communications 2	08/1/2020	07/31/2025

* Maturity date includes option years, if applicable.

The lease receivable is due as follows:

Year Ending June 30,	Telecommunication Principal	Telecommunication Interest
2026	$ 1,494	$ 1
	$ 1,494	**$ 1**

The City, as lessor, has entered into a noncancelable lease agreements involving land for the parks and recreation department and general government. The City has a lease receivable of $72,900 and a deferred inflow of resources of $69,359 as of June 30, 2025, in the General Fund. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows related to land, recognized during the fiscal year was $24,000 for the Debt Service Fund. The significant leases related to land are as follows:

Lease*	Contract Date	Maturity Date
19th Street SE	08/28/2018	08/27/2028
Preston Avenue NW	08/28/2018	08/27/2028

* Maturity date includes option years, if applicable.

The lease receivable is due as follows:

Year Ending June 30,	Land Principal	Land Interest
2026	$ 22,381	$ 1,619
2027	22,966	1,034
2028	23,566	434
2029	3,987	13
	$ 72,900	**$ 3,100**

The City, as lessor, has entered into several non-cancellable lease agreements involving buildings or portions of buildings related to garage parking. The City has a lease receivable of $1,624,183 and a deferred inflow of resources of $1,562,770 as of June 30, 2025, for the Parking Fund. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, recognized during the fiscal year was $518,943. The significant leases related to garage parking are as follows:

Lease*	Contract Date	Maturity Date
Market Square Garage	02/01/2021	01/31/2026
Church Avenue Garage 2	08/09/2024	08/08/2029
Elmwood Park Garage Spots	05/01/2003	06/30/2026
Church Avenue Garage 3	11/01/2019	10/31/2029

* Maturity date includes option years, if applicable.

The lease receivable is due as follows:

Year Ending June 30,	Garage Principal	Garage Interest
2026	$ 494,652	$ 18,039
2027	337,226	12,774
2028	341,643	8,357
2029	346,120	3,880
2030	104,542	291
	$ 1,624,183	**$ 43,341**

The City, as lessor, has entered into a non-cancellable lease agreement involving office space. The lease is named Berglund Center Annex 3rd Floor. The lease has a contract date of January 1, 2021 and a maturity date of December 31, 2025. The City has a lease receivable of $11,383 and a deferred inflow of resources of $10,582 as of June 30, 2025, related to office

space in the Civic Facilities Fund. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows related to telecommunications, recognized during the fiscal year was $22,497 for the Civic Facilities Fund.

The lease receivable is due as follows:

Year Ending June 30,	Office Principal	Office Interest
2026	$ 11,383	$ 35
	$ 11,383	**$ 35**

	Lease Receivable	Deferred Inflow
Governmental Funds – General Fund		
Infrastructure leases	$ 1,494	$ 1,404
Land leases	72,900	69,359
Total governmental fund leases	74,394	70,763
Enterprise leases		
Parking fund – garage leases	1,624,183	1,562,770
Civic facilities fund – office leases	11,383	10,582
Total enterprise fund leases	1,635,566	1,573,352
Total leases	**$ 1,709,960**	**$ 1,644,115**

Note 5 – Interfund Balances and Transfers

Interfund balances consisted of the following for the year ended June 30, 2025:

DUE TO (FUND)	General	Stormwater Utility	Civic Facilities	Parking	Total
Pension trust	$ 1,052,455	$ 27,207	$ 19,834	$ 794	$ 1,100,290
Total	**$ 1,052,455**	**$ 27,207**	**$ 19,834**	**$ 794**	**$ 1,100,290**

All interfund balances represent timing differences resulting from the difference between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments are made.

Interfund transfers consisted of the following for the year ended June 30, 2025:

		TRANSFER OUT (FUND)						
		General	Special Revenue	Capital Project	Stormwater Utility	Civic Facilities	Parking	Total
TRANSFER IN (FUND)	General	$ -	$ 23,807	$ -	$ 215,852	$ 51,689	$ 87,023	$ 378,371
	Debt service	18,970,806	-	275,194	-	-	-	19,246,000
	Special revenue	534,965	-	2,246,344	-	-	-	2,781,309
	Capital projects	6,651,902	-	-	-	-	-	6,651,902
	Civic facilities	3,482,291	-	475,000	-	-	-	3,957,291
	Internal service	-	-	-	20,000	38,900	31,892	90,792
	Total	**$ 29,639,964**	**$ 23,807**	**$ 2,996,538**	**$ 235,852**	**$ 90,589**	**$ 118,915**	**$ 33,105,665**

Transfers are used (1) to move revenues from the funds that are required by statute or budget to collect them to the funds that are required by statute or budget to spend them, (2) to move receipts restricted for debt service from the funds collecting them to the Debt Service Fund as debt service payments become due, and (3) to move unrestricted revenues collected in the General Fund, which finance various programs accounted for in other funds in accordance with budgetary authorizations. In fiscal year 2025, the City transferred funding for an annual operating subsidy for the Civic Facilities, Debt Service, Internal Service, Stormwater Utility, and Capital Projects funds. Throughout the course of fiscal year 2025 $378,371 was transferred to the general fund from the Special Revenue, Stormwater Utility, Civic Facilities, and Parking funds for various fund re-allocations. Additionally, the City provided required/matching funding for grants in the Special Revenue fund.

Note 6 – Changes in Capital Assets

Primary Government

Changes in capital assets for the year ended June 30, 2025, consisted of the following:

Governmental Activities	June 30, 2024	Increases	Decreases	June 30, 2025
Capital assets, not depreciated				
Land	$ 49,472,099	$ 1,428,342	$ -	$ 50,900,441
Infrastructure – Right of Way	20,446,153	-	-	20,446,153
Infrastructure – Inexhaustible	47,995,346	-	-	47,995,346
Construction in progress – City	29,710,614	59,850,865	(45,275,888)	44,285,591
Historical treasures	786,798	-	-	786,798
Total capital assets, not depreciated	148,411,010	61,279,207	(45,275,888)	164,414,329
Capital assets, depreciated				
Land improvements	21,334,354	4,198,828	-	25,533,182
Building and structures	525,872,833	17,323,330	-	543,196,163
Building and structures – leases	10,184,801	10,326,928	(4,881,899)	15,629,830
Infrastructure	319,882,754	12,556,876	(8,493,033)	323,946,597
Equipment	106,129,595	7,329,993	(7,043,609)	106,415,979
Equipment – leases	317,209	1,156,171	(190,900)	1,282,480
Equipment – subscriptions	713,029	4,219,310	-	4,932,339
Total capital assets, depreciated	984,434,575	57,111,436	(20,609,441)	1,020,936,570
Less accumulated depreciation				
Land improvements	(9,071,185)	(1,129,007)	-	(10,200,192)
Buildings and structures	(199,731,946)	(10,985,345)	-	(210,717,291)
Building and structures – leases	(5,682,723)	(1,239,426)	4,881,899	(2,040,250)
Infrastructure	(150,531,018)	(9,812,238)	8,493,033	(151,850,223)
Equipment	(78,748,359)	(6,464,158)	6,904,611	(78,307,906)
Equipment – leases	(287,062)	(127,089)	190,900	(223,251)
Equipment – subscriptions	(285,017)	(636,749)	-	(921,766)
Total accumulated depreciation	(444,337,310)	(30,394,012)	20,470,443	(454,260,879)
Capital assets, depreciated, net	540,097,265	26,717,424	(138,998)	566,675,691
Governmental activities capital assets, net	**$ 688,508,275**	**$ 87,996,631**	**$(45,414,886)**	**$ 731,090,020**

Capital assets used for educational purposes totaled $232,189,635 and are included in the Governmental Activities capital assets of the primary government. The depreciation on these assets was recorded as an Education expense in the current fiscal year.

The City uses the Modified Approach for certain infrastructure assets deemed 'inexhaustible' as defined by GAAP and, therefore, these assets do not depreciate. A requirement of using this classification is the conducting of periodic evaluations in order to ensure that the assets are being maintained at or above their current condition level. Appropriate disclosure of the condition assessment for these infrastructure assets may be found in the Required Supplementary Information.

Changes in capital assets for Business-type activities for the year ended June 30, 2025, consisted of the following:

Business-Type Activities	June 30, 2024	Increases	Decreases	June 30, 2025
Capital assets, not depreciated				
Land	$ 9,397,829	$ 196,851	$ -	$ 9,594,680
Right of Way/Easements	212,136	-	-	212,136
Construction in progress	10,056,286	4,227,984	(7,334,012)	6,950,258
Total capital assets, not depreciated	19,666,251	4,424,835	(7,334,012)	16,757,074
Capital assets, depreciated				
Land improvements	1,304,840	-	-	1,304,840
Building and structures	97,278,628	2,150,388	-	99,429,016
Building and structures – leases	29,233	-	-	29,233
Infrastructure	23,608,946	4,205,329	-	27,814,275
Equipment	10,204,908	599,591	(54,314)	10,750,185
Equipment – leases	9,137	-	(9,137)	-
Total capital assets, depreciated	132,435,692	6,955,308	(63,451)	139,327,549
Less accumulated depreciation				
Land improvements	(153,980)	(82,426)	-	(236,406)
Buildings and structures	(52,111,343)	(2,327,013)	-	(54,438,356)
Building and structures – leases	(2,249)	(5,847)	-	(8,096)
Infrastructure	(3,053,874)	(636,782)	-	(3,690,656)
Equipment	(6,623,421)	(663,078)	48,150	(7,238,349)
Equipment – leases	(15,301)	-	15,301	-
Total accumulated depreciation	(61,960,168)	(3,715,146)	63,451	(65,611,863)
Capital assets, depreciated, net	70,475,524	3,240,162	-	73,715,686
Business-type activities capital assets, net	**$ 90,141,775**	**$ 7,664,997**	**$ (7,334,012)**	**$ 90,472,760**

Depreciation/amortization was charged to functions as follows:

Government Activities	
Community development	$ 1,664
Economic development	164,214
Education	7,436,285
General government	5,099,669
Health and welfare	759,235
Judicial	378,107
Parks, recreation, and culture	2,252,865
Public safety	3,741,765
Public works	10,560,208
	$ 30,394,012
Business-type Activities	
Stormwater	$ 1,184,886
Civic facilities	1,369,677
Parking	1,160,583
	$ 3,715,146

School Board Component Unit	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Capital assets, not depreciated				
Construction in progress	$ 1,318,742	$ 13,713,822	$ (8,428,517)	$ 6,604,047
Capital assets, depreciated				
Equipment and vehicles	13,909,653	1,214,791	(143,050)	14,981,394
Equipment, vehicles, software – leases	5,260,809	2,668,674	(695,597)	7,233,886
Improvements	48,860,538	494,601	-	49,355,139
Total capital assets, depreciated	68,031,000	4,378,066	(838,647)	71,570,419
Accumulated depreciation				
Equipment	(7,397,005)	(831,716)	135,201	(8,093,520)
Improvements	(10,036,435)	(3,795,082)	-	(13,831,517)
Equipment – leases	(1,974,090)	(1,766,097)	695,597	(3,044,590)
Total accumulated depreciation	(19,407,530)	(6,392,895)	830,798	(24,969,627)
Capital assets, depreciated, net	48,623,470	(2,014,829)	(7,849)	46,600,792
School Board capital assets, net	**$ 49,942,212**	**$ 11,698,993**	**$ (8,436,366)**	**$ 53,204,839**

GRTC Component Unit	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Capital assets, not depreciated				
Land	$ 1,627,487	$ -	$ -	$ 1,627,487
Construction in progress	20,705	3,142,447	(2,890,137)	273,015
Total capital assets, not depreciated	1,648,192	3,142,447	(2,890,137)	1,900,502
Capital assets, depreciated				
Buildings and Structures	22,151,963	-	-	22,151,963
Equipment	28,501,481	3,020,859	(956,039)	30,566,301
Equipment – leases	-	80,498	-	80,498
Total capital assets, depreciated	50,653,444	3,101,357	(956,039)	52,798,762
Accumulated depreciation				
Buildings	(6,595,506)	(734,763)	-	(7,330,269)
Equipment	(15,975,734)	(2,291,795)	900,877	(17,366,652)
Equipment - leases	-	(7,481)	-	(7,481)
Total accumulated depreciation	(22,571,240)	(3,034,039)	900,877	(24,704,402)
Capital assets, depreciated, net	28,082,204	67,318	(55,162)	28,094,360
GRTC capital assets, net	**$ 29,730,396**	**$ 3,209,765**	**$ (2,945,299)**	**$ 29,994,862**

Note 7 – Construction-in-Progress and Contract Commitments

A summary of construction in progress expenses since project inception by function and contract commitments at June 30, 2025, is as follows:

Primary Government

Governmental Activities	Project Authorizations	Expended/ Expensed as of June 30, 2025	Contract Commitments (Encumbrances)
Function			
General government	$ 7,205,558	$ 1,445,849	$ 4,170,364
Parks, recreation, and cultural	4,489,205	7,186,301	836,198
Community development	826,051	277,946	-
Public works	91,237,124	32,361,462	26,751,374
Public safety	2,856,846	715,312	111,945
Judicial	186,000	21,863	3,592,413
Education	18,256,650	2,276,858	-
	125,057,434	44,285,591	35,462,294
Non-capitalized projects – City	24,372,745	14,365,889	1,524,060
Total	**$ 149,430,179**	**$ 58,651,480**	**$ 36,986,354**
Business-Type Activities			
Fund			
Stormwater utilities	$ 21,361,860	$ 6,910,105	$ 7,585,779
Civic facilities	1,958,000	40,153	917,850
Total	**$ 23,319,860**	**$ 6,950,258**	**$ 8,503,629**

Note 8 – Unearned Revenues

Unearned revenues represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unearned revenues for the Civic Facilities and Parking Funds are reported as such on the face of the statements (see Exhibit G). Unearned revenues as reported in the financial statements at June 30, 2025, consist of the following:

Governmental Activities	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Unearned revenue	**$ 787**	**$ 27,692,543**	**$ 4,245,494**	**$ 31,938,824**

Unearned revenue for the Special Revenue Fund comprises $16 million of Coronavirus State and Local Fiscal Recovery funds and other federal and state grants received but not yet earned.

Business-Type Activities	Civic Facilities Fund	Parking Fund	Total
Unearned revenue	**$ 1,879,539**	**$ 125,478**	**$ 2,005,017**

Note 9 – Long-Term Liabilities

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These obligations are subject to the provisions of the *Internal Revenue Code* of 1986 related to arbitrage and interest income tax regulations under those provisions. The fund balance of the Debt Service Fund at June 30, 2025, of $430,094 was restricted for future retirement of long-term debt. The City Charter limits the legal debt to 10% of the assessed valuation of real estate within the City limits. The City's legal debt margin at June 30, 2025, was $1,066,925,480. The City has no overlapping debt. The City issues long-term debt to provide for the acquisition and construction of major capital facilities.

Long-Term Debt Summary

At June 30, 2025, the long-term indebtedness of the City consisted of the following:

Governmental-Type Activities

Series/Description	Interest Rate	Issue Date	Maturity	Issue Amount	Governmental Activities
General Obligation Bonds					
2010B Public Improvement Bonds	1.25% - 5.80%	03/11/2010	10/01/2029	$ 2,680,000	$ 700,000
2015 Public Improvement Bonds	2.00% - 4.00%	03/25/2015	04/01/2035	23,550,000	11,440,400
2016 Public Improvement Bonds	2.00% - 5.00%	03/08/2016	04/01/2036	31,675,000	24,772,500
2017 Public Improvement Bonds	3.00% - 5.00%	03/23/2017	04/01/2037	20,980,000	14,575,000
2019B Public Improvement Bonds Refunding	2.00%	11/22/2019	10/01/2030	3,940,097	2,296,213
2019C Public Improvement Bonds	2.79%	11/22/2019	04/01/2041	28,355,939	22,701,339
2020A Public Improvement Bonds	2.25% - 5.00%	05/14/2020	04/01/2043	14,630,000	12,335,000
2020B GOB Refunding	2.00% - 2.25%	05/14/2020	02/01/2034	13,328,434	5,863,947
2021A Public Improvement Bonds Refunding	2.00% - 5.00%	05/12/2021	06/30/2044	47,110,000	40,565,000
2021B GOB Refunding	2.00% - 5.00%	05/12/2021	04/01/2034	7,839,384	6,068,242
2021B New Money Taxable Bonds	1.85% - 3.00%	05/12/2021	06/30/2044	1,960,000	1,960,000
2022 GOB New Money	4.00% - 5.00%	05/12/2022	04/01/2042	23,720,000	19,810,000
2023 GOB New Money	4.00% - 5.00%	11/30/2023	10/01/2043	25,510,000	24,085,000
2024 Hotel Roanoke Bonds	4.00% - 5.00%	05/08/2024	05/08/2056	12,735,000	12,735,000
QZAB Schools Capital Projects 2012	0.00%	10/31/2012	12/01/2034	2,014,104	915,500
2024BC Refunding	5.00%	12/04/2024	10/01/2044	3,505,250	3,505,250
2024BC Public Improvements Bonds	5.00%	12/04/2024	10/01/2044	13,840,000	13,840,000
					218,168,391
Bond Anticipation Notes					
2023 EDA BAN	4.93%	04/06/2022	04/06/2028	10,135,000	10,135,000
2024C Bond Anticipation Note	3.77%	09/13/2024	12/01/2026	57,510,000	54,510,000
					64,645,000
Notes Payable					
811 Building Promissory Note	4.50%	12/17/2024	01/31/2030	3,500,000	3,500,000
Lease Liabilities					
Social Services Building Lease	1.76%	01/01/2024	12/31/2028	4,857,000	2,510,865
Fire/EMS Warehouse and Offices	3.39%	08/01/2024	01/01/2041	10,326,928	10,362,832
Fleet Vehicles Lease	4.93%	04/01/2024	03/31/2027	510,149	469,431
RDS Lease	3.97%	10/01/2015	09/01/2025	1,648,155	49,495
Xerox	2.33%	12/01/2024	12/01/2029	646,023	574,598
Trash Compactor Property Lampros	1.53%	07/01/2021	01/01/2030	285,326	163,171
Trash Compactor Property Nestle Brooke	1.06%	07/01/2021	04/01/2026	101,819	17,913
Turf Tank One Robot	1.04%	07/30/2021	07/30/2026	58,473	19,691

Series/Description	Interest Rate	Issue Date	Maturity	Issue Amount	Governmental Activities
Kimball Ave	1.06%	07/01/2021	05/31/2026	262,275	49,895
					14,217,891
Subscription Liabilities					
Nova – Time & Attendance System	2.37%	07/01/2022	10/31/2027	713,029	290,703
Oracle – Financial System	3.04%	07/01/2024	08/22/2033	3,165,604	2,790,826
					3,081,529
School Fund Bonds and Loans					
2005D VPSA Subsidized Fallon Park	4.60% - 5.10%	11/10/2005	07/15/2025	1,160,900	57,591
2005D VPSA Subsidized Westside	4.60% - 5.10%	11/10/2005	07/15/2025	3,850,000	190,995
2006B VPSA Subsidized Monterey	4.22% - 5.10%	11/09/2006	07/15/2026	1,945,000	190,000
2006B VPSA Subsidized Patrick Henry	4.22% - 5.10%	11/09/2006	07/15/2026	7,500,000	738,401
2007A VPSA Patrick Henry (2015A Ref)	4.10% - 5.10%	05/10/2007	07/15/2027	3,345,000	495,000
2008B VPSA Subsidized William Fleming	3.60% - 5.35%	12/11/2008	07/15/2028	7,500,000	1,440,757
2010 VPSA Qualified School Construction Bonds	0.00%	07/08/2010	06/01/2027	1,135,000	1,615,000
2014B VPSA Refunding	3.00% - 5.00%	05/15/2014	07/15/2026	1,245,000	485,000
2015A VPSA Refunding	4.10% - 5.35%	02/17/2015	07/15/2028	9,555,000	140,000
					5,352,744
Total governmental-type activities					**$ 308,965,555**

Business-Type Activities

Series/Description	Interest Rate	Issue Date	Maturity	Issue Amount	Business-Type Activities
Enterprise Fund Bonds					
2015 Stormwater Utility Fund Bonds	2.00% - 4.00%	03/25/2015	04/01/2035	$ 1,215,250	$ 674,600
2016 Public Improvement Bonds Refunding SW	2.00% - 5.00%	03/08/2016	04/01/2036	2,526,500	1,672,500
2017 Stormwater Utility Fund bonds	3.00% - 5.00%	03/08/2017	04/01/2037	1,540,000	1,070,000
2019C Stormwater Refunding	2.79%	11/22/2019	04/01/2041	2,013,630	1,694,363
2020A Public Improvement Bonds New Money	2.25% - 5.00%	05/14/2020	04/01/2043	1,800,000	1,770,000
2020B Stormwater Refunding	2.00% - 2.25%	05/14/2020	02/01/2034	579,881	485,418
2021A Public Improvement Bonds Refunding	2.00% - 5.00%	05/12/2021	06/30/2044	3,555,000	3,320,000
2021B GOB Refunding	2.00% - 5.00%	05/12/2021	04/01/2034	553,186	492,367
2022 GOB New Money	4.00% - 5.00%	05/12/2022	04/01/2042	1,855,000	1,665,000
2023 GOB New Money	4.00% - 5.00%	11/30/2023	10/01/2043	3,810,000	3,695,000
2024BC GOB New Money	5.00%	12/04/2024	10/01/2044	2,790,000	2,790,000
2015 Civic Facilities Bonds	2.00% - 4.00%	03/25/2015	04/01/2035	1,050,000	570,000
2016 Civic Facilities Bonds	2.00% - 5.00%	03/08/2016	04/01/2036	3,125,000	2,080,000
2019C Civic Refunding	2.79%	11/22/2019	04/01/2041	1,005,992	846,487
2020A Civic Facilities New Money	2.25% - 5.00%	05/14/2020	04/01/2043	1,350,000	1,325,000
2020B Civic Refunding	2.00% - 2.25%	05/14/2020	02/01/2034	3,182,933	876,834
2021A Public Improvement Bonds Refunding	2.00% - 5.00%	05/12/2021	06/30/2044	2,665,000	2,490,000
2021B GOB Refunding	2.00% - 5.00%	05/12/2021	04/01/2034	482,430	429,390
2022 GOB New Money	4.00% - 5.00%	05/12/2022	04/01/2042	840,000	755,000
2023 GOB New Money	4.00% - 5.00%	11/30/2023	10/01/2043	1,430,000	1,385,000
2024BC Civic Refunding	5.00%	12/04/2024	10/01/2044	84,750	84,750
2014B Parking Refunding Bonds	1.00% - 4.25%	03/05/2014	04/01/2032	7,110,000	3,055,000
2016 Parking Refunding Bonds	2.00% - 5.00%	03/08/2016	04/01/2028	545,000	545,000
2020B Parking Refunding	2.00% - 2.25%	05/14/2020	02/01/2034	813,751	188,802
					33,960,511

Series/Description	Interest Rate	Issue Date	Maturity	Issue Amount	Business-Type Activities
Bond Anticipation Note					
2024C Bond Anticipation Note	3.77%	09/13/2024	12/01/2026	3,000,000	3,000,000
Lease Liabilities					
Ray Ferris Property	1.06%	07/01/2021	06/30/2026	29,233	6,103
Total business-type activities					**$36,966,614**

The Annual Requirements to amortize governmental-type activities debt outstanding at June 30, 2025, are as follows:

	General Obligation Serial Bonds and BANs		Promissory Note		VPSA Loans	
Fiscal Year	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2025-2026	$ 16,801,293	$ 10,542,916	$ 640,000	$ 157,500	$ 1,819,289	$ 277,999
2026-2027	70,526,273	8,850,428	668,000	128,700	1,583,623	197,140
2027-2028	26,149,886	7,220,566	699,000	98,640	1,053,672	72,573
2028-2029	15,691,576	6,125,526	730,000	67,185	896,160	22,852
2029-2030	15,328,113	5,522,520	763,000	34,335	-	-
2030-2035	66,283,252	19,423,454	-	-	-	-
2035-2040	42,369,165	9,512,102	-	-	-	-
2040-2045	22,643,833	3,599,049	-	-	-	-
2045-2050	2,685,000	1,645,460	-	-	-	-
2050 and thereafter	4,335,000	871,200	-	-	-	-
	$282,813,391	**$ 73,313,221**	**$ 3,500,000**	**$ 486,360**	**$ 5,352,744**	**$ 570,564**

	Leases		Subscriptions		Total Governmental Activities Debt	
Fiscal Year	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2025-2026	$ 1,086,379	$ 404,857	$ 433,728	$ 91,580	$ 20,780,689	$ 11,474,852
2026-2027	1,441,254	391,723	445,931	79,377	74,665,081	9,647,368
2027-2028	1,450,635	350,097	307,951	66,827	29,661,144	7,808,703
2028-2029	1,005,398	310,547	328,541	57,480	18,651,675	6,583,590
2029-2030	593,383	289,099	350,092	47,509	17,034,588	5,893,463
2030-2035	3,174,787	1,160,873	1,215,286	75,758	70,673,325	20,660,085
2035-2040	4,478,574	547,656	-	-	46,847,739	10,059,758
2040-2045	987,481	16,049	-	-	23,631,314	3,615,098
2045-2050	-	-	-	-	2,685,000	1,645,460
2050 and thereafter	-	-	-	-	4,335,000	871,200
	$ 14,217,891	**$ 3,470,901**	**$ 3,081,529**	**$ 418,531**	**$308,965,555**	**$ 78,259,577**

The following general obligation debt is issued to support business-type activities. The annual requirements to amortize business-type activities debt outstanding as of June 30, 2025, are as follows:

	Stormwater Fund Serial Bonds		Civic Facilities Fund Serial Bonds		Parking Fund Serial Bonds	
Fiscal Year	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2025-2026	$ 1,008,477	$ 703,855	$ 1,058,673	$ 351,863	$ 778,802	$ 138,257
2026-2027	1,047,684	661,376	3,628,050	318,899	610,000	113,475
2027-2028	1,077,170	621,342	649,025	297,732	635,000	94,825
2028-2029	1,048,540	580,548	665,049	274,920	455,000	73,306
2029-2030	1,070,318	538,694	685,829	250,009	475,000	55,675
2030-2035	5,707,984	2,044,012	3,469,095	871,327	835,000	53,550
2035-2040	4,934,944	1,054,171	2,347,228	386,374	-	-
2040-2045	3,434,131	253,765	1,339,512	77,412	-	-
2045-2050	-	-	-	-	-	-
	$ 19,329,248	**$ 6,457,763**	**$ 13,842,461**	**$ 2,828,536**	**$ 3,788,802**	**$ 529,088**

	Parking Leases		Total Business-Type Activities	
Fiscal Year	**Principal**	**Interest**	**Principal**	**Interest**
2025-2026	$ 6,103	$ 34	$ 2,852,055	$ 1,194,009
2026-2027	-	-	5,285,734	1,093,750
2027-2028	-	-	2,361,195	1,013,899
2028-2029	-	-	2,168,589	928,774
2029-2030	-	-	2,231,147	844,378
2030-2035	-	-	10,012,079	2,968,889
2035-2040	-	-	7,282,172	1,440,545
2040-2045	-	-	4,773,643	331,177
2045-2050	-	-	-	-
	$ 6,103	**$ 34**	**$ 36,966,614**	**$ 9,815,421**

During fiscal year 2025, the Debt Service Fund was used to account for the repayment of long-term liabilities of governmental activities as shown in the tables preceding this paragraph.

In September 2024, the City issued Series 2024C bond anticipation note of $57,510,000 to fund capital projects for the City ($54,510,000) and Civic Facilities $3,000,000). The City issued a $3,500,000 promissory note in December 2024 for the purchase of property for an emergency medical services facility.

In December 2024, the City issued Series 2024BC general obligation bonds of $20,220,000. Of this issuance, $16,630,000 will be used to fund capital projects for the City, Schools, and Stormwater. The remainder of the issuance was used to refund portions of Series 2015 and 2016 general obligation bonds, which resulted in an advance refunding as noted below.

Advance Refunding of Debt

During the fiscal year, as part of the Series 2024 BC issuance, the City used $3,590,000 of the bond proceeds to advance refund $3,600,000 of outstanding general obligation bonds. The proceeds of the refunding bonds were deposited with an

escrow agent and invested in U.S. government securities. These securities, together with interest earnings thereon, are expected to provide sufficient funds to pay principal and interest on the refunded bonds when due.

As a result of the advance refunding, the refunded bonds are considered defeased and the related liability has been removed from the government-wide statement of net position.

The advance refunding increased the City's aggregate debt service payments over the life of the bonds. The difference between the cash flows required to service the old debt and the new debt was not significant. The economic effect of the transaction, calculated as the difference between the present value of the old debt service requirements and the present value of the new debt service requirements, resulted in an economic loss of $187,018.

Government activities' compensated absences, pension liabilities, other post-employment liabilities, and lease and subscription liabilities are generally liquidated by the general fund.

Governmental Activities	Balance June 30, 2024, Restated	Increases	Decreases	Balance June 30, 2025	Amount Due Within One Year
General obligation serial bonds	$ 219,258,223	$ 17,345,250	$ 18,435,082	$ 218,168,391	$ 16,801,293
Add bond premiums	14,853,001	1,286,279	1,186,923	14,952,357	1,071,478
General obligation serial bonds	234,111,224	18,631,529	19,622,005	233,120,748	17,872,771
VPSA bonds	7,224,891	-	1,872,147	5,352,744	1,819,289
Bond anticipation notes	10,135,000	54,510,000	-	64,645,000	-
Lease liabilities	3,869,249	11,483,100	1,134,458	14,217,891	1,086,379
Notes payable	-	3,500,000	-	3,500,000	640,000
Subscription liabilities	431,034	3,418,130	767,635	3,081,529	433,728
Claims payable	14,436,024	17,845,783	18,218,633	14,063,174	3,537,174
Compensated absences payable*	20,773,889	8,697,851	9,252,790	20,218,950	12,430,610
Governmental-type activities	**$ 290,981,311**	**$ 118,086,393**	**$ 50,867,668**	**$ 358,200,036**	**$ 37,819,951**

* Restatement due to implementation of GASB 101 *Compensated Absences* (see Note 20).

Business-Type Activities	Balance June 30, 2024, Restated	Increases	Decreases	Balance June 30, 2025	Amount Due Within One Year
General obligation serial bonds	$ 34,352,380	$ 2,874,750	$ 3,266,619	$ 33,960,511	$ 2,845,952
Add bond premiums	2,073,541	247,121	147,838	2,172,824	149,096
General obligation serial bonds	36,425,921	3,121,871	3,414,457	36,133,335	2,995,048
Bond anticipation note	-	3,000,000	-	3,000,000	-
Lease liabilities	11,869	-	5,766	6,103	6,103
Compensated absences payable*	533,557	364,388	309,683	588,262	361,664
Business-type activities	**$ 36,971,347**	**$ 6,486,259**	**$ 3,729,906**	**$ 39,727,700**	**$ 3,362,815**

* Restatement due to implementation of GASB 101 *Compensated Absences* (see Note 20).

School Board Component Unit

	Balance, June 30, 2024, Restated	Increases	Decreases	Balance June 30, 2025	Amounts Due Within One Year
Claims payable	$ 4,619,208	$ 34,249,941	$ 30,853,729	$ 8,015,420	$ 8,015,420
Compensated absences*	8,413,566	392,760	-	8,806,326	2,368,902
Notes, leases, and subscriptions	17,359,000	2,668,674	2,853,846	17,173,828	2,828,097
Due to City	1,318,742	34,590,959	8,428,517	27,481,184	27,481,184
	$ 31,710,516	**$ 71,902,334**	**$ 42,136,092**	**$ 61,476,758**	**$ 40,693,603**

* Restatement due to implementation of GASB 101 *Compensated Absences*. The change in compensated absences liability is presented as a net change.

On December 6, 2019, the School Board entered into a $17,000,000 lease purchase agreement with TD Equipment Finance, Inc. to purchase energy-saving equipment for the district. Bi-annual payments starting at $136,000 including principal and interest at 2.14% will commence on December 1, 2020 and continue through June 1, 2035. Bi-annual principal payments will increase over the life of the lease as noted in the schedule of payments.

For the year ended June 30, 2025, the total liability for the note payable was $12,993,000. Interest payments in fiscal year 2025 totaled $294,245.

The annual requirements to amortize the Component Unit – School Board debt outstanding as of June 30, 2025, are as follows:

	Notes Payable		Leases		Subscriptions		Total	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025-2026	$ 1,056,000	$ 272,401	$ 1,189,420	$ 77,530	$ 582,677	$ 32,430	$ 2,828,097	$ 382,361
2026-2027	1,116,500	249,476	1,196,485	43,301	324,149	16,805	2,637,134	309,582
2027-2028	1,152,000	225,396	549,278	9,543	168,681	7,646	1,869,959	242,585
2028-2029	1,198,500	200,497	57,582	1,443	92,395	2,815	1,348,477	204,755
2029-2030	1,272,000	174,453	20,161	237	-	-	1,292,161	174,690
2030-2035	7,198,000	439,540	-	-	-	-	7,198,000	439,540
	$ 12,993,000	**$ 1,561,763**	**$ 3,012,926**	**$ 132,054**	**$ 1,167,902**	**$ 59,696**	**$ 17,173,828**	**$ 1,753,513**

Arbitrage Liability

Under U.S. Treasury Department regulations, all governmental tax-exempt debt issued after August 31, 1986, is subject to arbitrage rebate requirements. The requirements stipulate, in general, that the actual earnings from the investment of tax-exempt bond proceeds, which exceed related interest earnings if such investments were invested at a rate equal to the yield of the bonds, must be remitted to federal government on every fifth anniversary of each bond issuance. The City has evaluated each series of tax-exempt general obligation bonds, lease revenue bonds, and other direct loans. The City has recognized an arbitrage liability of $1,317,899 in the governmental activities and $154,327 in business-type activities subject to these requirements.

Note 10 – Fund Balances/Net Position

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on the general fund balance and other governmental funds balance are presented below:

	General Fund	Debt Service Fund	Special Revenue Fund	Capital Projects Fund
Nonspendable:				
Inventory and prepaids	$ 39,821	$ 252,526	$ -	$ -
Total nonspendable	39,821	252,526	-	-
Restricted for:				
Future debt service payments	-	430,094	-	-
Grants	-	-	1,732,084	-
Unspent bond proceeds	-	-	-	60,056,984
Total restricted	-	430,094	1,732,084	60,056,984
Committed to:				
Encumbrances				
Community development	84,622	-	-	-
General government	1,315,819	-	-	4,170,364
Health and welfare	306,073	-	-	-
Judicial	2,158,015	-	-	3,592,413
Parks, recreation, and cultural	101,499	-	-	836,198
Public safety	788,128	-	-	111,945
Public works	3,688,774	-	-	26,751,374
Total committed	8,442,930	-	-	35,462,294
Assigned to:				
ARPA interest earnings	959,452	-	-	-
Reserves	2,950,000	-	-	-
Stabilization	13,245,931	-	-	-
Future capital projects	-	-	-	6,953,591
Total assigned	17,155,383	-	-	6,953,591
Unassigned	68,130,050	-	-	-
Total fund balance	**$ 93,768,184**	**$ 682,620**	**$ 1,732,084**	**$ 102,472,869**

Note 11 – Pension and Deferred Compensation Plans

Summary of Pension Plans:

	Primary Government	Component Units
Net pension assets		
VRS – general employee plan	$ -	$ 1,122,460
Total	**$ -**	**$ 1,122,460**
Deferred outflows of resources		
City of Roanoke pension plan	$ 59,222,754	$ 1,035,529
VRS – general employee plan	8,562,491	467,889
VRS – teacher plan	-	45,880,599
Total	**$ 67,785,245**	**$ 47,384,017**
Net pension liability		
City of Roanoke pension plan	$ 239,727,324	$ 3,895,698
VRS – general employee plan	13,963,640	-
VRS – teacher plan	-	103,463,732
Total	**$ 253,690,964**	**$ 107,359,430**
Deferred inflows of resources		
City of Roanoke pension plan	$ 53,296	$ 146,682
VRS – general employee plan	2,159,092	183,061
VRS – teacher plan	-	17,727,200
Total	**$ 2,212,388**	**$ 18,056,943**
Net pension expense		
City of Roanoke pension plan	$ 50,608,930	$ 822,422
VRS – general employee plan	4,003,139	302,266
VRS – teacher plan	-	12,851,542
Total	**$ 54,612,069**	**$ 13,976,230**

City of Roanoke Pension Plans

City employees participate in one of two pension plans and may participate in a deferred compensation plan. The first plan is primarily for City employees, the City of Roanoke Pension Plan (Pension Plan). Sheriff's employees participate in the second plan, the Virginia Retirement System (VRS). All City employees may also participate in an *Internal Revenue Code* Section 457 deferred compensation plan.

Plan Description

The Pension Plan is a cost-sharing multiple-employer defined benefit plan established by City Council and is included in the City's basic financial statements as a Pension Trust Fund. The Pension Plan was established by City Ordinance No. 8559 dated May 27, 1946, effective July 1, 1946. The Pension Plan covers substantially all employees of the City, all employees of the Roanoke Regional Airport Commission, and the Roanoke Valley Juvenile Detention Center, as well as certain employees of the City of Roanoke School Board, the Roanoke Valley Resource Authority, and the Western Virginia Water Authority. The City is the major contributor of employer contributions to the Pension Plan. City Council appoints members

of the Pension Plan Board of Trustees to administer the Pension Plan. The Pension Plan is not subject to the provisions of the Employee Retirement Income Security Act (ERISA) of 1974.

Effective July 1, 1984, the Pension Plan changed its name from the Employees' Retirement System of the City of Roanoke, Virginia (ERS) to City of Roanoke Pension Plan and incorporated a provision for an Employees' Supplemental Retirement System (ESRS), which modified certain benefits as defined by the ERS. All employees covered under the provisions of the ERS at June 30, 1984, could elect to remain with the ERS or be covered under the provisions of the ESRS. Coverage under the ESRS was mandatory for all employees hired or rehired on or after July 1, 1984. On November 28, 1994, June 1, 1998, November 2, 1998, and June 5, 2000, City Council authorized the Pension Plan to offer members of the ERS an opportunity to transfer to the ESRS. The option was available from February 1, 1995 to May 16, 1995, July 1, 1998 through August 31, 1998, December 1, 1998 through December 31, 1998, and July 1, 2000 through July 31, 2000. Both the ERS and the ESRS share a common trust fund from which all benefits are paid without distinction as to the source of funds and are administered by the Board of Trustees. The Pension Plan provides retirement benefits, as well as death and disability benefits.

Effective July 16, 2012, City Council adopted a restatement of the Chapter of the City Code governing the Pension Plan. The restated Chapter 22.3, Pensions and Retirement, provides for the introduction of an Internal Revenue Code Section 401(h) health savings account, established as a component of the Pension Plan effective July 1, 2013, and established new benefit tiers effective July 1, 2014. The restated Chapter 22.3 also provides for a defined cost of living adjustment effective July 1, 2013.

Employees who are members of the ERS with 30 years of service or age 60 (normal retirement age) are entitled to an annual retirement benefit equal to 1/70 (1.429%) of their average final compensation (highest consecutive 12 months), excluding overtime, for each year of service. Employees may retire with 20 years of service and receive a reduced retirement benefit. For employees who are married at their retirement date, a joint and survivor annuity is payable monthly. There is no mandatory retirement age.

Employees who are members of the ESRS, hired prior to July 1, 2014, with 5 years or more of credited service and age 65 or over, general employees who have attained age 50 with age plus service equal to 80, and deputized police officers and firefighters who have attained age 45 with age plus service equal to 70, are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 2.1% of their final average compensation for each year of credited service up to a maximum of 63%. Final average compensation is the employee's average salary, excluding overtime, over the highest 36 consecutive months of credited service. Employees with 5 years of credited service may retire at age 55 and receive a reduced retirement benefit. Employees may elect to receive their retirement benefits in the form of a single life annuity or a joint and survivor annuity payable monthly from retirement. If employees terminate before rendering five years of service, they forfeit the right to receive any Pension Plan benefits. There is no mandatory retirement age.

Employees hired after June 30, 2014, become members of ESRS and choose between participation as a traditional defined benefit ESRS member or as a Hybrid member. Employees hired after June 30, 2014, were required to contribute 5% of earnable compensation to the plan. Effective July 1, 2015, the required contribution of 5% of earnable compensation was extended to employees hired prior to July 1, 2015. Employees have 60 days from their date of hire to make an irrevocable election to participate as either a traditional defined benefit ESRS member or a Hybrid member. Employees electing Hybrid membership participate in ESRS and accrue a lesser defined benefit than traditional defined benefit ESRS members and also participate in a defined contribution plan established under Section 401(a) of the Internal Revenue Code. Employees who make no election participate as traditional defined benefit ESRS members. ESRS members hired after June 30, 2014, choosing participation as a traditional defined benefit member may retire with 5 years or more of credited service and age 65 or over, general employees who have attained age 55 with age plus service equal to 85, and deputized police officers and firefighters who have attained age 50 with age plus service equal to 75, are entitled to an annual retirement

benefit, payable monthly for life in an amount equal to 2.0% of their final average compensation for each year of credited service up to a maximum of 63%. Final average compensation is the employee's average salary, excluding overtime, over the highest 60 consecutive months of credited service. Employees with 15 years of credited service may retire at age 55 (age 50 for deputized police officers and firefighters) and receive a reduced retirement benefit. Employees may elect to receive their retirement benefits in the form of a single life annuity or a joint and survivor annuity payable monthly from retirement. If employees terminate before rendering five years of service, they forfeit the right to receive any Pension Plan benefits. There is no mandatory retirement age. Member contributions for traditional defined benefit participants are invested in the pension trust fund.

Employees choosing participation as Hybrid members participate in ESRS for the defined benefit component of their retirement benefit, subject to the same eligibility criteria as outlined for the traditional defined benefit participants. Hybrid members' defined benefit component is payable monthly for life in an amount equal to 1.0% of their final average compensation for each year of credited service up to a maximum of 63%. Final average compensation is the employee's average salary, excluding overtime, over the highest 60 consecutive months of credited service. Hybrid member contributions are deposited in a defined contribution plan established under Section 401(a) of the Internal Revenue Code. Hybrid members are responsible for the investment of funds in their defined contribution plan account.

Effective July 1, 2000, an additional monthly supplement equal to the greater of (a) $159 or (b) 75% of the amount the City contributes toward the cost of a single active employee's health insurance shall be paid for eligible retirees terminating the month in which the retiree attains age 65. Any member of the City of Roanoke Pension Plan who was an employee of one of the participating employers of the Pension Plan (not including employees of the City of Roanoke School Board) and who retired after earning 20 or more years of creditable service but prior to attaining the age of 65 is eligible for this supplement. This supplement is not available to retirees receiving the early retiree incentive plan supplement granted in 1991. Employees hired after June 30, 2013, are not eligible for this supplement.

The Internal Revenue Code Section 401(h) health savings account operates similarly to a defined contribution plan. Employees eligible to participate in the City of Roanoke Pension Plan are required to contribute 1% of earnable compensation in their health savings account. Employees hired after June 30, 2013 and employees hired prior to July 1, 2014, who made an irrevocable election to forego eligibility for the monthly supplemental benefit enacted effective July 1, 2000, receive an employer paid matching contribution equal to 1% of their earnable compensation. Employees vest in the employer paid matching contribution upon the attainment of 5 years of creditable service in the Pension Plan. The Board of Trustees has delegated authority for the oversight of the 401(h) health savings account to the Defined Contribution Board established under the Chapter 22.3 of the City Code. The Defined Contribution Board has contracted with an independent financial services organization for the custody and administration of the 401(h) accounts. Assets accumulated in the individual accounts are available for use upon separation from service for reimbursement of qualified medical expenses, as defined in section 213(d) of the Internal Revenue Code, as a tax-free distribution. Non-vested employer contributions, including earnings thereon, are forfeited upon separation from service. Any balance remaining in the account is forfeited upon death or attainment of maximum age of the last eligible recipient.

Contributions

Effective July 1, 2015, employees contribute 5% of earnable compensation into the pension trust. Employees hired on or after July 1, 2014, electing participation as a Hybrid plan member contribute 5% of earnable compensation into a defined contribution plan member account. Employer contributions to the Pension Plan are based on a percentage of the earnable compensation of the active members.

The City's contribution rate for the fiscal year ended June 30, 2025, was 22.37%, which, when combined with the required employee contribution of 5%, totaled 27.37%. For fiscal year 2025, the total contribution rate of 27.37% of earnable

compensation, actuarially determined as an amount that is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the City were $18,559,382 for fiscal year ended June 30, 2025.

Pension Liabilities, Pension Expense, Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2025, the City reported a liability of $239,727,324 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the Pension Plan relative to the projected contributions of all Pension Plan participating employers, actuarially determined. At June 30, 2025, the City's proportion was 89.78%, which is the same proportional share as measured as of June 30, 2024.

For the year ended June 30, 2025, the City recognized pension expense of $50,608,930. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 19,871,908	$ -
Change in assumptions	19,548,265	-
Net difference between projected and actual earnings on pension plan investments	1,243,199	-
Changes in proportion and differences between employer contributions and proportionate shares of contributions	-	53,296
City contributions subsequent to the measurement date	18,559,382	-
Total	**$ 59,222,754**	**$ 53,296**

The City reported $18,559,382 as deferred outflows of resources, resulting from the City's contributions subsequent to the measurement date, will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the City's Pension will be recognized in the City's Pension expense as follows:

Year Ended June 30,	Increase (Reduction) to Pension Expense
2026	$ 29,239,797
2027	19,730,024
2028	(5,115,938)
2029	(3,243,807)
2030	-
Thereafter	-

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2024, updated to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.50%, average, including inflation
Investment rate of return	7.00%, net of investment expenses
Cost of living adjustment	1.67% for eligible participants, based on 2/3 of assumed inflation

Mortality rates of pre-retirement and healthy annuitants were based on Pub-2010 table for both General Employees and Public Safety Employees, amount-weighted for males and females with generation mortality projection using Scale MP-2021. For disabled, mortality rates were based on Pub-2010 table, for both General Disabled Employees and Public Safety Disabled Employees, amount weighted for males and females with generation mortality projection using Scale MP-2021. The actuarial results were developed based on the last actuarial experience study, which was performed June 30, 2021.

Investment Rate of Return

The long-term expected rate of return on Pension Plan investments was determined using projected long-term rates of returns developed for each asset class. The expected long-term rate of return for each asset class as weighted by the Investment Policy target asset allocation was used, to derive the overall expected rate of return for the portfolio. The following table reflects the long-term expected arithmetic real rate of return based upon the defined target allocation for each asset class as defined in the Statement of Investment Policy:

Asset Class (Strategy)	Target Allocation	Weighted Average Long-Term Expected Rate of Return
U.S. Equity	48.0%	4.80 %
International Equity	16.0	1.76
Real Estate	6.0	0.42
U.S. Fixed Income	26.0	1.30
Global Fixed Income	4.0	0.24
Total	**100.00%**	**8.52%**

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions would be made at the actuarially determined rates. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it was calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
City's net pension plan liability	**$ 319,138,619**	**$ 239,727,324**	**$ 173,720,815**

Detailed information about the pension fund's fiduciary net position is available in a separately issued City of Roanoke Pension Plan ACFR. That report may be obtained by writing to the City of Roanoke Retirement Office, 215 Church Ave, SW, Room 461, Roanoke, Virginia 24011 or via the City's website at http:/www.roanokeva.gov.

VRS Defined Benefit Pension Plan – Primary Government

Plan Description

All full-time, salaried permanent employees of the City of Roanoke, (the "Political Subdivision") are automatically covered by the VRS Retirement Plan upon employment. This multiemployer cost-sharing is administered by the Virginia Retirement System (the "System") along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at:

- https://www.varetire.org/members/benefits/defined-benefit/plan1.asp,
- https://www.varetire.org/members/benefits/defined-benefit/plan2.asp,
- https://www.varetirement.org/hybrid.html.

Employees Covered by Benefit Terms

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	189
Inactive members	
Vested inactive members	26
Non-vested inactive members	83
Inactive members active elsewhere in VRS	93
Total inactive members	391
Active members	185
Total covered employees	**576**

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The political subdivision's contractually required contribution rate for the year ended June 30, 2025, was 25.99% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were $3,040,405 and $2,320,751 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $19,599 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll, which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $22,666 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled $41,866 for the year ended June 30, 2025.

Net Pension Liability

The net pension liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For Political Subdivisions, the net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023 rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions

The total pension liability for General Employees and Public Safety employees with Hazardous Duty Benefits in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees with hazardous duty benefits – Salary increases, including inflation	3.50 – 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service related. Public Safety Employees – 45% to 70% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table and a Modified MP-2020 Improvement Scale with various set backs or set forwards for both males and females.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study are as follows:

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rates; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; no change to disability rates; no change to salary scale; no change to line of duty disability; and no change to discount rate.

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rate to better fit experience and increased final retirement age to 70; decreased rates of withdrawal; no change to disability rates; no changes to salary scale; no change to line of duty disability; and no change to discount rate.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	32.00%	6.70%	2.14%
Fixed Income	16.00	5.40	0.86
Credit Strategies	16.00	8.10	1.30
Real Assets	15.00	7.20	1.08
Private Equity	15.00	8.70	1.31
PIP – Private Investment Partnership	1.00	8.00	0.08
Diversifying Strategies	6.00	5.80	0.35
Cash	2.00	3.00	0.06
Leverage	(3.00)	3.50	(0.11)
Total	**100.00%**		**7.07%**
Inflation			- %
*Expected arithmetic nominal return			**7.07%**

* The above allocation provides for a one-year return of 7.07% (includes 2.50% inflation assumption). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75%, which is roughly at the 45th percentile of

expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2024, on, school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) – (b)**
Balance, June 30, 2023	$ 86,903,102	$ 74,966,618	$ 11,936,484
Changes for the year:			
Service cost	1,722,489	-	1,722,489
Interest	5,799,381	-	5,799,381
Differences between expected and actual experience	4,538,278	-	4,538,278
Contributions – employer	-	2,374,739	(2,374,739)
Contributions – employee	-	524,893	(524,893)
Net investment income (loss)	-	7,181,413	(7,181,413)
Benefit payments, including refunds of employee contributions	(5,417,684)	(5,417,684)	-
Administrative expenses	-	(49,463)	49,463
Other changes	-	1,410	(1,410)
Net changes	6,642,464	4,615,308	2,027,156
Balance, June 30, 2024	**$ 93,545,566**	**$ 79,581,926**	**$ 13,963,640**

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Political Subdivision using the discount rate of 6.75%, as well as what the Political Subdivision's net pension liability would be if it was calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Political subdivision's net pension liability	**$ 25,067,884**	**$ 13,963,640**	**$ 4,734,947**

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the political subdivision recognized pension expense of $4,003,139. At June 30, 2025, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,302,871	$ 38,298
Change in assumptions	219,215	-
Net difference between projected and actual earnings on pension plan investments	-	2,120,794
Employer contributions subsequent to the measurement date	3,040,405	-
Total	**$ 8,562,491**	**$ 2,159,092**

The $3,040,405 reported as deferred outflows of resources related to pensions resulting from the political subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Increase (Reduction) to Pension Expense
2026	$ 1,026,853
2027	2,530,849
2028	246,848
2029	(441,556)
2030	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2024 Annual Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

School Board Component Unit Plans

VRS Defined Benefit Pension Plans

The School Board participates in and contributes to three pension systems. Professional and non-professional employees of the School Board participate in the VRS. Professional employees participate in a VRS statewide teacher cost-sharing pool, and non-professional employees hired after July 1, 2006, participate as a separate group in the agent multiple-employer retirement system. Operational, maintenance and food service (non-professional) employees hired prior to July 1, 2006, participate in the City of Roanoke Pension Plan (Plan). The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to the School Board by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

Plan Description

The School Board contributes to a cost-sharing and agent multiple-employer defined benefit pension plan (Plan 1, Plan 2, and Hybrid) administered by the Virginia Retirement System (System). All full-time, salaried permanent employees of participating employers must participate in one VRS cost-sharing plan. Benefits vest after 5 years of service. Employees are eligible for an unreduced retirement benefit when they meet the age and service requirements for their plan. The plans also provide for a reduced benefit based on age and service requirements specific to each plan. The unreduced benefit is actuarially reduced to calculate the reduced benefit amount. A cost-of-living adjustment (COLA) based on changes in the Consumer Price Index for all Urban Consumers is granted on July 1 of the second calendar year after retirement and is effective each July 1 thereafter, when provided. The VRS also provides death and disability benefits. Title 51.1 of the *Code of Virginia* (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific plan provisions and features of the plans, as well as actuarial assumptions, are available at:

https://www.varetire.org/members/benefits/defined-benefit/plan1.asp
https://www.varetire.org/members/benefits/defined-benefit/plan2.asp
https://www.varetirement.org/hybrid.html

Long-Term Expected Rate of Return

The long-term expected rate of return on the pension System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the table presented previously.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer

contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2024, on, school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Virginia Retirement System – Statewide Professional Cost-Sharing Pool

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required contribution rate for the year ended June 30, 2025, was 14.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board were $17,399,886 and $18,616,272 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $556,112 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $4,348,538 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled $57,040,565 for the year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the School Board reported a liability of $103,463,732 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2024, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The School Board's proportion of the Net Pension Liability was based on the School Board's actuarially determined employer contributions to the pension plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the School Board's proportion was 1.10221% as compared to 1.11325% at June 30, 2023. For the year ended June 30, 2025, the School Board recognized pension expense of $12,851,542. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 17,949,499	$ 2,130,390
Change in assumptions	1,878,005	-
Net difference between projected and actual earnings on pension plan investments	-	14,241,846
Change in proportion and differences between employer contributions and proportionate share of contributions	8,653,209	1,354,964
Employer contributions subsequent to the measurement date	17,399,886	-
Total	**$ 45,880,599**	**$ 17,727,200**

The $17,399,886 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Increase (Reduction) to Pension Expense
2026	$ (3,490,772)
2027	11,562,062
2028	4,101,874
2029	(1,419,651)
2030	-
Thereafter	-

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2024, NPL amounts for the VRS Teacher Employee Retirement Plan are as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total net pension liability	$ 60,622,260
Plan fiduciary net position	51,235,326
Net pension liability	**$ 9,386,934**
Fiduciary net position as a percent of total net pension liability	**84.52%**

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 112% of the actuarially determined contribution rate. From July 1, 2024, on, school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School Board's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School Board's proportionate share of the net pension liability using the discount rate of 6.75%, as well as what the School Board's proportionate share of the net pension liability would be if it was calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement plan net pension liability	**$ 192,215,335**	**$ 103,463,732**	**$ 30,778,994**

Pension Plan Data

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2024 Annual Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Virginia Retirement System – Nonprofessional Employees (Non-Teachers)

Employees Covered by Benefit Terms

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	28
Inactive members	
Vested inactive members	17
Non-vested inactive members	162
Inactive members active elsewhere in VRS	21
Total inactive members	200
Active members	156
Total covered employees	**384**

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The School Board's contractually required contribution rate for the year ended June 30, 2025, was 9.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were $274,020 and $153,133 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled $57,922 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll, which would require the employer a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled $177,266 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled $5,823,062 for the year ended June 30, 2025.

See "VRS Defined Benefit Pension Plan – Primary Government" section above in this note disclosure for VRS pension actuarial assumptions, long-term expected rate of return, and discount rate information.

Net Pension Asset

The political subdivision's net pension asset was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2023, using updated actuarial

assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (Asset) (a) – (b)**
Balance, June 30, 2023	$ 5,580,869	$ 6,744,806	$ (1,163,937)
Changes for the year:			
Service cost	585,917	-	585,917
Interest	411,221	-	411,221
Changes of assumptions	-	-	-
Differences between expected and actual experience	189,015	-	189,015
Contributions – employer	-	153,133	(153,133)
Contributions – employee	-	321,402	(321,402)
Net investment income (loss)	-	673,557	(673,557)
Benefit payments, including refunds of employee contributions	(149,257)	(149,257)	-
Administrative expenses	-	(3,591)	3,591
Other changes	-	175	(175)
Net changes	1,036,896	995,419	41,477
Balance, June 30, 2024	**$ 6,617,765**	**$ 7,740,225**	**$ (1,122,460)**

The following presents the net pension asset of the political subdivision using the discount rate of 6.75%, as well as what the political subdivision's net pension asset would be if it was calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease (5.75%)	**Current Discount Rate (6.75%)**	**1.00% Increase (7.75%)**
School division's net pension asset	**$ (93,102)**	**$ (1,122,460)**	**$ (1,932,047)**

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the political subdivision recognized pension expense of $302,266. At June 30, 2025, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 193,869	$ -
Change in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	183,061
Employer contributions subsequent to the measurement date	274,020	-
Total	**$ 467,889**	**$ 183,061**

The $274,020 reported as deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Increase (Reduction) to Pension Expense
2026	$ (11,555)
2027	103,523
2028	(39,676)
2029	(41,484)
2030	-
Thereafter	-

City of Roanoke Pension Plan (School Board Participants)

Plan Description

Effective July 1, 2006, this plan was closed to new employees. As of that date, new School Board non-professional employees became members of a VRS agent multiple-employer retirement plan, which is described in detail in previous sections. Details regarding the School Board Pension Plan may be found previously in this footnote. School Board employees contribute 5% of eligible compensation. The School Board's contribution is based on a percentage of the annual compensation of the active members.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Pension Plan – School Board, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it was calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
School division's net pension asset	**$ 5,186,175**	**$ 3,895,698**	**$ 2,823,057**

At June 30, 2025, the Schools reported a liability of $3,895,698 for its proportionate share of the Collective Net Pension Liability of the City's Pension Plan. The Collective Net Pension Liability was measured as of June 30, 2024, and the total pension liability used to calculate the Collective Net Pension Liability was determined by an actuarial valuation as of that date. The School Board's proportion of the Collective Net Pension Liability was based on the Schools' actuarially determined employer contributions to the pension plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for the City Plan's participating employers.

At June 30, 2025, the School Board's proportion was 1.51426% as compared to 1.51426% at June 30, 2024.

For the year ended June 30, 2025, the School Board recognized pension expense of $822,422. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2024, the Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 322,929	$ -
Change in assumptions	317,670	-
Net difference between projected and actual earnings on pension plan investments	166,885	-
Change in proportion and differences between employer contributions and proportionate share of contributions	-	146,682
Employer contributions subsequent to the measurement date	228,045	-
Total	**$ 1,035,529**	**$ 146,682**

$228,045 is reported as deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Increase (Reduction) to Pension Expense
2026	$ 476,482
2027	320,749
2028	(83,715)
2029	(52,714)
2030	-
Thereafter	-

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2024, updated to June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases, average, including inflation	3.50%
Investment rate of return, net of investment expenses	7.00%
Cost of living adjustments	1.67% for eligible participants, based on 2/3 of assumed inflation

Mortality rates for healthy and disabled general employee lives were based on Pub-2010 table amount-weighted with Scale MP-2021, and for healthy and disabled public safety employee lives were based on Pub-2010 table amount-weighted with Scale MP-2021.

Investment Rate of Return

The long-term expected rate of return on Pension Plan investments was determined using projected long-term rates of returns developed for each asset class. The expected long-term rate of return for each asset class as weighted by the Investment Policy target asset allocation was used, to derive the overall expected rate of return for the portfolio. The following table reflects the long-term expected arithmetic real rate of return based upon the defined target allocation for each asset class as defined in the Statement of Investment Policy presented previously.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at the actuarially determined rates. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 12 – Other Postemployment Benefit Plans

Summary of Other Postemployment Benefits Plans

	Primary Government	Component Units
Net OPEB assets		
VRS health insurance credit	$ -	$ 35,984
Total	**$ -**	**$ 35,984**
Deferred outflows of resources		
Post-retirement health plan	$ 2,750,953	$ -
Line of Duty benefits	664,748	-
VRS health insurance credit	230,860	3,008,046
VRS GLI	1,260,901	2,093,185
Total	**$ 4,907,462**	**$ 5,101,231**
Net OPEB liability		
Post-retirement health plan	$ 3,866,075	$ -
Line of Duty benefits	835,952	-
VRS health insurance credit	289,573	12,729,347
VRS GLI	3,994,250	5,519,351
Total	**$ 8,985,850**	**$ 18,248,698**
Deferred inflows of resources		
Post-retirement health plan	$ 4,173,941	$ -
Line of Duty benefits	743,390	-
VRS health insurance credit	244,954	947,219
VRS GLI	849,498	1,064,763
Total	**$ 6,011,783**	**$ 2,011,982**
Net OPEB expense		
Post-retirement health plan	$ 103,022	$ -
Line of Duty benefits	133,088	-
VRS health insurance credit	(5,152)	1,144,271
VRS GLI	2,928	224,627
Total	**$ 233,886**	**$ 1,368,898**

Primary Government – OPEB Employee's Post Retirement Health Plan

Plan Description

Employees with 15 continuous years of active service and under the age of 65 who retire from the City may participate in the Employees' Post-Retirement Health Plan and benefit from a lower insurance rate as a result of inclusion in the plan with active City employees. This lower rate results in an implicit benefit that qualifies as an OPEB as defined by GAAP. The City Plan (the "Plan") is a single employer OPEB plan and is administered by the City of Roanoke to provide medical insurance to eligible retirees. The OPEB for City retirees was authorized by the City Council. The Plan does not issue a standalone financial report.

Plan Membership

As of June 30, 2024, actuarial valuation, plan membership was as follows:

	Number
Active participants	1,656
Retired participants	61
Spouses	15
Total participants	**1,732**

Contributions

The contribution requirements of the Plan members and the City are established and may be amended by City Council. The required contribution is based on projected pay-as-you-go financing requirements under which contributions are made in amounts sufficient to cover benefits paid, administrative costs, and anticipated inflationary increases. For health insurance, the employees retiring prior to January 1, 2010, contribute 100% of the blended premium payment. Employees retiring on or after January 1, 2010, contribute 100% of the blended premium plus an additional amount based on the tier of coverage chosen. For the fiscal year ended June 30, 2025, the retirees contributed $418,000 to the Plan for health insurance. The City contributed $232,657 to a qualified trust as defined by GAAP for the year ended June 30, 2025. It is the City's intent to fully fund the annual required contribution each year.

OPEB Liabilities, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

At June 30, 2025 the City reported a net OPEB liability of $3,866,075. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

For the year ended June 30, 2025, the City recognized OPEB expense of $103,022. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 4,054,052
Change in assumptions	2,368,288	-
Differences between expected and actual earnings on pension plan investments	30,120	-
Change in proportional share	119,888	119,889
City contributions and administrative expense subsequent to the measurement date	232,657	-
Total	**$ 2,750,953**	**$ 4,173,941**

The City reported $232,657 as deferred outflows of resources, resulting from the City's contributions subsequent to the measurement date, will be recognized as a reduction of the Net OPEB Liability in the fiscal year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the City's OPEB will be recognized in the City's OPEB expense in future reporting periods as follows:

Year Ended June 30,	Increase (Reduction) to OPEB Expense
2026	$ (730,466)
2027	(459,174)
2028	(380,911)
2029	(40,684)
2030	(22,206)
Thereafter	210,453

The components of the net OPEB liability as of June 30, 2025, were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance, June 30, 2023	$ 11,584,796	$ 7,402,372	$ 4,182,424
Changes for the year:			
Service cost	368,214	-	368,214
Interest	819,386	-	819,386
Changes in experience	(442,433)	-	(442,433)
Changes of assumptions	286,994	-	286,994
Contributions – employer	-	652,000	(652,000)
Net investment income	-	704,324	(704,324)
Benefit payments	(495,000)	(495,000)	-
Administrative expenses	-	(7,814)	7,814
Net changes	537,161	853,510	(316,349)
Balance, June 30, 2024	**$ 12,121,957**	**$ 8,255,882**	**$ 3,866,075**

Actuarial Method and Significant Assumptions

The total OPEB liability was determined as part of the actuarial valuation at the date indicated, using the following actuarial assumptions:

Valuation date	July 1, 2023
Measurement date	June 30, 2023
Valuation method	Entry age actuarial cost
Investment rate of return	7.00%
Long-term projected salary increase	None assumed
Healthcare cost trend rates	A range of 7.50% in 2023 to 4.50% in 2030 and beyond
Pre-retirement mortality	Pub-2010 Public Retirement Plans General mortality table projected generationally with Scale MP-2021.
Post-retirement mortality	Pub-2010 Public Retirement Plans General mortality table projected generationally with Scale MP-2021.
Disabled mortality	Pub-2010 Public Retirement Plans General mortality table projected generationally with Scale MP-2021.

Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

In an effort to assist local governments in funding their OPEB liabilities, the Virginia Association of Counties and the Virginia Municipal League established the VML/VACo OPEB Trust Fund. The OPEB Trust Fund is an irrevocable trust offered to local governments and authorities and is governed by a Board of Trustees consisting of local officials of participants in the OPEB Trust Fund. The Board of Trustees has adopted an investment policy to achieve a compound annualized rate of return over a market cycle, including current income and capital appreciation, in excess of 5% after inflation, in a manner consistent with prudent risk-taking.

The Trust currently invests in the following asset classes and strategies:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Large Cap Equity (Domestic)	21.00%	7.20%	1.51 %
Small Cap Equity (Domestic)	10.00	8.59	0.86
International Equity (Developed)	13.00	7.97	1.04
Emerging Markets	5.00	9.24	0.46
Private Equity	10.00	10.51	1.05
Long/Short Equity	6.00	5.39	0.32
Core Plus Bonds	16.00	2.83	0.45
Core Real Estate	10.00	6.45	0.65
Absolute Return	4.00	4.25	0.17
Opportunistic Real Estate	5.00	9.45	0.47
Total	**100.00%**		**6.98%**
Inflation			2.75%
*Expected arithmetic nominal return			**9.73%**

* The above allocation provides for a one-year return of 9.73%, however, one-year returns do not take into account the volatility present in each of the asset classes.

Specific investment information for the Trust can be obtained by writing to VML/VACo Finance Program, 8 East Canal Street, Richmond, Virginia 23219.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at current contribution rates. Based on the current and historical commitment of the City to fully fund actuarially determined contribution amounts, the OPEB Plan's fiduciary net position combined with future contributions is sufficient to cover all projected future payments. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability is shown below as calculated on the current 7.00% discount rate and also as calculated using discount rates one percent lower or one percent higher:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
Net OPEB liability	**$ 5,399,502**	**$ 3,866,075**	**$ 2,560,047**

Sensitivity of Net OPEB Liability to Changes in Healthcare Cost Trend Rates

The net OPEB liability is shown below as calculated on the projected healthcare cost trend 7.00% rate for 2024, decreasing to 4.50% in 2031 and also as calculated using rates one percent lower or one percent higher:

	1.00% Decrease (6.00%)	Current Healthcare Trend Rate (7.00%)	1.00% Increase (8.00%)
Net OPEB liability	**$ 2,371,163**	**$ 3,866,075**	**$ 5,641,769**

The City's OPEB Plan does not issue a stand-alone financial report, therefore financial statements for this plan are presented at Exhibit L-1/L-2 and here as follows:

Assets	
Investment in pooled funds	**$ 12,797,837**
Net position, restricted	**$ 12,797,837**
Additions/Reductions	
Contributions from employer	$ 979,500
Investment income	529
Net appreciation in fair value of investments	1,028,297
Less investment expense	(12,275)
Total	1,996,051
Deductions	
Benefit payments	755,500
Change in net pension	1,240,551
Net position, beginning of year	11,557,286
Net position, end of year	**$ 12,797,837**

Primary Government – OPEB Line of Duty Benefits

Plan Description

The Line of Duty Act (LODA) provides benefits to local government employees who hold specified hazardous duty positions (*Code of Virginia* §9.1-400 et seq.). By statute, LODA benefits must be provided. The Virginia Department of Accounts administers the benefit. As of July 1, 2011, the General Assembly shifted the financial responsibility from the state government to local governments. The Line of Duty plan is a single employer OPEB plan to provide a death benefit of $100,000 to beneficiaries of public safety officers who die in the line of duty and a death benefit of $25,000 to beneficiaries of public safety employees who die within five years of becoming disabled as a result of a qualifying illness as defined in the LODA. A medical benefit is also provided to the disabled public safety employees, their surviving spouses, and their dependents. The Commonwealth of Virginia has the authority to establish and amend Line of Duty Plan benefits. The City of Roanoke Line of Duty plan does not issue a stand-alone financial report.

As of the July 1, 2024 actuarial valuation, plan membership was as follows:

	Number
Active participants	674
Disabled	10
Spouses	9
Dependent children	11
	704

Contributions

The contribution requirements of the City are established and may be amended by the Commonwealth of Virginia. The required contribution is based on projected pay-as-you-go financing requirements under which contributions are made in amounts sufficient to cover benefits paid, administrative costs, and anticipated inflationary increases. For the fiscal year ended June 30, 2025, members of the plan did not contribute. The City did not contribute to the Line of Duty plan for death benefits and health insurance based on projected pay-as-you-go financing. It is the City's intent to fully fund the actuarially determined contribution each year.

OPEB Liabilities, OPEB Expense, Deferred Outflows and Inflows of Resources Related to OPEB

At June 30, 2025, the City reported a Net OPEB liability of $835,952. The net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

For the year ended June 30, 2025, the City recognized OPEB expense of $133,088. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 419,572	$ 743,390
Change in assumptions	230,031	-
Net difference between projected and actual earning on pension plan investments	11,527	-
City contributions and administrative expense subsequent to the measurement date	3,618	-
Total	**$ 664,748**	**$ 743,390**

The City reported $3,618 as deferred outflows of resources, resulting from the City's contributions subsequent to the measurement date, will be recognized as a reduction of the Net OPEB Liability in the fiscal year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the City's OPEB will be recognized in the City's OPEB expense in future reporting periods as follows:

Year Ended June 30,	Amounts
2026	$ (94,414)
2027	16,331
2028	(80,231)
2029	(26,721)
2030	7,357
Thereafter	95,418

The components of the net OPEB liability as of June 30, 2025, were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability (Asset) (a) – (b)**
Balance, June 30, 2023	$ 3,445,755	$ 3,019,357	$ 426,398
Changes for the year:			
Service cost	162,582	-	162,582
Interest	243,610	-	243,610
Changes in experience	472,018	-	472,018
Changes in plan provisions	7,265	-	7,265
Changes of assumptions	63,044	-	63,044
Contributions – employer	-	256,400	(256,400)
Net investment income	-	286,033	(286,033)
Benefit payments	(256,400)	(256,400)	-
Administrative expenses	-	(3,468)	3,468
Net changes	692,119	282,565	409,554
Balance, June 30, 2024	**$ 4,137,874**	**$ 3,301,922**	**$ 835,952**

Actuarial Method and Significant Assumptions

The total OPEB liability was determined as part of the actuarial valuation at the date indicated, using the following actuarial assumptions:

Valuation date	July 1, 2023
Measurement date	June 30, 2023
Valuation method	Entry age actuarial cost
Investment rate of return	7.00%
Long-term projected salary increase	None assumed
Healthcare cost trend rates	A range of 7.50% in 2023 to 4.50% in 2030 and beyond for pre-medicare and 5.75% in 2023 to 4.50% in 2030 and beyond for post-medicare.
Pre-retirement mortality	Pub-2010 Public Retirement Plans Safety mortality table projected generationally with Scale MP-2021.
Post-retirement mortality	Pub-2010 Public Retirement Plans Safety mortality table projected generationally with Scale MP-2021.
Disabled mortality	Pub-2010 Public Retirement Plans Safety mortality table projected generationally with Scale MP-2021.

Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

In an effort to assist local governments in funding their OPEB liabilities, the Virginia Association of Counties and the Virginia Municipal League established the VML/VACo OPEB Trust Fund. The OPEB Trust Fund is an irrevocable trust offered to local governments and authorities and is governed by a Board of Trustees consisting of local officials of participants in the OPEB Trust Fund. The Board of Trustees has adopted an investment policy to achieve a compound annualized rate of return over a market cycle, including current income and capital appreciation, in excess of 5% after inflation, in a manner consistent with prudent risk-taking. The Trust currently invests in the asset classes and strategies previously presented.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at current contribution rates. Based on the current and historical commitment of the City to fully fund actuarially determined contribution amounts, the OPEB Plan's fiduciary net

position combined with future contributions is sufficient to cover all projected future payments. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability is shown below as calculated on the current 7.00% discount rate and also as calculated using discount rates one percent lower or one percent higher:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
Net OPEB liability	$ 1,256,231	$ 835,952	$ 481,869

Sensitivity of Net OPEB Liability to Changes in Healthcare Cost Trend Rates

The net OPEB liability is shown below as calculated on the projected healthcare cost trends and also as calculated using rates one percent lower or one percent higher:

	1.00% Decrease (6.00%)	Current Healthcare Trend Rate (7.00%)	1.00% Increase (8.00%)
Net OPEB liability	$ 447,409	$ 835,952	$ 1,297,601

The City's OPEB Plan does not issue a stand-alone financial report, therefore financial statements for this plan are presented earlier in this Note 12.

Other Postemployment Benefits Liability – Virginia Retirement System Plans – Primary Government

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the City also participates in various cost-sharing and agent multi-employer other postemployment benefit plans, described as follows.

Plan Descriptions

Group Life Insurance Program

All full-time employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

In addition to the Basic Group Life Insurance Benefit, members are also eligible to elect additional coverage for themselves, as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

Specific information for the GLI is available at https://www.varetire.org/benefits-and-programs/benefits/life-insurance.

General Employee Health Insurance Credit Program

The General Employee Health Insurance Credit Program (HIC) is available for all full-time, salaried employees of local government entities other than teachers. The General Employee HIC provides all the same benefits as the Teacher HIC, except that this plan is considered a multi-employer, agent defined benefit plan.

As of the June 30, 2024 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	Number
Inactive members or their beneficiaries currently receiving benefits	108
Inactive members	
Vested inactive members	5
Total inactive members	113
Active members	243
Total covered employees	**356**

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2023 (General Employee HIC Program and GLI Program). The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability, with the exception of GLI, which was also combined with employee contributions. Specific details related to the contributions for the VRS OPEB programs are as follows:

Group Life Insurance Program

Governed by:	*Code of Virginia* 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2025 contribution	$559,413
June 30, 2024 contribution	$449,660

General Employee Health Insurance Credit Program

Governed by:	*Code of Virginia* 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	1.21% of covered employee compensation.
June 30, 2025 contribution	$64,959
June 30, 2024 contribution	$36,420

OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

The net OPEB liabilities were measured as of June 30, 2024, and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the net OPEB liabilities, except for LODA, were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. LODA proportion was determined based on pay-as-you-go employer contributions instead of actuarially determined contributions.

Group Life Insurance Program

June 30, 2025 proportionate share of liability	$3,994,250
June 30, 2024 proportion	0.3579%
June 30, 2023 proportion	0.3559%
June 30, 2025 expense	$2,928

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amount from changes in proportion.

General Employee Health Insurance Credit Program

Changes in net OPEB liability of the General Employee Health Insurance Credit Program were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability (Asset) (a) – (b)**
Balance, June 30, 2023	$ 459,567	$ 156,644	$ 302,923
Changes for the year:			
Service cost	5,673	-	5,673
Interest	30,201	-	30,201
Differences between expected and actual experience	(4,661)	-	(4,661)
Assumption changes	-	-	-
Contributions – employer	-	30,767	(30,767)
Net investment income	-	14,045	(14,045)
Benefit payments	(35,625)	(35,625)	-
Administrative expenses	-	(249)	249
Other changes	-	-	-
Net changes	(4,412)	8,938	(13,350)
Balance, June 30, 2024	**$ 455,155**	**$ 165,582**	**$ 289,573**

In addition, for the year ended June 30, 2025, the City recognized OPEB expense of $(5,152) related to the General Employee Health Insurance Credit Program.

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Group Life Insurance Program

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 627,927	$ 97,920
Change in assumptions	22,716	197,896
Net difference between projected and actual earning on OPEB plan investments	-	336,500
Change in proportion	50,845	217,182
Employer contributions subsequent to the measurement date	559,413	-
Total	**$ 1,260,901**	**$ 849,498**

General Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 139,473	$ 240,312
Change in assumptions	26,428	-
Net difference between projected and actual earning on OPEB plan investments	-	4,642
Employer contributions subsequent to the measurement date	64,959	-
Total	**$ 230,860**	**$ 244,954**

The deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in the Fiscal Year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

Group Life Insurance Program

Year Ended June 30,	Increase (Reduction) to OPEB Expense
2026	$ (252,027)
2027	14,281
2028	(19,806)
2029	48,260
2030	71,287
Thereafter	-

General Employee Health Insurance Credit Program

Year Ended June 30,	Amount
2026	$ (32,700)
2027	(25,446)
2028	(28,264)
2029	(6,167)
2030	12,894
Thereafter	-

Actuarial Assumptions and Other Inputs

The total OPEB liabilities were determined using the following assumptions based on an actuarial valuation date of June 30, 2023, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024:

Inflation	2.50%
Salary increases, including inflation:	
• Locality – general employees	3.50 – 5.35%
• Locality – hazardous duty employees	3.50 – 4.75%
• Teachers	3.50 – 5.95%
Healthcare cost trend rates:	
• Under age 65	7.25 – 4.25%
• Ages 65 and older	6.50 – 4.25%
Investment rate of return, net of expenses, including inflation	GLI & HIC: 6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans (see Note 11).

Net OPEB Liabilities

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance Program
Total OPEB liability	$ 4,196,055
Plan fiduciary net position	3,080,133
Employers' net OPEB liability	**$ 1,115,922**
Plan fiduciary net position as a percentage of total OPEB liability	**73.41%**

The total liability is calculated by the VRS actuary and each plan's fiduciary net position is reported in the VRS financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the VRS notes to the financial statements and required supplementary information.

Group Life Insurance and Health Insurance Credit Programs

The long-term expected rate of return on VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in a table presented in Note 11 for pension.

Discount Rate

The discount rate used to measure the GLI and HIC OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 113% of the actuarilly determined contribution rate for GLI and 100% of the actuarially determined contribution rate for all other OPEB plans. From July 1, 2024 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liabilities of the City, as well as what the City's net OPEB liabilities would be if it was calculated using a discount rate that is one percentage point lower (5.75% HIC; GLI) or one percentage point higher (7.75% HIC; GLI) than the current discount rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability	$ 6,211,374	$ 3,994,250	$ 2,202,870
General Employee HIC Net OPEB liability	$ 340,867	$ 289,573	$ 246,399

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2024 Annual Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/media/shared/pdf/publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

School Board – Virginia Retirement System Plans

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the School Board also participates in various cost-sharing and agent multi-employer other postemployment benefit plans, described as follows.

Plan Descriptions

Group Life Insurance Program

All full-time teachers and employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

In addition to the Basic Group Life Insurance Benefit, members are also eligible to elect additional coverage for themselves, as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect

the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

Specific information for the GLI is available at https://www.varetire.org/members/benefits/life- insurance/basic-group-life-insurance.asp.

Teacher Employee Health Insurance Credit Program

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit (HIC) Program. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

Specific information about the Teacher HIC is available at:
https://www.varetire.org/retirees/insurance/healthinscredit/index.asp.

The GLI and Teacher HIC are administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Both of these plans are considered multiple-employer, cost-sharing plans.

General Employee Health Insurance Credit Program

The General Employee Health Insurance Credit Program (HIC) is available for all full-time, salaried employees of local government entities other than Teachers. The General Employee HIC provides all the same benefits as the Teacher HIC, except that this plan is considered a multi-employer agent defined benefit plan.

Employees Covered by Benefit Terms

As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	Number
Inactive members or their beneficiaries currently receiving benefits	28
Total inactive members	28
Active members	156
Total covered employees	**184**

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2023. The actuarially determined rates were expected to finance the cost of benefits earned by employees during

the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

Group Life Insurance Program

Governed by:	*Code of Virginia* 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.18% of covered employee compensation. Rate allocated 60/40; 0.71% employee and 0.47% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2025 contribution	$619,292
June 30, 2024 contribution	$686,878

Teacher Health Insurance Credit Program

Governed by:	*Code of Virginia* 51.1-1401 and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate:	1.21% of covered employee compensation.
June 30, 2025 contribution	$1,475,070
June 30, 2024 contribution	$1,429,905

General Employee Health Insurance Credit Program

Governed by:	*Code of Virginia* 51.1-1400 and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	1.12% of covered employee compensation.
June 30, 2025 contribution	$4,862
June 30, 2024 contribution	$6,705

OPEB Liabilities, OPEB Expense, and Deferred Inflows and Outflows of Resources Related to OPEB

The net OPEB liabilities were measured as of June 30, 2024 and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's

actuarially determined employer contributions for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

	Teacher GLI	Non-Teacher GLI Plan 1	Non-Teacher GLI Plan 2
June 30, 2025 proportionate share of liability	$ 5,128,889	$ 323,841	$ 66,621
June 30, 2024 proportion	0.45961%	0.02902%	0.00597%
June 30, 2023 proportion	0.47125%	0.02836%	0.00671%
June 30, 2025 expense (income)	$ 200,576	$ 31,966	$ (7,915)

Teacher Health Insurance Credit Program

June 30, 2025 proportionate share of liability	$ 12,729,347
June 30, 2024 proportion	1.10149%
June 30, 2023 proportion	1.11323%
June 30, 2025 expense	$ 1,144,271

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amount from changes in proportion.

General Employee Health Insurance Credit Program

Changes in net OPEB liability of the General Employee Health Insurance Credit Program were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) – (b)
Balance, June 30, 2023	$ 77,627	$ 111,196	$ (33,569)
Changes for the year:			
Service cost	5,399	-	5,399
Interest	5,589	-	5,589
Changes in benefit terms	-	-	-
Assumption changes	-	-	-
Differences between expected and actual experience	8,789	-	8,789
Contributions – employer	-	11,175	(11,175)
Net investment income	-	11,178	(11,178)
Benefit payments	(439)	(439)	-
Administrative expenses	-	(161)	(161)
Other changes	-	-	-
Net changes	19,338	21,753	(2,415)
Balance, June 30, 2024	**$ 96,965**	**$ 132,753**	**$ (35,984)**

For the year ended June 30, 2024, the School Board recognized OPEB revenue of $813 related to the General Employee Health Insurance Credit Program.

At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following sources:

Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 870,529	$ 134,819
Change in assumptions	31,461	273,528
Net difference between projected and actual earning on OPEB plan investments	-	465,223
Change in proportion	571,903	191,193
Employer contributions subsequent to the measurement date	619,292	-
Total	**$ 2,093,185**	**$ 1,064,763**

Teacher Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 603,086
Change in assumptions	219,290	-
Net difference between projected and actual earning on OPEB plan investments	-	45,279
Change in proportion	1,300,205	280,411
Employer contributions subsequent to the measurement date	1,475,070	-
Total	**$ 2,994,565**	**$ 928,776**

General Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,417	$ 7,221
Change in assumptions	202	8,565
Net difference between projected and actual earning on OPEB plan investments	-	2,657
Employer contributions subsequent to the measurement date	4,862	-
Total	**$ 13,481**	**$ 18,443**

The deferred outflows of resources related to OPEB resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other

amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Group Life Insurance Program

Year Ended June 30,	Increase (Reduction) to OPEB Expense
2026	$ (146,657)
2027	214,381
2028	114,818
2029	162,079
2030	64,509
Thereafter	-

Teacher Health Insurance Credit Program

Year Ended June 30,	Increase (Reduction) to OPEB Expense
2026	$ 90,025
2027	152,889
2028	129,475
2029	119,357
2030	138,564
Thereafter	(39,591)

General Employee Health Insurance Credit Program

Year Ended June 30,	Increase (Reduction) to OPEB Expense
2026	$ (4,205)
2027	(2,162)
2028	(2,981)
2029	(2,110)
2030	1,431
Thereafter	203

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2023, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024:

Inflation	2.50%
Salary increases, including inflation:	
• Locality – general employees	3.50 – 5.35%
• Teachers	3.50 – 5.95%
Healthcare cost trend rates:	
• Under age 65	7.25 – 4.25%
• Ages 65 and older	6.50 – 4.25%
Investment rate of return, net of expenses, including inflation	GLI & HIC: 6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 11.

Net OPEB Liabilities

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2024, net OPEB liability amounts for the various VRS OPEB programs are as follows:

	Group Life Insurance Program	Teacher Employee HIC OPEB Plan
Total OPEB liability	$ 4,196,055	$ 1,478,105
Plan fiduciary net position	3,080,133	322,457
Employers' net OPEB liability	**$ 1,115,922**	**$ 1,155,648**
Plan fiduciary net position as a percentage of total OPEB liability	**73.41%**	**21.82%**

The total liability is calculated by the VRS actuary and each plan's fiduciary net position is reported in the VRS financial statements. The net OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the VRS notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return

Group Life Insurance and Health Insurance Credit Programs

The long-term expected rate of return on VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in a table previously presented in Note 11.

Discount Rate

The discount rate used to measure the GLI and HIC OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 113% of the actuarially determined contribution rate for GLI and 100% of the actuarially determined contribution rate for all other OPEB plans. From July 1, 2024 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liabilities (assets) of the School Board, as well as what the School Board's net OPEB liabilities (assets) would be if it was calculated using a discount rate that is one percentage point lower (5.75% HIC) or one percentage point higher (7.75% HIC) than the current discount rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB Liability	$ 8,583,307	$ 5,519,351	$ 3,044,071
Teacher HIC Net OPEB Liability	14,476,443	12,729,347	11,248,523
General Employee HIC Net OPEB Asset	(20,459)	(35,984)	(48,726)
	$ 23,039,291	**$ 18,212,714**	**$ 14,243,868**

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2024 Annual Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 13 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Risk management activities related to claims and settlements are accounted for in the Risk Management Internal Service Fund. All other risk management activities are accounted for in the General Fund.

Claims expenditures/expenses and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate for claims that have been incurred but not reported (IBNR) based on an annual actuarial study performed by a third party.

The City self-insures general liability and automotive liability insurance with a self-insured retention of $1,000,000 per occurrence; workers' compensation has a self-insured retention of $1,250,000 per occurrence. The City purchases excess

liability and workers' coverage to protect against settlements that exceed the amount of the self-insured retention. The amount of settlements did not exceed insurance coverage.

The City has property insurance coverage that includes boiler and machinery with a $25,000 per occurrence deductible for property, and a $1,000 per occurrence deductible for boiler and machinery. Flood insurance is purchased through the National Flood Insurance Program, which is administered by the Federal Emergency Management Agency (FEMA) to protect properties that are located in designated flood zones with a deductible of $5,000 based on damage assessment and replacement cost. Pollution legal liability coverage is purchased and provides coverage of up to $5 million over a three-year period with a $100,000 deductible per occurrence. The amount of insurance claims did not exceed coverage limits. The City has Cyber Insurance coverage, which includes cost of defense, event management, network interruption, limited extortion coverage, and judgment if sued up to limits of policy of $1,000,000.

The City purchases a liability policy and an accidental injury medical policy to protect up to 100 active volunteers who perform tasks on behalf of the City. The amount of settlements did not exceed insurance coverage for each of the past ten years. The City is self-insured for employee health insurance and workers' compensation with stop-loss provisions to limit catastrophic claims exceeding $1,250,000 for workers' compensation and $300,000 for health insurance.

Included in long-term liabilities at June 30, 2025 were claims payables of $14,063,174 as a provision for unasserted claims. Other risks insured through the City's self-insurance program adequately covered any claims incurred.

Changes in the reported liability at June 30th for the past two years are shown in the following tabulation:

	2025	2024
Claims liability at July 1	$ 14,436,024	$ 13,767,228
Claims incurred	17,845,783	17,883,616
Claims payments	(18,218,633)	(17,214,820)
Claims liability at June 30	**$ 14,063,174**	**$ 14,436,024**

Surety Bond coverage is as follows:

Company	Amount
Travelers Property Casualty Insurance Company	
Public Employee Pension/Crime/Dishonesty	$ 1,000,000
NGM Insurance Company	
Treasurer – Public Official Bond	1,000,000
Self-insurance program through Commonwealth of Virginia Division of Risk Management	
All Other Constitutional Officers' Employees Liability Insurance	1,000,000
City Treasurer's Bond	500,000
City Sheriff Bond	30,000
Commissioner of Revenue Bond	3,000
Clerk of Circuit Court Bond	3,000,000
City Sheriff's Liability Insurance	1,500,000

The City adopted comprehensive financial policies that included a Risk Management Reserve. The purpose of the reserve is to mitigate risk exposure of the City due to its self-insurance program. The City is currently self-insured for health insurance, workers' compensation, general liability and automotive claims.

The minimum funding level for the Risk Management Reserve is:

- 25% of the three year average of self-insured claims costs
- plus 10% of the three year average of fully insured premiums
- plus $1 million to cover catastrophic claims

The City revised its financial policies to establish a Stabilization Reserve with a part of its purpose to provide coverage for risk exposure that the City has due to its self-insurance program and unanticipated risk management expenses. The stabilization reserve is targeted to equal a minimum 3% of General Fund Expenditures and is reported in the assigned category of the governmental fund balance sheet in the General Fund.

School Board Component Unit

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The school division, through a competitive procurement process is using the professional services of a firm to assist in determining appropriate levels of insurance coverage. Further, the firm assists with the placement of coverage with third party providers, including the Virginia Municipal Liability Pool as noted below. Risk management activities are accounted for in the schools' General Fund.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate for claims that have been incurred but not reported (IBNR) primarily based upon past claims and an estimate by a qualified claims adjuster with a third-party administrator.

The School Board has general liability, vehicular liability, and property insurance coverages through commercial insurers through the Virginia Municipal Liability Pool.

The School Board is self-insured for health insurance claims. The following table shows the activity in the account as of June 30th for the past two years.

	2025	2024
Claims liability at July 1	$ 4,619,208	$ 5,562,859
Claims incurred	34,249,941	30,499,450
Claims payments	(30,853,729)	(31,443,101)
Claims liability at June 30	**$ 8,015,420**	**$ 4,619,208**

Note 14 – Tax Abatements

As of June 30, 2025, the City provides tax abatements through four programs:

Tax Abatement Programs	Taxes Abated for FY 2025
Real Estate Rehabilitation Abatements	$ 1,495,965
Solar Energy Equipment, Facilities, and Devices Exemption	$ 7,679
Energy Efficient Buildings Special Rate	$ 550
Economic Development Grants	$ 737,598

The **Real Estate Rehabilitation Abatement** program is administered by the Real Estate Valuation Department in accordance with Chapter 32, Article II, Division 5 of Code of Ordinances for the City of Roanoke. Abatements and exemptions only apply to the change in value resulting from the renovation or new construction. The amount of the abatement is deducted from the recipient's tax bill. The program is composed of four tax abatement incentives:

1. An abatement of real property taxes on residential, commercial, and industrial properties to encourage rehabilitation of existing structures. To receive this abatement, the renovation must be completed within two years after the date of application. Residential properties must be no less than 40 years in age and be improved so as to increase their values no less than 40%. Commercial and industrial properties must be no less than 25 years in age and be improved so as to increase the value of their structures no less than 60%, without increasing total square footage by more than 100%.
2. A partial real property tax exemption for commercial and industrial properties within Enterprise Zone Two to encourage rehabilitation of existing structures. To receive this exemption, the property must have been no less than 15 years in age, have been renovated so as to increase the assessed value of the structure by at least $50,000, have not received another exemption under Division 5 of the Code, and the rehabilitation must have been completed within one year after the date of the application. This program was closed to new applications as of December 31, 2015, but is still available for renewal for existing applicants in future periods. Program application fees follow the below guidelines:

   Program Application Fees:

Residential Single Family Buildings (must have assessed value of $250,000 or less to quality)	$	175.00
Multi-Family Residential	$	250.00*
Commercial – Mixed Use	$	250.00*

   *per principle structure in application

3. A partial real property tax exemption for commercial, mixed-use commercial, and industrial properties in Enterprise Zone One A to encourage rehabilitation of existing structures. To receive this exemption, the property must be no less than 15 years in age, be renovated so as to increase the assessed value of the structure by at least $50,000, have not received another exemption under Division 5 of the Code, and the rehabilitation must be completed within two years after the date of the application. Additionally, mixed-use commercial property must not be more than 80% residential use in order to qualify. Lastly, residential and non-residential (Commercial/mixed use) buildings must be constructed prior to January 1, 1970.

4. A partial real property tax exemption for residential and commercial properties in redevelopment and conservation areas, as well as rehabilitation districts, to encourage the construction of new structures or other improvements.
5. The following timelines on real estate tax abatement durations will apply to those granted herein as follows:
   a. Five years for eligible buildings city-wide;
   b. Seven years for eligible buildings located within the H-1 and H-2 local historic districts;
   c. Seven years for eligible buildings located within a designated redevelopment, rehabilitation or conservation district

   For residential properties to receive this exemption, the new structure or improvement must have an assessed value, after construction or improvement, of at least 120% of the median value of other residential structures in the neighborhood. Commercial properties must be located in a district zoned Commercial Neighborhood (CN) and must be designed for and used for purposes permitted in a CN district.

   For both residential and commercial properties, the construction or improvement must be completed within 2 years after the date of the application.
6. The exemption provided in this division shall not apply when any existing structure is demolished or razed and a replacement structure is constructed, unless the assessed value of the existing structure is less than $10,000. The replacement structure must be in a single-family residence, and it must have an assessed value of at least 120% of the median value of other dwelling units in the neighborhood, as determined by the director of real estate valuation. Such exemption shall not apply when the structure to be demolished is a Virginia registered landmark, or is determined by the Division of Historic Resources to contribute to the significance of a registered historic district.

The **Solar Energy Equipment, Facilities, and Devices** program provides for an exemption on real estate or machinery and tools taxes to encourage investment in certified solar energy equipment, facilities, and devices, as specified in Chapter 32, Article II, Division 8 of the Code of the City of Roanoke. Taxpayers must file an application with the Department of Planning, Building, and Development, along with supporting documents that can be used to verify the costs, ownership, and nature of the property involved. The taxpayer may choose to apply the exemption to real estate taxes or machinery and tool taxes, as applicable. The exemption is determined by applying the appropriate local tax rate to the value of the qualified solar energy equipment, facilities, and devices.

The **Energy-Efficient Buildings** program provides a special classification to buildings certified as energy-efficient, which provides for a lower tax rate than that applied to other real property. Applications are reviewed by the City's Department of Planning, Building, and Development, as specified under Chapter 32, Article II, Division 9 of the Code of the City of Roanoke. If approved, the building is given the special classification for five years. For the year ended June 30, 2025, the real estate tax rate applicable to Energy-Efficient Buildings was $1.10 per $100 of assessed value.

Economic Development Grants are provided to local developers who complete projects that promote economic development within the city, as determined in advance by the city administration in accordance with the Code of Ordinances for the City of Roanoke, Ordinance Numbers 40709 and 39447. Such projects are expected to provide additional tax revenue, jobs, and services that will benefit city residents. The local taxes collected from businesses located in these developments are used to fund the grants. Applicable local taxes include real estate tax, local option sales tax, business professional and occupational license tax, tangible personal property tax, and prepared food and beverage tax. Payments to developers are based on the taxes collected the preceding fiscal year. Grants paid during the fiscal year ended June 30, 2025, were between 50 and 100% of the local tax revenues generated from applicable projects.

Note 15 – Joint Ventures

Blue Ridge Behavioral Healthcare

The counties of Botetourt, Craig, and Roanoke and the cities of Roanoke and Salem formed Blue Ridge Behavioral Health Care (BRBH) a community services board, to provide a system of comprehensive community mental health, intellectual disability and substance abuse services. BRBH is governed by a 16 -member board. Roanoke City Council appoints three members. Each locality's financial obligation is based on the type and amount of services performed for individuals in the locality. For the fiscal year ended June 30, 2025, the City remitted approximately $1.2 million to BRBH. Financial statements may be obtained from Blue Ridge Behavioral Healthcare, 611 McDowell Avenue, Roanoke, Virginia 24016.

Hotel Roanoke Conference Center Commission

The City is a participant with Virginia Polytechnic Institute and State University (Virginia Tech) in a joint venture to establish and operate a publicly-owned Conference Center in the City of Roanoke in conjunction with the Hotel Roanoke, which is adjacent to the Conference Center. The Hotel Roanoke Conference Center Commission (HRCCC) is composed of six members, three of whom are appointed by City Council and three of whom are appointed by Virginia Tech. The HRCCC has the authority to issue debt and such debt is the responsibility of the HRCCC. The City issued general obligation bonds in its name for its share of the Conference Center construction costs and was obligated to repay this debt. The City has incurred no related future obligation.

The intention of the HRCCC is to be self-supporting through its user fees. The City and Virginia Tech share equally in any operating deficit or if additional funding is needed for capital expenditures. The City has no equity interest in the HRCCC; however, as previously mentioned, additional funding or subsidies may be necessary to support ongoing operations. For the fiscal year ended June 30, 2025, the City contributed $60,000 to the HRCCC. Financial statements may be obtained from the Hotel Roanoke Conference Center Commission, 106 Shenandoah Avenue, Roanoke, Virginia 24016.

Roanoke Valley Broadband Authority

The Roanoke Valley Broadband Authority (Authority) was created under the Virginia Wireless Services Facilities Act by the cities of Roanoke and Salem, and the counties of Botetourt and Roanoke. The Authority was formed in order to provide quality affordable access to broadband technologies. The Board of the Authority consists of five members of which the City appoints one member for a four-year term. The Authority is in the process of engineering a 46 mile network in the Valley that will serve business parks, large institutions, government facilities, and businesses. For the fiscal year ended June 30, 2025, the City remitted $323,259 to Roanoke Valley Broadband Authority for bond payments. Financial statements may be obtained from Roanoke Valley Broadband Authority, 601 South Jefferson Street, Suite 110, Roanoke, Virginia 24011.

Roanoke Valley Regional Fire-EMS Training Center

The City, along with the County of Roanoke, City of Salem, and Town of Vinton, jointly operate a Fire-EMS training center (Center). The Center is governed by a committee of eight members, designated by the participating jurisdictions. New Fire-EMS recruits are required to take a 17 week training course at the facility before being assigned to a station. Upon completion of the training, the new recruits are state certified. Each jurisdiction is responsible for a percentage of the annual operating costs of the facility. The City is responsible for 44% of the annual operating costs. For the fiscal year ended June 30, 2025, the City paid $52,800 of the total annual operating costs. Financial statements may be obtained from the Roanoke Valley Regional Fire-EMS Training Center, 1220 Kessler Mill Road, Salem, Virginia 24153.

Roanoke Valley Resource Authority

The City of Roanoke, the County of Roanoke, and the Town of Vinton jointly participate in the Roanoke Valley Resource Authority (Authority), which operates the regional sanitary landfill, waste collection and transfer station, and related treatment facilities. The Authority is governed by a board composed of seven members designated by the participating jurisdictions. Roanoke City Council appoints two members. The City has control over the budget and financing for the Authority only to the extent of representation by the board members appointed. The participating localities are each responsible for their pro rata share, based on population, of any year-end operating deficit. For the fiscal year ended June 30, 2025, the City remitted $2.9 million to the Authority for services. Financial statements may be obtained from Roanoke Valley Resource Authority, 1020 Hollins Road, Roanoke, Virginia 24012.

Regional Center for Animal Care and Protection

The City of Roanoke, along with the Counties of Roanoke and Botetourt, jointly participate on the Advisory Board, which is responsible for the general fiscal and management policies for the Regional Center for Animal Care and Protection (RCACP). The regional care center is comprised of an animal control and animal education facilities that are adjacent to each other and are owned and operated by the Roanoke Valley Society for the Prevention of Cruelty to Animals, Inc. (RVSPCA). Each participating locality pays monthly amounts for its share of operating costs and to fund reserves for operating and maintenance needs of the RCACP based on the locality's average use of the facility. During the year ended June 30, 2025, the City's share was $2,063,859.

Western Virginia Regional Industrial Facility Authority

The Western Virginia Regional Industrial Facility Authority was created as a combined effort with Roanoke City, Roanoke County, the City of Salem, Botetourt County, Franklin County, and the Town of Vinton to enhance these localities' economic base and stimulate economic growth by developing new opportunities in these areas. For fiscal year ended June 30, 2025, the City remitted $31,407 for services and $367,340 for capital reimbursements.

Note 16 – Jointly Governed Organizations

Roanoke Valley Detention Commission

The Counties of Botetourt, Franklin, and Roanoke and the Cities of Roanoke and Salem formed the Roanoke Valley Detention Commission (Commission) in 1998 to renovate, expand and operate a detention facility for juveniles. The Commission is governed by a six member board. Roanoke City Council appoints two members. Localities using the facility are guaranteed a number of beds according to the terms of the agreement. Each locality's financial obligation is based on the number of juveniles housed at the 81 bed facility. The Commission has the authority to issue debt, and such debt is the responsibility of the Commission. For the fiscal year ended June 30, 2025, the City remitted $1.08 million to the Roanoke Valley Detention Commission in per diem charges for juveniles housed by the Commission.

Western Virginia Water Authority

The City and the County of Roanoke combined its water and water pollution control functions to form the Western Virginia Water Authority (WVWA). The WVWA is responsible for the supply, treatment, distribution, and transmission of water and the collection and treatment of wastewater. In November 2009, Franklin County joined the WVWA to provide services to the western side of the County. The WVWA is governed by a seven-member board consisting of three City of Roanoke appointees, three County of Roanoke appointees, and one Franklin County appointee. The City has control over the budget and financing for the WVWA only to the extent of representation by the board members appointed.

Virginia's First Regional Industrial Facility Authority

The Cities of Radford, Roanoke, and Salem; the Counties of Bland, Craig, Giles, Montgomery, Pulaski, Roanoke, and Wythe; and the Towns of Christiansburg, Dublin, Narrows, Pearisburg, and Pulaski all participate in the Virginia's First Regional Industrial Facility Authority (Authority). The Authority's purpose is to enhance the member localities economic base in Virginia's First Region. The Authority is governed by a board composed of twenty-nine members, two of which are appointed by Roanoke City Council. The City has control over the budget and financing for the Authority only to the extent of representation by the board members appointed. Each locality is obligated to annual dues of $5,000. Authority member localities, who are also participants in the Regional Commerce Park like the City, are obligated to an annual amount based on the number of shares owned. The City owns 10,000 shares and has an annual obligation of $27,500. For the fiscal year ended June 30, 2025, the City remitted $32,500 to Virginia's First Regional Industrial Facility Authority.

Market Building Foundation Inc.

The Market Building Foundation Inc., is a public non-profit entity created and incorporated to ensure the preservation of the City Market Building in Downtown Roanoke. The Foundation manages the rehabilitation, maintenance, and operation of the City Market Building. The Foundation has a board of seven members representing individuals from several organizations in the downtown area. These organizations include the City of Roanoke, Downtown Roanoke, Inc., the Roanoke Regional Chamber of Commerce and the private business community. Those board members are responsible for the oversight and governance of the facility, as well as the management, leasing, and operational performance of the City Market Building. The City does not have authority to override the Foundation board regarding decisions about rates or operations but it is obligated to finance deficits of the Foundation. The City has an annual obligation to the Market Building of $300,000 for an operating contribution. For the fiscal year ended June 30, 2025, the City paid the Market Building Foundation Inc. $300,000 for the annual operating contribution and equipment replacement services.

Note 17 – Related Organizations

Economic Development Authority

The Economic Development Authority issues low-interest, tax-free industrial revenue bonds in its name for the construction or renovation of properties sold or leased to enterprises locating to or remaining in the City. City Council is responsible for appointing the seven-member board; however, the City, the state, and any political subdivision thereof are not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2025, there were twelve series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately $450.5 million.

Roanoke Redevelopment and Housing Authority

The Roanoke Redevelopment and Housing Authority (Housing Authority) is a political subdivision of the Commonwealth of Virginia created to provide low income and subsidized housing, promote self-sufficiency and foster economic development. Commissioners of the Housing Authority are appointed by City Council. The Housing Authority is financially independent of the City and has administrative control of its operations, but its overall housing plans require the approval of City Council. The City provides a financial benefit through federal pass-through grant funds awarded to the Housing Authority on a contractual basis to implement certain grant programs. The Housing Authority also directly receives other federal and state subsidies and rents for operating its housing programs. During the year ended June 30, 2025, the City remitted $245,600 to the Housing Authority.

Roanoke Regional Airport Commission

The City and Roanoke County formed the Roanoke Regional Airport Commission (Airport Commission) in 1987 to own and operate The Roanoke Blacksburg Regional Airport. The Airport Commission is composed of five members. Three commissioners are appointed by Roanoke City Council and two are appointed by the Roanoke County Board of Supervisors. Airport operations are financed by user fees. The City and Roanoke County are each responsible for their pro rata share, based on population, of any year-end operating deficit or unfunded capital projects if any additional funding is required. The Airport Commission may incur debt and is responsible for paying all outstanding debt. The City has control over budget and financing only to the extent of representation by the board members appointed. No subsidy has been required since inception.

Note 18 – Commitments, Contingencies, and Other Matters

Litigation

The City is named as a defendant in litigation involving claims for personal injury or property damages. City officials estimate that any ultimate liability not covered by insurance would not have a material effect on the City's financial position.

Grants

Federal grant programs in which the City participates have been audited in accordance with the provisions of the Office of Management and Budget 2 CFR 200, Uniform Administrative Requirements. In addition, these grant programs are subject to financial and compliance audits by the federal government, which may result in disallowed expenditures. Based on prior experience, City management believes such disallowances, if any, would not have a material effect on the City's financial position.

Note 19 – New Accounting Standards

In April 2024, the GASB issued **Statement No. 103**, *Financial Reporting Model Improvements*. This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability as well as addresses certain application issues. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

In September 2024, the GASB issued **Statement No. 104**, *Disclosure of Certain Capital Assets*. This statement requires certain information regarding capital assets to be presented by major class. Certain types of capital assets are to be disclosed separately in the capital assets note disclosures required by Statement No. 34. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.

Note 20 – Prior Period Restatement

A prior period adjustment was made related to compensated absences in association with the City's implementation of GASB 101 *Compensated Absences* standard.

	Governmental Activities	Stormwater	Civic Facilities	Parking Fund
Beginning net position, previously stated	$411,452,826	$ 26,092,962	$ 10,216,761	$ 25,759,205
GASB 101 implementation	(10,521,068)	(114,656)	(106,136)	(4,715)
Beginning net position, restated	**$400,931,758**	**$ 25,978,306**	**$ 10,110,625**	**$ 25,754,490**

A prior period adjustment was also made related to compensated absences in association with the Schools' and GRTC's implementation of GASB 101 *Compensated Absences* standard.

	Schools	GRTC
Beginning net position, previously stated	$ (7,860,964)	$ 32,830,035
GASB 101 implementation	(4,566,528)	62,426
Beginning net position, restated	**$ (12,427,492)**	**$ 32,892,461**

Note 21 – Subsequent Events

Management has evaluated subsequent events through August 14, 2026, the date the financial statements were available to be issued.

Required Supplementary Information

City of Roanoke, Virginia

Schedule 1

Required Supplementary Information
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Over/(Under) Actual
Resources (Inflows)				
Local taxes	$ 263,693,000	$ 268,400,257	$ 270,446,642	$ 2,046,385
Permits, fees, and licenses	2,496,000	2,624,240	2,163,918	(460,322)
Fines and forfeitures	717,000	779,605	837,569	57,964
Revenue from use of money and property	1,750,000	3,567,422	4,077,514	510,092
Intergovernmental	88,888,000	98,661,030	96,057,861	(2,603,169)
Charges for services	20,503,000	20,880,673	20,129,188	(751,485)
Miscellaneous	1,059,000	1,470,914	1,481,502	10,588
Transfers from other funds	-	-	378,371	378,371
Amounts available for appropriation	**$ 379,106,000**	**$ 396,384,141**	**395,572,565**	**$ (811,576)**
Charges to Appropriations (Outflows)				
General government				
City Treasurer	$ 2,381,389	$ 2,464,272	$ 2,461,210	$ (3,062)
Commissioner of the Revenue	1,890,443	1,737,886	1,728,126	(9,760)
City Council	34,650	44,646	44,646	-
City Council - Mayor - Lea	51,587	50,444	43,784	(6,660)
City Council - Vice Mayor - Cobb	46,957	39,032	35,348	(3,684)
City Council - Council Member - Fitzpatrick	-	40	40	-
City Council - Council Member - McGuire	-	1,515	1,515	-
City Council - Council Member - Nash	-	1,963	1,963	-
City Council - Council Member - Hagen	-	1,222	1,222	-
City Council - Council Member - Powers	-	157	157	-
City Council - Council Member - Priddy	46,957	44,917	28,419	(16,498)
City Council - Council Member - Volosin	46,957	56,049	50,423	(5,626)
City Council - Council Member - White-Boyd	46,957	43,936	35,388	(8,548)
City Council - Council Member - Sanchez-Jones	46,957	48,002	35,608	(12,394)
City Council - Council Member - Moon-Reynolds	46,957	44,368	39,898	(4,470)
City Attorney	1,203,522	1,319,695	1,319,695	-
City Clerk	603,265	554,187	553,894	(293)
Municipal auditing	1,002,601	1,089,395	1,085,390	(4,005)
Department of finance	2,759,851	2,484,452	2,482,005	(2,447)
Real estate valuation	1,848,651	1,714,119	1,703,176	(10,943)
Board of equalization	8,501	8,233	3,765	(4,468)
Electoral Board	1,105,003	871,124	867,065	(4,059)
City Manager	1,579,294	1,914,494	1,890,496	(23,998)
Executive leadership	-	336,568	335,970	(598)
Citizen engagement	1,552,989	1,144,949	1,105,451	(39,498)
Human resources	2,318,790	2,229,620	2,221,391	(8,229)
Employee health services	958,383	1,299,918	1,294,825	(5,093)
Department of management and budget	927,835	614,637	614,637	-
Information technology	6,753,168	6,274,917	6,256,418	(18,499)
DOT capital outlay	1,000,000	-	-	-
Purchasing	846,545	682,600	681,156	(1,444)
Risk management	1,826,176	1,995,802	1,995,802	-
Environmental management	548,361	1,059,752	1,059,752	-
Fleet management - Op	6,443,940	8,910,436	8,910,436	-
Fleet management - NonOp	2,450,569	3,820,453	3,820,453	-
Total general government	40,377,255	42,903,800	42,709,524	(194,276)

The Notes to Required Supplementary Information are an integral part of this statement.

City of Roanoke, Virginia

Schedule 1

Required Supplementary Information
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Over/(Under) Actual
Judicial administration				
Clerk of Circuit Court	2,207,509	2,034,049	2,032,986	(1,063)
Juvenile and domestic relations court services	1,262,747	1,176,635	1,173,865	(2,770)
Juvenile and domestic relations court clerk	56,920	56,920	53,021	(3,899)
Magistrates office	5,244	5,244	3,794	(1,450)
General district court	90,914	92,464	92,464	-
Circuit court	629,546	690,191	690,191	-
Sheriff	5,370,525	5,861,198	5,861,198	-
Commonwealth's Attorney	2,285,792	2,389,004	2,389,004	-
Law library	151,501	153,293	153,293	-
Total judicial administration	12,060,698	12,458,998	12,449,816	(9,182)
Public safety				
Jail	19,423,955	22,298,657	22,279,931	(18,726)
E911	3,781,060	3,444,202	3,439,904	(4,298)
E911 - wireless	854,874	386,322	361,884	(24,438)
E911/VA811 shared expenses	407,280	424,252	406,165	(18,087)
Fire - administration	1,046,790	1,353,799	1,349,007	(4,792)
Fire - support	2,324,673	3,091,985	3,091,985	-
Fire - operations	24,720,021	26,774,053	27,133,052	358,999
Fire - training	-	9,520	9,520	-
Emergency management	257,824	271,954	271,954	-
Development services	2,826,359	2,891,922	2,887,873	(4,049)
Outreach detention	398,040	442,244	442,244	-
Youth Haven I	359,594	183,705	177,624	(6,081)
Enhanced community services	82,702	-	-	-
Substance abuse services	92,410	84,358	80,887	(3,471)
Police - administration	4,372,432	3,805,086	3,805,086	-
Police - investigation	2,351,240	3,549,698	3,549,698	-
Police - patrol	18,871,075	18,837,202	19,086,550	249,348
Police - services	2,362,718	2,260,965	2,232,725	(28,240)
Police - training	505,079	727,046	718,645	(8,401)
Police - RESET	101,285	150,935	113,006	(37,929)
Police - animal control	2,557,820	2,784,582	2,774,598	(9,984)
Radio technology	561,672	544,159	534,189	(9,970)
Total public safety	88,258,903	94,316,646	94,746,527	429,881
Public works				
Director of General Services	203,161	230,163	223,196	(6,967)
Custodial services	1,012,057	875,292	866,585	(8,707)
Asset maintenance	-	223,631	223,631	-
Building maintenance	5,190,924	5,943,706	6,699,561	755,855
Director of Public Works	289,090	230,167	230,167	-
Transportation - streets and traffic	6,632,644	6,132,014	6,113,864	(18,150)
Transportation - paving program	4,288,924	4,320,715	4,320,715	-
Transportation - snow removal	169,233	214,151	1,015,561	801,410
Transportation - street lighting	1,169,426	1,169,426	1,711,543	542,117
Transportation - engineering and operations	-	399	399	-
Solid waste management	7,394,498	7,762,219	7,762,219	-
Engineering	1,749,105	1,485,704	1,466,756	(18,948)
Total public works	28,099,062	28,587,587	30,634,197	2,046,610

The Notes to Required Supplementary Information are an integral part of this statement.

City of Roanoke, Virginia

Schedule 1

Required Supplementary Information
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Over/(Under) Actual
Health and welfare				
Human services support	329,182	534,041	534,041	-
Health department	1,297,707	1,297,707	1,297,707	-
Blue Ridge Behavioral Health Care	1,133,073	1,133,073	1,133,073	-
Human services committee	435,000	435,000	435,000	-
Social services	30,260,080	33,271,148	33,117,043	(154,105)
VJCCCA truancy intervention	-	156,035	155,954	(81)
Children's Services Act	15,655,687	23,776,388	23,776,388	-
Total health and welfare	49,110,729	60,603,392	60,449,206	(154,186)
Parks, recreation, and cultural				
Roanoke arts commission	336,500	350,000	346,250	(3,750)
Landscape management	1,054,668	916,589	887,169	(29,420)
Park management	1,029,282	706,272	704,295	(1,977)
Parks & recreation - community recreation	446,520	426,772	426,699	(73)
Parks & recreation - park programming	883,419	852,200	852,013	(187)
Parks & recreation - outdoor education	479,847	510,157	507,803	(2,354)
Parks & recreation - athletics	514,235	432,402	431,958	(444)
Youth development	468,494	632,513	626,953	(5,560)
Greenways and trails	843,102	813,656	811,584	(2,072)
Events	258,980	236,698	236,698	-
Parks & recreation - administration	1,824,076	1,896,902	1,893,709	(3,193)
Libraries	4,943,990	5,209,833	5,209,833	-
Total parks, recreation, and cultural	13,083,113	12,983,994	12,934,964	(49,030)
Community development				
Memberships and affiliations	5,298,183	5,386,139	5,386,139	-
Economic development	3,315,785	3,392,058	3,388,779	(3,279)
Community services	1,095,283	631,879	626,124	(5,755)
Planning	-	266	266	-
Strategic management & administration	1,121,927	1,081,093	1,076,477	(4,616)
Virginia cooperative extension	95,740	190,380	190,380	-
Total community development	10,926,918	10,681,815	10,668,165	(13,650)
Nondepartmental				
Residual fringe benefits	6,931,139	7,905	7,905	-
Transfers to other funds	7,071,894	10,669,158	10,669,158	-
Transfers to debt service fund	15,129,027	18,970,806	18,970,806	-
Transfers to component units	109,063,961	109,063,961	88,472,182	(20,591,779)
Miscellaneous	-	4,916	4,916	-
Funding for reserves	2,272,153	-	-	-
Contingency	(3,278,852)	-	-	-
Total nondepartmental	137,189,322	138,716,746	118,124,967	(20,591,779)
Total charges to appropriations	379,106,000	401,252,978	382,717,366	(18,535,612)
Net resources over (under) expenditures	**$ -**	**$ (4,868,837)**	**12,855,199**	**$ 17,724,036**

See Accompanying Note to Budgetary Comparison Schedule (RSI 2)

City of Roanoke, Virginia

Required Supplementary Information
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2025

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Sources/Inflows of Resources:	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	$ 395,572,565
Transfers from other funds are a budgetary resource, but not a revenue for financial reporting purposes (Exhibit E)	(378,371)
Total general fund revenues as reported on the statement of revenues, expenditures, and changes in fund balances (Exhibit E).	**$ 395,194,194**
Uses/Outflows of Resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	$ 382,717,366
Transfers to other funds are outflows of budgetary resources, but are not expenditures for financial reporting purposes (Exhibit E).	(29,639,964)
Encumbrances for goods and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but are reported in the year goods and services are received for GAAP purposes (Exhibit C).	(8,442,930)
Total general fund expenditures as reported on the statement of revenues, expenditures, and changes in fund balances (Exhibit E).	**$ 344,634,472**

Note to Budgetary Comparison Schedule.

Budgets and Budgetary Accounting

The City adheres to the following procedures in establishing the budgetary data reflected in the Budgetary Comparison Schedule located in the Required Supplementary Information:

1. Proposal – At least sixty days prior to June 30, the City Manager submits to City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Projects and Grants – The capital projects budget is prepared on a project-length basis under which the total outlay for each project is estimated for the length of the project. The Special Revenue Fund budget is adopted on a grant-length basis as grants are received by the City. Grant budgets are not legally enacted on an annual period basis; therefore, a budgetary comparison statement is not presented for the Special Revenue Fund.

3. Adoption – Public hearings are conducted to obtain citizen comments on the proposed budget. Prior to May 15, the budget is legally adopted at the departmental-level through passage of an appropriation ordinance by City Council.

4. Amendment – The City Manager is authorized to transfer any amount, within or between funds and departments during the fiscal year. The Director of Finance reports to City Council on a quarterly basis all transfers in excess of $100,000 between funds, as well as between project and program accounts in the Capital Project Fund and Grant Fund. All other transfers or supplemental appropriations must be approved by City Council. During the year, $22,146,978 in supplemental appropriations were approved by City Council. These amendments consisted primarily of appropriations of prior year encumbrances, the appropriation of restricted, committed or assigned fund balance, and the appropriation of additional intergovernmental grants received during the year.

5. Legal Compliance – Actual expenditures and operating transfers out may not legally exceed budget appropriations for each department. City Council legally adopts an annual budget for the General Fund, Stormwater, Civic Facilities, Parking, Debt Service, Hotel Roanoke, and Risk Management funds. Each budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America except for the recognition of encumbrances, the classification of certain transfers as expenditures, and the consideration of beginning fund balance as a budgetary resource. A reconciliation of the actual General Fund uses of financial resources presented in accordance with generally accepted accounting principles is presented as part of the Budgetary Comparison Schedule located in the Required Supplementary Information. During the year, Public Safety and Public Works had expenditures in excess of budgeted amounts of $429,881 and $2,046,610, respectively.

City of Roanoke, Virginia

Required Supplementary Information
Infrastructure Assets Under Modified Approach
Year Ended June 30, 2025

Infrastructure – Flood Reduction

In conjunction with the adoption of the modified approach for flood reduction asset accounting, the City is required to conduct semi-annual (January and July) condition level assessments for 100% of these assets. These assessments are based on the United States Army Corps of Engineers (USACE) 'Inspection, Maintenance and Operational Report' and are conducted by City personnel. Individual components assessed include bench cuts (14) and training walls (2), which both directly impact the level of flood reduction benefit the assets provide. These components are evaluated by examining the number of obstructions or amount of damage observed, and then establishing the extent to which it has affected the infrastructure. These individual assessments are then used to determine an overall condition rating, as defined below.

Independent evaluations are also conducted periodically by the USACE using the same assessment criteria. City and USACE policy requires condition levels to be maintained at or above a Fair (2) rating. Deficiencies discovered by either party, which would cause the condition level to fall below this standard are the City's responsibility and should be addressed prior to the next assessment.

Condition	Rating
Good	3
Fair	2
Poor	1

Assessment Ratings of Infrastructure Components

	Number Assessed	2019	2020	2021	2022	2023	2024	2025
Training walls	2	2	2	2	2	2	2	2
Bench cuts	14	2.8	2.3	3	2.5	2	2.8	

Comparison of Estimated to Actual Maintenance Costs

	2019	2020	2021*	2022	2023	2024	2025
Estimated	$ 54,599	$ 317,338	$ 61,507	$ 142,346	$ 82,850	$ 15,541	$ 47,623
Actual	$ 12,454	$ 295,772	$ 104,943	$ 1,795	$ 19,271	$ 7,083	$ 1,837

* Reflects costs associated with the study that is associated with flooding in relation to the Roanoke River Flood Reduction Project. Supporting information such as GIS photos, surveys, and maps of the areas impacted are required for the completion of the project. The study was approximately $22 thousand.

City of Roanoke, Virginia

Required Supplementary Information
Schedule of City's Pension Contributions – City Plan
Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 18,559,382	$ 17,677,181	$ 11,111,368	$ 10,981,232	$ 11,148,229	$ 11,288,966	$ 11,158,359	$ 11,345,222	$ 10,451,101	$ 10,184,532
Contributions in relation to actuarially determined contribution	18,559,382	17,677,181	11,111,368	10,981,232	11,148,229	11,288,966	11,158,359	11,345,222	10,451,101	10,184,532
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 82,967,014	$ 77,328,608	$ 69,210,727	$ 68,352,114	$ 70,205,011	$ 67,097,768	$ 68,221,419	$ 65,579,941	$ 66,104,371	$ 65,118,496
Contributions as a percentage of covered payroll	22.37%	22.86%	16.05%	16.07%	15.88%	16.82%	16.36%	17.30%	15.81%	15.64%

Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year.

City of Roanoke, Virginia

Required Supplementary Information
Schedule of City's Proportionate Share of Net Pension Liability – City Plan
Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of net pension liability	89.86%	89.78%	89.90%	89.66%	89.66%	89.19%	88.97%	88.53%	87.81%	86.73%
City's proportionate share of net pension liability	$ 239,727,324	$ 237,234,223	$ 223,269,269	$ 41,615,062	$ 135,642,864	$ 123,942,077	$ 113,060,409	$ 127,175,183	$ 148,945,372	$ 121,555,328
Covered payroll	$ 77,328,608	$ 69,210,727	$ 68,352,114	$ 70,205,011	$ 67,097,768	$ 68,221,419	$ 65,579,941	$ 66,104,371	$ 65,118,496	$ 59,030,490
City's proportionate share of net pension liability as a percentage of covered payroll	310.01%	342.77%	326.65%	59.28%	202.16%	181.68%	172.40%	192.39%	228.73%	205.90%
Plan fiduciary net position as a percentage of total net pension liability	63.94%	62.84%	63.67%	92.02%	73.69%	75.62%	77.32%	74.00%	68.70%	73.81%

The Notes to Required Supplementary Information are an integral part of this statement.

City of Roanoke, Virginia

Required Supplementary Information
Schedule of School Board Pension Contributions – City Plan
Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 228,045	$ 285,022	$ 187,414	$ 183,654	$ 191,759	$ 200,200	$ 222,911	$ 248,488	$ 257,269	$ 340,838
Contributions in relation to actuarially determined contribution	228,045	285,022	187,414	183,654	191,759	200,200	222,911	248,488	257,269	340,838
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,279,113	$ 1,582,436	$ 1,643,393	$ 1,407,674	$ 1,467,600	$ 1,515,322	$ 1,607,148	$ 1,757,341	$ 1,985,104	$ 2,617,813
Contributions as a percentage of covered payroll	17.83%	18.01%	11.40%	13.05%	13.07%	13.21%	13.87%	14.14%	12.96%	13.02%

The Notes to Required Supplementary Information are an integral part of this statement.

City of Roanoke, Virginia

Required Supplementary Information

Schedule of School Board's Proportionate Share of Net Pension Liability – City Plan

Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School Board's proportion of net pension liability	1.46%	1.48%	1.48%	1.55%	1.59%	1.78%	1.95%	2.18%	2.94%	3.48%
School Board's proportionate share of net pension liability	$ 3,895,698	$ 4,001,149	$ 3,679,849	$ 715,812	$ 2,405,192	$ 2,476,003	$ 2,476,295	$ 3,130,602	$ 4,984,640	$ 4,882,739
Covered payroll	$ 1,534,026	$ 1,572,268	$ 1,407,674	$ 1,467,600	$ 1,515,322	$ 1,607,148	$ 1,757,341	$ 1,985,100	$ 1,985,104	$ 2,690,735
School Board's proportionate share of net pension liability as a percentage of covered payroll	253.95%	254.48%	261.41%	48.77%	158.72%	154.06%	140.91%	157.71%	251.10%	181.46%
Plan fiduciary net position as a percentage of total net pension liability	63.90%	62.80%	63.70%	92.00%	73.69%	75.62%	77.32%	74.00%	68.70%	73.81%

The Notes to Required Supplementary Information are an integral part of this statement.

City of Roanoke, Virginia

Required Supplementary Information
Schedule of City's Pension Contributions – VRS
Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually determined contribution	$ 3,040,405	$ 2,320,751	$ 2,121,173	$ 1,626,093	$ 1,647,613	$ 1,490,872	$1,493,066	$1,446,685	$1,443,062	$1,499,615
Contributions in relation to contractually determined contribution	3,040,405	2,320,751	2,121,173	1,626,093	1,647,613	1,490,872	1,493,066	1,446,685	1,443,062	1,499,615
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$11,699,209	$10,608,786	$ 9,635,727	$ 9,180,121	$ 9,346,540	$ 9,571,771	$8,994,376	$8,842,818	$8,761,712	$8,537,263
Contributions as a percentage of covered payroll	25.99%	21.88%	22.01%	17.71%	17.63%	15.58%	16.60%	16.36%	16.47%	17.57%

The Notes to Required Supplementary Information are an integral part of this statement.

City of Roanoke, Virginia

Required Supplementary Information

Schedule of School Board's Pension Contributions – VRS Non-Professionals' Plan

Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 274,020	$ 153,133	$ 144,787	$ 100,737	$ 96,613	$ 109,376	$ 109,254	$ 98,135	$ 93,497	$ 126,073
Contributions in relation to contractually determined contribution	274,020	153,133	144,787	100,737	96,613	109,376	109,254	98,135	93,497	126,073
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 8,107,077	$ 7,450,579	$ 6,682,549	$ 4,771,350	$ 4,466,752	$ 4,331,920	$ 4,300,605	$ 3,688,153	$ 2,615,319	$ 2,662,777
Contributions as a percentage of covered payroll	3.38%	2.06%	2.17%	2.11%	2.16%	2.52%	2.54%	2.66%	3.57%	4.73%

City of Roanoke, Virginia

Required Supplementary Information

Schedule of Changes in City's Net Pension Liability and Related Ratios – VRS

Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	$ 1,722,489	$ 1,631,660	$ 1,426,161	$ 1,493,366	$ 1,419,883	$ 1,347,664	$ 1,337,903	$ 1,348,893	$ 1,380,941	$ 1,312,849
Interest	5,799,381	5,501,863	5,143,430	4,768,599	4,631,232	4,539,086	4,339,444	4,195,752	4,042,340	3,859,768
Changes of assumptions	-	-	-	2,654,951	-	2,014,530	-	(159,919)	-	-
Differences between expected and actual experience	4,538,278	2,355,615	3,381,250	(463,814)	(318,271)	(717,393)	430,539	(320,535)	(396,031)	101,336
Benefit payments, including refunds of employee contributions	(5,417,684)	(4,926,920)	(4,765,524)	(3,886,896)	(3,508,646)	(3,325,626)	(3,186,070)	(2,836,839)	(2,834,452)	(2,497,107)
Net change in total pension liability	6,642,464	4,562,218	5,185,317	4,566,206	2,224,198	3,858,261	2,921,816	2,227,352	2,192,798	2,776,846
Total pension liability - beginning	86,903,102	82,340,884	77,155,567	72,589,361	70,365,163	66,506,902	63,585,086	61,357,734	59,164,936	56,388,090
Total pension liability - ending	93,545,566	86,903,102	82,340,884	77,155,567	72,589,361	70,365,163	66,506,902	63,585,086	61,357,734	59,164,936
Plan Fiduciary Net Position										
Contributions - employer	2,374,739	2,142,924	1,609,437	1,639,152	1,582,180	1,490,872	1,444,142	1,439,698	1,499,615	1,514,713
Contributions - employee	524,893	475,267	465,622	466,590	476,302	451,026	440,860	451,501	428,612	432,153
Net investment income (loss)	7,181,413	4,626,977	(32,704)	16,484,646	1,159,696	3,869,084	4,102,791	6,147,715	872,926	2,245,173
Benefit payments, including refunds of employee contributions	(5,417,684)	(4,926,920)	(4,765,524)	(3,886,896)	(3,508,646)	(3,325,626)	(3,186,070)	(2,836,839)	(2,834,452)	(2,497,107)
Administrative expense	(49,463)	(46,913)	(47,517)	(41,627)	(39,947)	(38,781)	(35,783)	(35,693)	(31,738)	(30,828)
Other	1,410	1,856	1,708	1,548	(1,371)	(2,440)	(3,643)	(5,465)	(372)	(473)
Net change in plan fiduciary net position	4,615,308	2,273,191	(2,768,978)	14,663,413	(331,786)	2,444,135	2,762,297	5,160,917	(65,409)	1,663,631
Plan fiduciary net position - beginning	74,966,618	72,693,427	75,462,405	60,798,992	61,130,778	58,686,643	55,924,346	50,763,429	50,828,838	49,165,207
Plan fiduciary net position - ending	79,581,926	74,966,618	72,693,427	75,462,405	60,798,992	61,130,778	58,686,643	55,924,346	50,763,429	50,828,838
Total net pension liability - beginning	11,936,484	9,647,457	1,693,162	11,790,369	9,234,385	7,820,259	7,660,740	10,594,305	8,336,098	7,222,883
Total net pension liability - ending	**$ 13,963,640**	**$ 11,936,484**	**$ 9,647,457**	**$ 1,693,162**	**$ 11,790,369**	**$ 9,234,385**	**$ 7,820,259**	**$ 7,660,740**	**$ 10,594,305**	**$ 8,336,098**
Plan fiduciary net position as a percentage of total pension liability	**85.07%**	**86.26%**	**88.28%**	**97.81%**	**83.76%**	**86.88%**	**88.24%**	**87.95%**	**82.73%**	**85.91%**
Covered payroll	**$ 10,608,786**	**$ 9,635,727**	**$ 9,180,121**	**$ 9,346,540**	**$ 9,571,771**	**$ 8,994,376**	**$ 8,842,818**	**$ 8,761,712**	**$ 8,537,263**	**$ 8,650,983**
Net pension liability as a percentage of covered payroll	**131.62%**	**123.88%**	**105.09%**	**18.12%**	**123.18%**	**102.67%**	**88.44%**	**87.43%**	**124.09%**	**96.36%**

The Notes to Required Supplementary Information are an integral part of this statement.

City of Roanoke, Virginia

Required Supplementary Information
Schedule of School Board's Pension Contributions – VRS Teachers' Retirement Plan
Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 17,399,886	$ 18,616,272	$ 17,455,716	$ 14,482,200	$ 13,896,958	$ 12,870,331	$ 12,653,417	$ 12,842,165	$ 11,471,695	$ 11,164,143
Contributions in relation to contractually determined contribution	17,399,886	18,616,272	17,455,716	14,482,200	13,896,958	12,870,331	12,653,417	12,842,165	11,471,695	11,164,143
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 122,433,084	$ 118,215,227	$ 110,322,533	$ 90,904,849	$ 86,869,983	$ 85,100,982	$ 82,767,236	$ 80,236,536	$ 79,683,440	$ 76,869,589
Contributions as a percentage of covered payroll	14.21%	15.75%	15.82%	15.93%	16.00%	15.12%	15.29%	16.01%	14.40%	14.52%

The Notes to Required Supplementary Information are an integral part of this statement.

City of Roanoke, Virginia

Required Supplementary Information
Schedule of School Board's Proportionate Share of Net Pension Liability – Teachers' Retirement Plan
Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer's proportion of net pension liability	1.10%	1.11%	0.98%	0.98%	0.97%	0.99%	0.99%	1.01%	1.01%	1.00%
Employer's proportionate share of net pension liability	$ 103,463,732	$ 112,518,457	$ 92,947,701	$ 76,257,682	$ 141,329,284	$ 129,942,187	$ 116,773,000	$ 123,985,000	$ 141,324,000	$ 125,881,000
Covered payroll	$ 118,215,227	$ 110,322,533	$ 90,904,849	$ 86,962,725	$ 85,100,982	$ 82,767,236	$ 80,236,536	$ 79,683,440	$ 76,869,589	$ 74,342,482
Employer's proportionate share of net pension liability as a percentage of covered payroll	87.52%	101.99%	102.25%	87.69%	166.07%	157.00%	145.54%	155.60%	183.85%	169.33%
Plan fiduciary net position as a percentage of total net pension liability	84.52%	82.45%	84.70%	85.46%	71.47%	73.51%	74.81%	72.92%	68.28%	70.68%

The Notes to Required Supplementary Information are an integral part of this statement.

City of Roanoke, Virginia

Required Supplementary Information

Schedule of School Board's Changes in Net Pension Asset and Related Ratios – VRS

Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	$ 585,917	$ 507,416	$ 380,028	$ 350,268	$ 341,743	$ 330,934	$ 303,752	$ 327,500	$ 292,621	$ 250,347
Interest	411,221	341,673	287,728	226,226	193,074	157,720	137,429	115,185	90,855	75,430
Changes in assumptions	-	-	-	(55,829)	-	95,414	-	(95,226)	-	-
Difference between expected and actual experience	189,015	249,532	130,110	107,958	35,755	77,685	(108,492)	22,079	3,596	(71,963)
Benefit payments, including refunds of employee contributions	(149,257)	(144,308)	(107,825)	(87,207)	(71,644)	(37,449)	(48,197)	(55,331)	(23,660)	(43,270)
Net change in total pension liability	1,036,896	954,313	690,041	541,416	498,928	624,304	284,492	314,207	363,412	210,544
Total pension liability - beginning	5,580,869	4,626,556	3,936,515	3,395,099	2,896,171	2,271,867	1,987,375	1,673,168	1,309,756	1,099,212
Total pension liability - ending	6,617,765	5,580,869	4,626,556	3,936,515	3,395,099	2,896,171	2,271,867	1,987,375	1,673,168	1,309,756
Plan fiduciary net position										
Contributions – employer	153,133	144,691	100,742	96,613	103,807	109,376	98,135	93,237	114,441	103,468
Contributions – employee	321,402	289,903	208,626	198,042	195,784	195,963	169,352	164,828	145,769	131,040
Net investment income (loss)	673,557	408,957	(13,490)	1,249,405	81,372	255,942	238,823	332,502	48,318	99,131
Benefit payments, including refunds of employee contributions	(149,257)	(144,308)	(107,825)	(87,207)	(71,644)	(37,449)	(48,197)	(55,331)	(23,660)	(43,270)
Administrative expense	(3,591)	(3,728)	(3,545)	(2,826)	(2,482)	(2,153)	(1,842)	(1,688)	(1,296)	(1,144)
Other	175	167	142	120	(99)	(164)	(222)	(306)	(19)	(21)
Net change in plan fiduciary net position	995,419	695,682	184,650	1,454,147	306,738	521,515	456,049	533,242	283,553	289,204
Plan fiduciary net position - beginning	6,744,806	6,049,124	5,864,474	4,410,327	4,103,589	3,582,074	3,126,025	2,592,783	2,309,230	2,020,026
Plan fiduciary net position - ending	7,740,225	6,744,806	6,049,124	5,864,474	4,410,327	4,103,589	3,582,074	3,126,025	2,592,783	2,309,230
Total net pension asset - beginning	(1,163,937)	(1,422,568)	(1,927,959)	(1,015,228)	(1,207,418)	(1,310,207)	(1,138,650)	(919,615)	(999,474)	(920,814)
Total net pension asset - ending	**$ (1,122,460)**	**$ (1,163,937)**	**$ (1,422,568)**	**$ (1,927,959)**	**$ (1,015,228)**	**$ (1,207,418)**	**$ (1,310,207)**	**$ (1,138,650)**	**$ (919,615)**	**$ (999,474)**
Plan fiduciary net position as a percentage of total pension asset	**116.96%**	**120.86%**	**130.75%**	**148.98%**	**129.90%**	**141.69%**	**157.67%**	**157.29%**	**154.96%**	**176.31%**
Covered payroll	**$ 7,450,579**	**$ 6,682,549**	**$ 4,771,350**	**$ 4,466,752**	**$ 4,331,920**	**$ 4,300,605**	**$ 3,688,153**	**$ 2,615,319**	**$ 2,099,489**	**$ 2,291,710**
Net pension assets as a percentage of covered payroll	**(15.07%)**	**(17.42%)**	**(29.81%)**	**(43.16%)**	**(23.44%)**	**(28.08%)**	**(35.52%)**	**(43.54%)**	**(43.80%)**	**(43.61%)**

The Notes to Required Supplementary Information are an integral part of this statement.

City of Roanoke, Virginia

Required Supplementary Information
Schedule of Investment Returns
Year Ended June 30, 2025

City of Roanoke – OPEB Trust

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money weighted rate of return, net of investment expense	8.91%	9.51%	7.62%	-13.26%	30.05%	3.01%	4.67%	9.52%	13.04%

The City of Roanoke utilizes the VACo/VML Pooled OPEB Trust Portfolio I for investment of funds related to its Other Post Employment Benefits for the Post Employment Health Plan and Line of Duty Benefits. Thus, a single Schedule of Investment Returns is applicable to and presented for both components of the City's OPEB Trust.

Schedule is intended to show information for 10 years. As 2017 is the first year for this presentation, no other data is available. Additional years will be included as they become available.

City of Roanoke, Virginia

Required Supplementary Information
Schedule of City's OPEB Contributions – Employee's Post-Retirement Health Plan
Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 642,000	$ 652,000	$ 808,000	$ 479,000	$ 808,000	$ 1,023,000	$ 976,000	$ 898,000	$ 947,000	$ 1,071,000
Contributions in relation to actuarially determined contribution	642,000	652,000	808,000	479,000	808,000	1,023,000	976,000	898,000	947,000	1,071,000
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 94,552,660	$ 87,203,291	$ 78,431,560	$ 76,894,042	$ 79,460,497	$ 75,773,316	$ 75,773,316	$ 73,943,000	$ 73,167,000	$ 71,512,000
Contributions as a percentage of covered payroll	0.68%	0.75%	1.03%	0.62%	1.02%	1.35%	1.29%	1.21%	1.29%	1.50%

The Notes to Required Supplementary Information are an integral part of this statement.

City of Roanoke, Virginia

Required Supplementary Information
Schedule of City's OPEB Contributions – Line of Duty Benefits
Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 263,400	$ 222,000	$ 253,600	$ 180,200	$ 228,800	$ 222,500	$ 204,200	$ 334,900	$ 328,000	$ 367,100
Contributions in relation to actuarially determined contribution	263,400	222,000	253,600	180,200	228,800	222,500	204,200	334,900	328,000	367,100
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 43,314,085	$ 41,892,481	$ 40,236,105	$ 35,090,473	$ 33,268,489	$ 35,283,151	$ 33,943,700	$ 34,133,600	$ 33,524,900	$ 33,268,489
Contributions as a percentage of covered payroll	0.61%	0.53%	0.63%	0.51%	0.69%	0.63%	0.60%	0.98%	0.98%	1.10%

The Notes to Required Supplementary Information are an integral part of this statement.

City of Roanoke, Virginia

Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios OPEB Trust – Employees' Post-Retirement Health Plan

Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 368,214	$ 377,595	$ 249,673	$ 293,635	$ 370,617	$ 339,171	$ 314,967	$ 307,511
Interest	819,386	874,079	703,780	834,791	949,632	925,050	840,955	852,459
Differences between expected and actual experience	(442,433)	(1,813,768)	(1,458,041)	(2,317,557)	(2,155,356)	(163,990)	798,742	(602,777)
Changes of assumptions	286,994	299,149	3,365,005	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(495,000)	(523,000)	(588,000)	(689,000)	(768,000)	(793,000)	(762,000)	(696,000)
Net change in total OPEB liability (assets)	537,161	(785,945)	2,272,417	(1,878,131)	(1,603,107)	307,231	1,192,664	(138,807)
Total OPEB liability - beginning	11,584,796	12,370,741	10,098,324	11,976,455	13,579,562	13,272,331	12,079,667	12,218,474
Total OPEB liability - ending	**$ 12,121,957**	**$ 11,584,796**	**$ 12,370,741**	**$ 10,098,324**	**$ 11,976,455**	**$ 13,579,562**	**$ 13,272,331**	**$ 12,079,667**
Plan Fiduciary Net Position								
Contributions - employer	$ 652,000	$ 808,000	$ 839,000	$ 808,000	$ 1,023,000	$ 976,000	$ 898,000	$ 947,000
Net investment income (loss)	704,324	504,694	(661,707)	1,601,840	155,467	216,095	384,002	430,894
Benefit payments, including refunds of employee contributions	(495,000)	(523,000)	(588,000)	(689,000)	(768,000)	(793,000)	(762,000)	(696,000)
Administrative expense	(7,814)	(7,260)	(8,041)	(6,499)	(5,936)	(5,395)	(4,961)	(4,408)
Net change in plan fiduciary net position	853,510	782,434	(418,748)	1,714,341	404,531	393,700	515,041	677,486
Plan fiduciary net position - beginning	7,402,372	6,619,938	7,038,687	5,324,346	4,919,815	4,526,115	4,011,074	3,333,588
Plan fiduciary net position - ending	**$ 8,255,882**	**$ 7,402,372**	**$ 6,619,939**	**$ 7,038,687**	**$ 5,324,346**	**$ 4,919,815**	**$ 4,526,115**	**$ 4,011,074**
Total net OPEB liability - beginning	$ 4,182,424	$ 5,750,803	$ 3,059,637	$ 6,652,109	$ 8,659,747	$ 8,746,216	$ 8,068,593	$ 8,884,886
Total net OPEB liability - ending	**$ 3,866,075**	**$ 4,182,424**	**$ 5,750,802**	**$ 3,059,637**	**$ 6,652,109**	**$ 8,659,747**	**$ 8,746,216**	**$ 8,068,593**
Plan fiduciary net position as a percentage of total OPEB liability	68.11%	63.90%	53.51%	69.70%	44.46%	36.23%	34.10%	33.21%
Covered payroll	$ 87,203,291	$ 78,431,560	$ 76,894,072	$ 79,460,497	$ 75,773,316	$ 75,773,316	$ 73,943,000	$ 73,167,000
Net OPEB liability as a percentage of covered payroll	4.43%	5.33%	7.48%	3.85%	8.78%	11.43%	11.83%	11.03%

Schedule is intended to show information for 10 years. As 2018 is the first year for this presentation, no other data is available. Additional years will be included as they become available.

City of Roanoke, Virginia

Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios OPEB Trust – Line of Duty Act

Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 162,582	$ 153,492	$ 137,665	$ 134,425	$ 127,731	$ 105,329	$ 161,651	$ 149,688
Interest	243,610	260,218	247,845	239,306	236,788	236,984	284,709	266,113
Changes of benefit terms	7,265	-	-	-	-	-	(412,038)	-
Differences between expected and actual experience	472,018	(457,031)	(137,490)	(13,020)	(124,956)	(182,205)	(490,047)	(30,411)
Changes of assumptions	63,044	67,004	182,817	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(256,400)	(283,700)	(256,100)	(227,800)	(192,800)	(177,800)	(161,700)	(101,700)
Net change in total OPEB liability (assets)	692,119	(260,017)	174,737	132,911	46,763	(17,692)	(617,425)	283,690
Total OPEB liability - beginning	3,445,755	3,705,772	3,531,035	3,398,124	3,351,361	3,369,053	3,986,478	3,702,788
Total OPEB liability - ending	**$ 4,137,874**	**$ 3,445,755**	**$ 3,705,772**	**$ 3,531,035**	**$ 3,398,124**	**$ 3,351,361**	**$ 3,369,053**	**$ 3,986,478**
Plan Fiduciary Net Position								
Contributions - employer	$ 256,400	$ 283,700	$ 256,100	$ 228,800	$ 222,500	$ 204,200	$ 334,900	$ 328,000
Net investment income (loss)	286,033	214,039	(285,752)	716,525	70,492	100,571	174,061	183,124
Benefit payments, including refunds of employee contributions	(256,400)	(283,700)	(256,100)	(227,800)	(192,800)	(177,800)	(161,700)	(101,700)
Administrative expense	(3,468)	(3,409)	(3,827)	(3,197)	(3,037)	(2,822)	(2,504)	(2,137)
Net change in plan fiduciary net position	282,565	210,630	(289,579)	714,328	97,155	124,149	344,757	407,287
Plan fiduciary net position - beginning	3,019,357	2,808,727	3,098,306	2,383,978	2,286,823	2,162,674	1,817,917	1,410,630
Plan fiduciary net position - ending	**$ 3,301,922**	**$ 3,019,357**	**$ 2,808,727**	**$ 3,098,306**	**$ 2,383,978**	**$ 2,286,823**	**$ 2,162,674**	**$ 1,817,917**
Total net OPEB liability - beginning	$ 426,398	$ 897,045	$ 432,729	$ 1,014,146	$ 1,064,538	$ 1,206,379	$ 2,168,561	$ 2,292,170
Total net OPEB liability - ending	**$ 835,952**	**$ 426,398**	**$ 897,045**	**$ 432,729**	**$ 1,014,146**	**$ 1,064,538**	**$ 1,206,379**	**$ 2,168,561**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	79.80%	87.63%	75.79%	87.74%	70.16%	68.24%	64.19%	45.60%
Covered Payroll	$ 41,892,481	$ 40,236,105	$ 35,090,473	$ 33,268,489	$ 35,283,151	$ 33,943,700	$ 34,133,600	$ 33,524,900
Net OPEB Liability as a Percentage of Covered Payroll	2.00%	1.06%	2.56%	1.30%	2.87%	3.14%	3.53%	6.47%

Schedule is intended to show information for 10 years. As 2018 is the first year for this presentation, no other data is available. Additional years will be included as they become available.

City of Roanoke, Virginia

Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios VRS Health Insurance Credit
Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 5,673	$ 5,407	$ 6,086	$ 5,560	$ 5,452	$ 5,183	$ 5,416	$ 5,836
Interest	30,201	51,515	31,579	30,381	28,456	26,787	25,772	25,637
Differences between expected and actual experience	(4,661)	(340,289)	235,440	(32,714)	(5,099)	6,868	6,681	-
Changes of assumptions	-	-	37,779	8,716	-	10,417	-	(6,386)
Benefit payments, including refunds of employee contributions	(35,625)	(29,700)	-	(570)	-	(20,719)	(26,022)	(20,294)
Net change in total OPEB liability	(4,412)	(313,067)	310,884	11,373	28,809	28,536	11,847	4,793
Total OPEB liability - beginning	459,567	772,634	461,750	450,377	421,568	393,032	381,185	376,392
Total OPEB liability - ending	**$ 455,155**	**$ 459,567**	**$ 772,634**	**$ 461,750**	**$ 450,377**	**$ 421,568**	**$ 393,032**	**$ 381,185**
Plan Fiduciary Net Position								
Contributions - employer	$ 30,767	$ 27,695	$ 26,635	$ 27,165	$ 27,760	$ 26,085	$ 22,982	$ 22,904
Net investment income	14,045	15,574	(359)	40,488	2,391	6,415	6,618	9,633
Benefit payments, including refunds of employee contributions	(35,625)	(29,700)	-	(570)	-	(20,719)	(26,022)	(20,294)
Administrative expense	(249)	(402)	(419)	(557)	(268)	(143)	(153)	(158)
Other	-	(89,096)	-	-	(1)	(8)	(480)	480
Net change in plan fiduciary net position	8,938	(75,929)	25,857	66,526	29,882	11,630	2,945	12,565
Plan fiduciary net position - beginning	156,644	232,573	206,716	140,190	110,308	98,678	95,733	83,168
Plan fiduciary net position - ending	**$ 165,582**	**$ 156,644**	**$ 232,573**	**$ 206,716**	**$ 140,190**	**$ 110,308**	**$ 98,678**	**$ 95,733**
Total net OPEB liability - beginning	$ 302,923	$ 540,061	$ 255,034	$ 310,187	$ 311,260	$ 294,354	$ 285,452	$ 293,224
Total net OPEB liability - ending	**$ 289,573**	**$ 302,923**	**$ 540,061**	**$ 255,034**	**$ 310,187**	**$ 311,260**	**$ 294,354**	**$ 285,452**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	36.38%	34.09%	30.10%	44.77%	31.13%	26.17%	25.11%	25.11%
Covered Payroll	$ 10,608,789	$ 9,635,727	$ 9,180,121	$ 9,361,803	$ 9,571,771	$ 9,586,952	$ 9,000,883	$ 8,761,712
Net OPEB Liability as a Percentage of Covered Payroll	2.73%	3.14%	5.88%	2.72%	3.24%	3.25%	3.27%	3.26%

Schedule is intended to show information for 10 years. As 2018 is the first year for this presentation, no other data is available. Additional years will be included as they become available.

City of Roanoke, Virginia

Required Supplementary Information
Schedule of City Contributions – VRS Health Insurance Credit
Year Ended June 30, 2025

	2025	2024	2023	2022
Actuarially determined contribution	$ 64,959	$ 36,420	$ 55,021	$ 26,789
Contributions in relation to actuarially determined contribution	64,959	36,420	55,021	26,789
Contribution deficiency (excess)	**$ -**	**$ -**	**$ -**	**$ -**
Covered payroll	$ 11,736,845	$ 10,608,786	$ 9,635,727	$ 9,180,121
Contributions as a percentage of covered payroll	0.55%	0.34%	0.57%	0.29%

Schedule is intended to show information for 10 years. 2022 is the first year of presenting the information. Additional years will be included as they become available.

City of Roanoke, Virginia

Required Supplementary Information
Schedule of City's Proportionate Share of Net OPEB Liability – VRS Group Life Insurance
Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
City's proportion of net OPEB liability	0.3579%	0.3559%	0.3596%	0.3595%	0.3702%	0.4139%	0.3844%	0.4007%
City's proportionate share of net OPEB liability	$ 3,994,250	$ 4,229,229	$ 4,290,037	$ 4,355,330	$ 6,357,814	$ 6,266,774	$ 5,938,000	$ 6,029,685
Covered payroll	$ 92,616,606	$ 83,983,799	$ 78,854,104	$ 76,217,724	$ 78,488,269	$ 75,810,385	$ 74,813,846	$ 73,908,260
City's proportionate share of net OPEB liability as a percentage of covered payroll	4.31%	5.04%	5.44%	5.71%	8.10%	8.27%	7.94%	8.16%
Plan fiduciary net position as a percentage of total net OPEB liability	73.41%	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

The City of Roanoke plans of the VRS Life Insurance Program contains other plan participants. This schedule only provides data for City employees. Other plan participants take full financial responsibility for their portion of the plan.

Schedule is intended to show information for 10 years. As 2018 is the first year for this presentation, no other data is available. Additional years will be included as they become available.

City of Roanoke, Virginia

Required Supplementary Information
Schedule of City Contributions – VRS Group Life Insurance
Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 559,413	$ 449,660	$ 446,597	$ 422,658	$ 408,527	$ 408,139	$ 394,214	$ 389,032
Contributions in relation to actuarially determined contribution	559,413	449,660	446,597	422,658	408,527	408,139	394,214	389,032
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 107,017,141	$ 92,616,606	$ 83,983,799	$ 78,854,104	$ 76,217,724	$ 78,488,269	$ 75,810,385	$ 74,813,846
Contributions as a percentage of covered payroll	0.52%	0.49%	0.53%	0.54%	0.54%	0.52%	0.52%	0.52%

The City of Roanoke plans of the VRS Life Insurance Program contains other plan participants. This schedule only provides data for City employees. Other plan participants take full financial responsibility for their portion of the plan.

Schedule is intended to show information for 10 years. As 2018 is the first year for this presentation, no other data is available. Additional years will be included as they become available.

City of Roanoke, Virginia

Required Supplementary Information
Schedule of School Board Contributions – VRS Group Life Insurance (Non-Professionals)
Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 43,857	$ 48,515	$ 44,608	$ 33,018	$ 30,409	$ 30,491	$ 30,717	$ 28,263
Contributions in relation to actuarially determined contribution	43,857	48,515	44,608	33,018	30,409	30,491	30,717	28,263
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 9,331,252	$ 8,984,328	$ 8,260,731	$ 6,114,380	$ 6,047,907	$ 5,866,775	$ 5,907,182	$ 4,535,214
Contributions as a percentage of covered payroll	0.47%	0.54%	0.54%	0.54%	0.52%	0.52%	0.52%	0.62%

Schedule is intended to show information for 10 years. As 2018 is the first year for this presentation, no other data is available. Additional years will be included as they become available.

City of Roanoke, Virginia

Required Supplementary Information
Schedule of School Board Contributions – VRS Group Life Insurance (Professionals)
Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 575,435	$ 638,363	$ 595,742	$ 523,904	$ 452,211	$ 442,525	$ 430,624	$ 417,241
Contributions in relation to actuarially determined contribution	575,435	638,363	595,742	523,904	452,211	442,525	430,624	417,241
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 122,433,084	$ 118,215,227	$ 110,322,533	$ 90,904,849	$ 86,963,725	$ 85,100,982	$ 82,812,213	$ 80,238,605
Contributions as a percentage of covered payroll	0.47%	0.54%	0.54%	0.58%	0.52%	0.52%	0.52%	0.52%

Schedule is intended to show information for 10 years. As 2018 is the first year for this presentation, no other data is available. Additional years will be included as they become available.

City of Roanoke, Virginia

Required Supplementary Information
Schedule of School Board Contributions – VRS General Employee Health Insurance Credit
Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 4,862	$ 6,705	$ 6,011	$ 3,815	$ 3,573	$ 5,207	$ 5,161	$ 4,036
Contributions in relation to actuarially determined contribution	4,862	6,705	6,011	3,815	3,573	5,207	5,161	4,036
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 8,107,077	$ 7,450,579	$ 6,682,549	$ 4,771,350	$ 4,466,752	$ 4,300,605	$ 4,096,741	$ 3,877,422
Contributions as a percentage of covered payroll	0.06%	0.09%	0.09%	0.08%	0.08%	0.12%	0.11%	0.10%

Schedule is intended to show information for 10 years. As 2018 is the first year for this presentation, no other data is available. Additional years will be included as they become available.

City of Roanoke, Virginia

Required Supplementary Information
Schedule of School Board Contributions – VRS Teacher Health Insurance Credit
Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 1,475,070	$ 1,429,905	$ 1,387,693	$ 1,100,269	$ 1,051,413	$ 1,021,183	$ 993,285	$ 987,227
Contributions in relation to actuarially determined contribution	1,475,070	1,429,905	1,387,693	1,100,269	1,051,413	1,021,183	993,285	987,227
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 122,433,084	$ 118,215,227	$ 110,322,533	$ 90,904,849	$ 86,869,983	$ 85,100,982	$ 82,812,213	$ 80,238,605
Contributions as a percentage of covered payroll	1.20%	1.21%	1.22%	1.21%	1.21%	1.20%	1.23%	1.23%

Schedule is intended to show information for 10 years. As 2018 is the first year for this presentation, no other data is available. Additional years will be included as they become available.

City of Roanoke, Virginia

Required Supplementary Information

Schedule of School Board's Proportionate Share of the Net VRS Group Life Insurance Liability – Non-Professional Employees

Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
School Board's proportion of net OPEB liability	0.035%	0.035%	0.028%	0.029%	0.028%	0.030%	0.029%	0.028%
School Board's proportionate share of net OPEB liability	$ 390,000	$ 421,000	$ 339,000	$ 330,000	$ 476,000	$ 490,000	$ 434,000	$ 425,000
Covered payroll	$ 8,994,645	$ 6,682,549	$ 6,114,380	$ 6,047,907	$ 5,866,775	$ 5,907,182	$ 5,435,214	$ 5,205,263
School Board's proportionate share of net OPEB liability as a percentage of covered payroll	4.34%	6.30%	5.54%	5.46%	8.11%	8.29%	7.98%	8.16%
Plan fiduciary net position as a percentage of total net OPEB liability	73.41%	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. As 2018 is the first year for this presentation, no other data is available. Additional years will be included as they become available.

City of Roanoke, Virginia

Required Supplementary Information

Schedule of School Board's Proportionate Share of the Net VRS Group Life Insurance Liability – Professional Employees

Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
School Board's proportion of net OPEB liability	0.46%	0.47%	0.42%	0.42%	0.41%	0.42%	0.42%	0.43%
School Board's proportionate share of net OPEB liability	$ 5,129,000	$ 5,652,000	$ 5,034,000	$ 4,904,000	$ 6,904,000	$ 6,875,000	$ 6,410,000	$ 6,504,000
Covered payroll	$ 118,215,277	$ 110,322,533	$ 90,904,849	$ 86,963,725	$ 85,100,982	$ 82,812,213	$ 80,238,605	$ 79,683,440
School Board's proportionate share of net OPEB liability as a percentage of covered payroll	4.34%	5.12%	5.54%	5.64%	8.11%	8.30%	7.99%	8.16%
Plan fiduciary net position as a percentage of total net OPEB liability	73.41%	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. As 2018 is the first year for this presentation, no other data is available. Additional years will be included as they become available.

City of Roanoke, Virginia

Required Supplementary Information

Schedule of School Board's Proportionate Share of the Net VRS Health Insurance Credit Liability – Teachers

Year Ended June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
School board's proportion of net OPEB liability	1.10%	1.11%	0.98%	0.98%	0.97%	0.99%	0.99%	1.01%
School Board's proportionate share of net OPEB liability	$ 12,729,000	$ 13,486,000	$ 12,186,000	$ 12,608,000	$ 12,700,000	$ 12,919,000	$ 12,597,000	$ 12,810,000
Covered payroll	$ 118,215,227	$ 110,322,533	$ 90,904,849	$ 86,869,983	$ 85,100,982	$ 82,812,213	$ 80,238,605	$ 79,683,440
School Board's proportionate share of net OPEB liability as a percentage of covered payroll	10.77%	12.22%	13.41%	14.51%	14.92%	15.60%	15.70%	16.08%
Plan fiduciary net position as a percentage of total net OPEB liability	21.82%	17.90%	15.08%	13.15%	9.95%	8.97%	8.08%	7.04%

Schedule is intended to show information for 10 years. As 2018 is the first year for this presentation, no other data is available. Additional years will be included as they become available.

City of Roanoke, Virginia

Required Supplementary Information

Schedule of Changes in School Board's Net OPEB Liability and Related Ratios – VRS Health Insurance Credit

Year Ended June 30, 2025

	2025	2024	2023	2022	2020	2019	2018	2017
Total OPEB Liability								
Service cost	$ 5,399	$ 4,597	$ 3,178	$ 4,449	$ 4,174	$ 4,467	$ 4,524	$ 5,042
Interest	5,589	5,362	3,605	3,118	3,126	2,384	2,324	2,032
Changes of benefit terms	-	-	31,151	-	(902)	-	-	-
Differences between expected and actual experience	-	(6,852)	551	(1,284)	(6,394)	4,849	-	-
Changes of assumptions	8,789	-	(13,471)	(2,097)	-	1,324	(3,907)	(1,356)
Benefit payments, including refunds of employee contributions	(439)	(650)	(141)	(141)	(135)	(1,400)	(2,754)	(358)
Net change in total OPEB liability (asset)	19,338	2,457	24,873	4,045	(131)	11,624	187	5,360
Total OPEB liability – beginning	77,627	75,170	50,297	46,252	46,383	34,759	34,572	29,212
Total OPEB liability – ending	96,965	77,627	75,170	50,297	46,252	46,383	34,759	34,572
Plan Fiduciary Net Position								
Contributions – employer	11,175	10,017	5,613	3,573	5,207	5,161	4,036	3,534
Net investment income	11,178	6,357	(36)	18,713	1,307	3,762	3,664	5,134
Benefit payments, including refunds of employee contributions	(439)	(650)	(141)	(141)	(135)	(1,400)	(2,754)	(358)
Administrative expense	(161)	(165)	(171)	(232)	(132)	(84)	(88)	(88)
Other	-	(30)	(583)	-	(1)	(5)	(247)	247
Net change in plan fiduciary net position	21,753	15,529	4,682	21,913	6,246	7,434	4,611	8,469
Plan fiduciary net position – beginning	111,196	95,667	90,985	69,072	62,826	55,392	50,781	42,312
Plan Fiduciary net position – ending	132,949	111,196	95,667	90,985	69,072	62,826	55,392	50,781
Total net OPEB asset – beginning	(33,569)	(20,497)	(40,688)	(22,820)	(16,443)	(20,633)	(16,209)	(13,100)
Total net OPEB asset – ending	**$ (35,984)**	**$ (33,569)**	**$ (20,497)**	**$ (40,688)**	**$ (22,820)**	**$ (16,443)**	**$ (20,633)**	**$ (16,209)**
Plan fiduciary net position as a percentage of total OPEB liability	**137%**	**143%**	**127%**	**181%**	**149%**	**135%**	**159%**	**147%**
Covered payroll	**$ 7,450,579**	**$ 6,682,549**	**$ 4,466,752**	**$ 4,335,058**	**$ 4,300,605**	**$ 4,096,741**	**$ 3,877,422**	**$ 3,211,898**
Net OPEB asset as a percentage of covered payroll	**-0.48%**	**-0.50%**	**-0.46%**	**-0.94%**	**-0.53%**	**-0.40%**	**-0.53%**	**-0.50%**

Schedule is intended to show information for 10 years. As 2017 is the first year for this presentation, no other data is available. Additional years will be included as they become available.

City of Roanoke, Virginia

Notes to Required Supplementary Information

June 30, 2025

Note 1 – Changes of Benefit Terms

Pension and Other Postemployment Benefits (OPEB)

There have been no actuarially material changes to the Virginia Retirement System (System) benefit provisions since the prior actuarial valuation.

Note 2 – Changes of Assumptions

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Largest 10 – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

All Others (Non 10 Largest) – Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to line of duty rates.
- No change to discount rate.

All Others (Non 10 Largest) – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Teacher cost-sharing pool

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to discount rate.

Other Supplementary Information

Exhibit L-1

City of Roanoke, Virginia

Statement of Net Position – Combining Fiduciary Funds

June 30, 2025

	Pension Trust Fund	OPEB Trust Fund	Total Pension and OPEB Trust Funds	Hotel Roanoke Conference Center Fund	Roanoke City Jail Inmate Fund	Total Hotel and Inmate Custodial Funds
ASSETS						
Cash and cash equivalents	$ 801,376	$ -	$ 801,376	$ 3,847,646	$ 112,637	$ 3,960,283
Receivables:						
Employer contributions	1,235,884	-	1,235,884	-	-	-
Employee contributions	245,441	-	245,441	-	-	-
Investment income	637,359	-	637,359	-	-	-
Other receivables	-	-	-	-	114,870	114,870
Receivable for security transactions	13,693	-	13,693	-	-	-
Total receivables	2,132,377	-	2,132,377	-	114,870	114,870
Investments held by Trustee, at fair value						
Cash equivalents	3,292,764	-	3,292,764	-	-	-
U.S. government securities	14,767,698	-	14,767,698	-	-	-
Municipal and agency bonds	26,727,545	-	26,727,545	-	-	-
Corporate bonds	15,062,355	-	15,062,355	-	-	-
Common stocks	51,334,285	-	51,334,285	-	-	-
Domestic mutual funds	275,913,615	-	275,913,615	-	-	-
International mutual funds	81,719,205	-	81,719,205	-	-	-
Real estate mutual funds	27,182,031	-	27,182,031	-	-	-
Investment in pooled funds	-	12,797,837	12,797,837	-	-	-
Total investments	495,999,498	12,797,837	508,797,335	-	-	-
Total assets	498,933,251	12,797,837	511,731,088	3,847,646	227,507	4,075,153
LIABILITIES						
Accounts payable and accrued expenses	314,223	-	314,223	-	92,411	92,411
Payable for security transactions	244,457	-	244,457	-	-	-
Total liabilities	558,680	-	558,680	-	92,411	92,411
Net position, restricted	**$ 498,374,571**	**$ 12,797,837**	**$ 511,172,408**	**$ 3,847,646**	**$ 135,096**	**$ 3,982,742**

Exhibit L-2

City of Roanoke, Virginia

Statement of Changes in Fiduciary Net Position – Combining Fiduciary Funds

Year Ended June 30, 2025

	Pension Trust Fund	OPEB Trust Fund	Total Pension and OPEB Trust Funds	Hotel Roanoke Conference Center Fund	Roanoke City Jail Inmate Fund	Total Hotel and Inmate Custodial Funds
ADDITIONS (REDUCTIONS)						
Contributions from employer	$ 20,578,700	$ 979,500	$ 21,558,200	$ -	$ -	$ -
Contributions from employee	4,709,937	-	4,709,937	-	-	-
Contributions from inmates	-	-	-	-	1,040,388	1,040,388
Investment income						
Net appreciation (depreciation) in fair value of investments	38,108,303	1,028,297	39,136,600	-	-	-
Interest	2,738,531	529	2,739,060	164,017	-	164,017
Dividends	8,364,078	-	8,364,078	-	-	-
Other	6,957	-	6,957	607,855	-	607,855
Total investment income	49,217,869	1,028,826	50,246,695	771,872	-	771,872
Less investment expenses	(1,013,651)	(12,275)	(1,025,926)	-	-	-
Net investment income	48,204,218	1,016,551	49,220,769	771,872	-	771,872
Total additions	73,492,855	1,996,051	75,488,906	771,872	1,040,388	1,812,260
DEDUCTIONS						
Benefit payments	47,665,627	755,500	48,421,127	-	982,874	982,874
Administrative expenses	510,311	-	510,311	28,991	-	28,991
Total deductions	48,175,938	755,500	48,931,438	28,991	982,874	1,011,865
Change in net position	25,316,917	1,240,551	26,557,468	742,881	57,514	800,395
FIDUCIARY NET POSITION						
Beginning	473,057,654	11,557,286	484,614,940	3,104,765	77,582	3,182,347
Ending	**$ 498,374,571**	**$ 12,797,837**	**$ 511,172,408**	**$ 3,847,646**	**$ 135,096**	**$ 3,982,742**

Statistical Section (Unaudited)

Table 1

City of Roanoke, Virginia

Net Position by Component

Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Net investment in capital assets	$ 457,811,818	$ 447,594,613	$ 427,100,720	$ 434,624,666	$ 440,976,044	$ 444,848,704	$ 432,942,418	$ 411,618,245	$ 391,326,816	$ 386,671,621
Restricted for:										
Debt service	430,094	174,957	83,740	235,769	76,819	17,215	17,890	41,733	539,265	1,011,031
Other purposes	-	-	-	-	-	-	-	-	-	48,411
Unrestricted (deficit)	(46,040,507)	(36,316,744)	(15,488,470)	(26,039,717)	(55,662,499)	(85,719,784)	(92,944,533)	(114,223,642)	(98,655,788)	(100,167,028)
Total governmental activities net position	**$ 412,201,405**	**$ 411,452,826**	**$ 411,695,990**	**$ 408,820,718**	**$ 385,390,364**	**$ 359,146,135**	**$ 340,015,775**	**$ 297,436,336**	**$ 293,210,293**	**$ 287,564,035**
Business-type Activities										
Net investment in capital assets	$ 57,483,672	$ 54,581,364	$ 54,554,100	$ 51,520,071	$ 48,697,000	$ 47,102,962	$ 44,847,603	$ 44,576,168	$ 41,274,658	$ 35,765,948
Unrestricted	5,732,782	7,487,564	6,010,880	6,791,454	3,252,402	4,334,592	6,108,858	3,985,881	4,706,651	2,246,546
Total business-type activities net position	**$ 63,216,454**	**$ 62,068,928**	**$ 60,564,980**	**$ 58,311,525**	**$ 51,949,402**	**$ 51,437,554**	**$ 50,956,461**	**$ 48,562,049**	**$ 45,981,309**	**$ 38,012,494**
Primary government										
Net investment in capital assets	$ 515,295,490	$ 502,175,977	$ 481,654,820	$ 486,144,737	$ 489,673,044	$ 491,951,666	$ 477,790,021	$ 456,194,413	$ 432,601,474	$ 422,437,569
Restricted for:										
Debt service	430,094	174,957	83,740	235,769	76,819	17,215	17,890	41,733	539,265	1,011,031
Other purposes	-	-	-	-	-	-	-	-	-	48,411
Unrestricted (deficit)	(40,307,725)	(28,829,180)	(9,477,590)	(19,248,263)	(52,410,096)	(81,385,192)	(86,835,675)	(110,237,761)	(93,949,137)	(97,920,482)
Total primary government net position	**$ 475,417,859**	**$ 473,521,754**	**$ 472,260,970**	**$ 467,132,243**	**$ 437,339,767**	**$ 410,583,689**	**$ 390,972,236**	**$ 345,998,385**	**$ 339,191,602**	**$ 325,576,529**

(1) Ending Net Position was restated for implementation of GASB statements No. 68 and No. 71

City of Roanoke, Virginia

Change in Net Position

Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2025	2024	2023	2022 (1)	2021	2020	2019	2018	2017	2016
Expenses										
Governmental activities										
General government	$ 49,007,110	$ 54,268,244	$ 55,616,106	$ 40,853,813	$ 41,736,392	$ 27,158,236	$ 24,187,074	$ 24,328,091	$ 17,492,500	$ 16,832,704
Judicial administration	16,003,045	13,611,531	11,768,024	9,050,694	10,425,618	10,364,530	8,770,903	9,467,166	9,547,223	9,399,253
Public safety	114,937,695	105,986,562	92,394,611	65,150,329	77,451,522	77,543,957	76,422,012	74,345,373	76,212,279	72,549,379
Public works	53,782,726	39,232,907	45,760,816	50,764,844	42,429,891	40,141,167	41,407,772	37,807,388	28,640,405	34,278,578
Health and welfare	64,846,304	59,471,112	51,161,057	47,317,251	46,977,761	45,196,737	41,146,481	44,859,128	44,873,765	40,378,769
Parks, recreation, and cultural	16,675,157	17,639,165	17,752,125	12,757,143	12,611,253	12,210,560	7,691,899	11,933,151	12,675,738	12,193,652
Community development	15,619,397	33,222,023	17,220,324	16,784,692	16,931,466	13,345,284	12,902,803	16,736,291	12,966,412	12,812,996
Education	101,681,359	105,934,431	104,777,341	87,535,037	-	-	-	-	-	1,812,105
Interest	11,220,275	8,355,386	7,071,278	6,912,120	4,413,316	8,721,727	8,594,427	9,050,841	9,108,045	10,924,644
Economic development	-	-	-	-	150,510	155,659	183,755	287,114	4,998,061	853,466
Other	-	-	-	-	-	2,031,161	1,996,965	1,911,156	2,013,693	-
Total governmental activities	443,773,068	437,721,361	403,521,682	337,125,923	343,175,710	326,670,498	311,917,167	317,526,237	302,370,722	296,413,740
Business-type activities										
Civic facilities	19,766,404	19,823,411	18,570,002	19,218,277	4,074,368	11,740,778	11,302,943	6,444,174	5,683,284	4,759,841
Parking	4,341,569	4,264,438	3,964,666	3,258,667	3,361,375	3,999,771	3,404,310	3,542,666	3,283,745	3,449,510
Stormwater utility	7,339,308	7,719,296	7,192,474	5,449,142	6,621,182	6,178,250	5,040,114	4,860,983	4,076,625	2,863,855
Total business-type activities	31,447,281	31,807,145	29,727,142	27,926,086	14,056,925	21,918,799	19,747,367	14,847,823	13,043,654	11,073,206
Program revenues										
Governmental activities										
Charges for services										
General government	1,674,263	1,626,226	2,484,800	2,615,099	5,970,491	4,273,796	4,488,371	4,739,554	2,287,076	4,730,687
Judicial administration	1,636,995	1,587,680	1,627,642	1,661,186	2,623,500	2,398,626	2,816,512	2,820,550	1,984,517	3,124,725
Public safety	10,476,452	11,023,840	8,669,058	8,687,292	16,880,169	17,365,172	18,365,518	17,607,863	8,180,496	5,336,837
Public works	5,159,425	5,315,474	5,323,300	4,867,991	6,358,176	6,697,115	6,497,541	4,523,202	309,576	270,402
Health and welfare	3,585,061	4,376,109	3,994,016	1,403,535	4,396,349	3,995,491	4,150,671	4,045,350	1,514,952	30,606
Parks, recreation, and cultural	548,837	614,112	795,763	805,158	1,458,092	1,601,120	1,855,019	1,732,638	778,101	557,759
Community development	772,133	557,898	662,223	408,360	1,087,390	943,623	1,084,811	939,662	511,681	169,656
Interest and fiscal charges	-	-	-	-	11,614	142,513	239,376	82,445	-	-
Operating grants and contributions	116,775,993	119,209,312	97,442,433	83,843,137	88,305,978	72,050,962	68,311,913	71,235,623	70,782,914	66,228,087
Capital grants and contributions	8,524,373	9,120,688	22,339,928	7,824,790	7,251,238	9,339,243	13,353,527	6,725,666	7,105,056	13,695,997
Total governmental activities program revenues	149,153,532	153,431,339	143,339,163	112,116,548	134,342,997	118,807,661	121,163,259	114,452,553	93,454,369	94,144,756
Business-type activities										
Charges for services										
Civic facilities	14,347,467	15,282,135	11,255,742	11,885,770	982,756	5,912,920	7,630,029	2,675,281	2,358,795	2,151,235
Parking	4,065,576	4,047,368	3,597,219	3,321,975	3,166,494	3,978,149	3,675,298	3,471,777	3,240,441	3,195,168
Stormwater utility	9,313,622	8,195,768	7,167,617	6,203,298	6,214,077	6,160,617	6,053,348	-	-	-
Operating grants and contributions	-	-	2,164,319	5,863,805	749,360	887,295	305,302	1,830,854	2,128,772	-
Capital grants and contributions	218,544	1,376,761	4,058,514	3,079,353	-	-	307,366	-	1,110,542	1,116,640
Total business-type activities program revenues	27,945,209	28,902,032	28,243,411	30,354,201	11,112,687	16,938,981	17,971,343	7,977,912	8,838,550	6,463,043
Total primary government program revenues	177,098,741	182,333,371	171,582,574	142,470,749	145,455,684	135,746,642	139,134,602	122,430,465	102,292,919	100,607,799
Net (expense) revenue										
Governmental activities	(294,619,536)	(284,290,022)	(260,182,519)	(225,009,375)	(208,832,713)	(207,862,837)	(190,753,908)	(203,073,684)	(208,916,353)	(202,268,984)
Business-type activities	(3,502,072)	(2,905,113)	(1,483,731)	2,428,115	(2,944,238)	(4,979,818)	(1,776,024)	(6,869,911)	(4,205,104)	(4,610,163)
Total primary government net expense	**$ (298,121,608)**	**$ (287,195,135)**	**$ (261,666,250)**	**$ (222,581,260)**	**$ (211,776,951)**	**$ (212,842,655)**	**$ (192,529,932)**	**$ (209,943,595)**	**$ (213,121,457)**	**$ (206,879,147)**

(1) Economic Development combined with Community Development starting in 2022.

City of Roanoke, Virginia

Change in Net Position

Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2025 (2)	2024	2023	2022	2021	2020	2019	2018	2017	2016
General revenues and other changes in net position										
Governmental activities										
Taxes										
General property – real estate and personal property	$ 171,166,277	$160,377,907	$ 140,928,953	$ 136,787,729	$ 131,885,066	$ 124,453,259	$ 120,503,375	$ 116,947,597	$ 114,172,203	$ 109,218,854
Local portion of state sales	29,082,525	28,382,022	28,038,520	26,412,560	24,115,939	22,192,411	22,389,566	21,426,783	19,696,458	20,600,395
Business, professional, and occupational license	18,758,519	16,908,146	15,800,550	15,310,717	14,134,730	14,667,288	13,755,818	13,557,252	12,932,282	12,421,851
Utility	9,569,934	8,343,782	9,165,773	9,355,793	9,295,425	9,271,091	9,579,846	10,118,287	9,726,709	9,828,466
Prepared food and beverage	22,632,447	21,662,618	20,810,566	19,248,569	15,977,939	15,545,028	17,335,596	16,609,514	15,996,897	15,705,629
Bank stock taxes	1,383,805	-	-	-	-	-	-	-	-	-
Commonwealth share – personal property	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,133,906	8,075,992	8,075,992
Cigarette	1,468,183	1,410,431	1,624,895	1,804,158	1,819,497	1,969,011	2,108,127	2,152,811	2,267,939	2,371,201
Transient room	5,665,559	5,590,631	5,438,880	4,746,104	2,945,250	3,678,683	4,784,182	5,375,713	4,317,618	4,305,977
Telecommunications	4,511,609	4,533,662	4,824,376	4,968,579	5,119,041	5,763,219	5,897,696	6,357,300	6,562,456	6,727,824
Motor vehicle license tax	3,124,481	3,157,603	3,402,539	2,684,923	3,214,542	2,630,898	2,914,811	2,955,266	2,765,343	2,594,635
Other taxes	6,142,708	5,353,918	5,053,868	5,730,847	4,617,449	4,147,754	5,312,113	4,311,908	3,514,679	5,851,370
Recovered costs	-	-	58,729	266,435	1,519,437	-	-	-	-	-
State aid not restricted to a specific program	-	2,117,753	2,393,484	1,126,731	1,331,857	-	-	-	-	-
Payment from component unit	10,318,817	11,482,558	12,686,378	12,674,638	12,041,842	12,523,896	13,244,672	13,867,878	14,261,464	15,072,438
Grants and contributions not restricted to specific program	-	1,415,826	1,399,043	1,480,598	1,225,713	2,806,078	3,239,161	4,166,455	4,084,439	-
Interest and investment income	8,709,015	7,548,064	5,767,924	269,930	123,992	452,756	1,084,321	499,454	260,051	798,323
Miscellaneous	8,791,247	759,278	239,763	346,783	450,264	1,986,905	5,890,514	1,860,958	1,800,886	4,117,156
Transfers	(3,511,935)	(3,073,333)	(2,652,442)	(2,851,357)	(2,817,032)	(3,171,072)	(2,782,443)	(2,884,671)	(2,328,398)	(1,143,960)
Total governmental activities	305,889,183	284,046,858	263,057,791	248,439,729	235,076,943	226,993,197	233,333,347	225,456,411	218,107,018	216,546,151
Business-type activities										
Stormwater fee (1)	-	-	-	-	-	-	-	6,074,799	6,041,973	3,979,349
Grants and contributions not restricted to specific program	-	-	-	-	-	-	-	138,229	-	-
Interest and investment income	1,050,117	896,481	505,040	22,383	190,777	616,517	342,277	226,209	215,141	190,765
Miscellaneous	313,053	439,247	579,704	1,060,265	448,280	1,673,322	1,045,716	478,154	(202,445)	-
Transfers	3,511,935	3,073,333	2,652,442	2,851,357	2,817,032	3,171,072	2,782,443	2,884,671	2,328,398	1,143,960
Transfers – capital assets	-	-	-	-	-	-	-	-	-	297,450
Total business-type activities	4,875,105	4,409,061	3,737,186	3,934,005	3,456,089	5,460,911	4,170,436	9,802,062	8,383,067	5,611,524
Total primary government	**$ 310,764,288**	**$ 288,455,919**	**$ 266,794,977**	**$ 252,373,734**	**$ 238,533,032**	**$ 232,454,108**	**$ 237,503,783**	**$ 235,258,473**	**$ 226,490,085**	**$ 222,157,675**
Change in net position										
Governmental activities	$ 11,269,647	$ (243,164)	$ 2,875,272	$ 23,430,354	$ 26,244,230	$ 19,130,360	$ 42,579,439	$ 22,382,727	$ 9,190,665	$ 14,277,167
Business-type activities	1,373,033	1,503,948	2,253,455	6,362,120	511,851	481,093	2,394,412	2,932,151	4,424,408	1,001,361
Total primary government	**$ 12,642,680**	**$ 1,260,784**	**$ 5,128,727**	**$ 29,792,474**	**$ 26,756,081**	**$ 19,611,453**	**$ 44,973,851**	**$ 25,314,878**	**$ 13,615,073**	**$ 15,278,528**

(1) Stormwater Fees reclassified to Charges for Service beginning in 2019.
(2) Bank stock taxes presented separately beginning in 2025.

Table 3

City of Roanoke, Virginia

Governmental Activities' Tax Revenues by Source

Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General property – real estate and personal property	$ 171,166,277	$ 160,204,614	$ 140,928,953	$ 128,573,877	$ 131,885,066	$ 124,453,259	$ 120,503,375	$ 116,947,597	$ 114,172,203	$ 109,218,854
Local portion of state sales	29,082,525	28,382,022	28,038,520	26,412,560	24,115,939	22,192,411	22,389,566	21,426,783	19,696,458	20,600,395
Business, professional, and occupational license	18,758,519	17,625,897	15,800,550	15,310,717	14,134,730	14,667,288	13,755,818	13,557,252	12,932,282	12,421,851
Utility consumer	9,569,934	8,343,782	9,165,773	9,355,793	9,295,425	9,271,091	9,579,846	10,118,287	9,726,709	9,828,466
Prepared food and beverage	22,632,447	21,662,618	20,810,566	19,248,569	15,977,939	15,545,028	17,335,596	16,609,514	15,996,897	15,705,629
Bank stock	1,383,805	-	-	-	-	-	-	-	-	-
Commonwealth share - personal property	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,133,906	8,075,992	8,075,992
Cigarette	1,468,183	1,410,431	1,624,895	1,804,158	1,819,497	1,969,011	2,108,127	2,152,811	2,267,939	2,371,201
Transient room	5,665,559	5,590,631	5,438,880	4,746,104	2,945,250	3,678,683	4,784,182	5,375,713	4,317,618	4,305,977
Telecommunication	4,511,609	4,533,662	4,824,376	4,968,579	5,119,041	5,763,219	5,897,696	6,357,300	6,562,456	6,727,824
Motor vehicle license	3,124,481	3,157,603	3,402,539	2,684,923	3,214,542	2,630,898	2,914,811	2,955,266	2,765,343	2,594,635
Other	6,142,708	4,809,460	5,053,868	5,730,847	4,617,449	4,147,754	5,312,113	4,311,906	3,514,679	5,851,370
Total governmental activities tax revenues	**$ 281,582,039**	**$ 263,796,712**	**$ 243,164,912**	**$ 226,912,119**	**$ 221,200,870**	**$ 212,394,634**	**$ 212,657,122**	**$ 207,946,335**	**$ 200,028,576**	**$ 197,702,194**

Table 4

City of Roanoke, Virginia

Fund Balances of Governmental Funds

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018 (2)	2017 (1)	2016
General fund										
Nonspendable	$ 39,821	$ 68,001	$ 96,398	$ 16,335	$ 16,336	$ 38,499	$ 91,868	$ 85,885	$ -	$ -
Restricted	-	-	-	-	-	-	-	-	-	48,411
Committed	8,442,930	6,160,335	3,815,400	4,101,428	4,621,850	3,713,461	4,955,894	4,904,658	3,523,769	2,593,822
Assigned	17,155,383	15,814,416	23,634,277	12,665,149	10,277,378	-	-	-	-	-
Unassigned	68,130,050	50,427,303	42,474,741	41,587,688	47,392,703	43,036,776	39,465,308	34,854,168	29,757,294	28,795,510
Total general fund	$ 93,768,184	$ 72,470,055	$ 70,020,816	$ 58,370,600	$ 62,308,267	$ 46,788,736	$ 44,513,070	$ 39,844,711	$ 33,281,063	$ 31,437,743
All other governmental funds										
Nonspendable	$ 252,526	$ -	$ 62,291	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	62,219,162	20,283,118	14,799,909	49,036,911	41,611,685	19,425,244	2,976,975	5,656,989	11,909,625	8,332,563
Committed	35,462,294	31,786,777	16,208,381	11,982,841	4,043,472	7,025,589	16,789,504	7,059,280	13,507,663	7,521,487
Assigned	6,953,591	12,645,650	8,779,475	-	-	-	-	-	-	-
Unassigned	-	-	-	1,896,299	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	374	-	-	-	-
Capital projects fund	-	-	-	-	-	3,213,039	(7,210,907)	-	-	-
Total all other governmental funds	**$ 104,887,573**	**$ 64,715,545**	**$ 39,850,056**	**$ 62,916,051**	**$ 45,655,157**	**$ 29,664,246**	**$ 12,555,572**	**$ 12,716,269**	**$ 25,417,288**	**$ 15,854,050**

(1) For fiscal year 2016-17 the beginning fund balance was restated for stormwater debt and related assets moved to the Stormwater Fund.
(2) For fiscal year 2017-18 the beginning fund balance was restated due to GASB 75 implementation and dissolving the Internal Service Funds into the General Fund.

City of Roanoke, Virginia

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	2025	2024	2023	2022 (3)	2021 (4)	2020	2019	2018	2017 (2)	2016 (1)
Revenues										
Local taxes	$ 270,446,642	$ 253,656,558	$ 236,692,813	$ 224,628,930	$ 212,256,761	$ 204,306,603	$ 204,319,350	$ 199,197,682	$ 191,055,771	$ 191,205,770
Permits, fees, and licenses	2,163,918	2,512,099	1,413,767	1,949,141	1,324,087	1,202,393	1,182,535	1,415,842	1,014,623	888,328
Fines and forfeitures	837,569	815,265	637,786	758,877	863,283	1,061,114	1,183,005	1,167,250	1,211,208	1,014,511
Rental income	195,474	227,738	306,140	277,138	161,481	137,561	279,409	190,533	208,127	150,923
Investment income	8,520,028	7,338,970	5,559,609	269,930	124,251	598,196	1,089,913	502,541	167,716	172,510
Intergovernmental	139,622,699	151,323,634	124,487,146	109,325,778	119,008,063	102,643,797	106,339,039	102,660,298	106,245,943	103,474,969
Charges for services	20,129,188	19,811,577	18,992,808	18,263,122	17,174,267	17,162,967	17,302,622	15,138,288	11,970,192	11,010,903
Miscellaneous	2,182,678	2,339,528	2,023,389	1,832,420	4,026,400	4,071,165	6,760,262	4,608,137	1,450,370	4,808,427
Operating	-	-	-	-	39,253	-	-	-	-	-
Total revenues	444,098,196	438,025,369	390,113,458	357,305,336	354,977,846	331,183,796	338,456,135	324,880,571	313,323,950	312,726,341
Expenditures										
Current operating										
General government	47,446,546	47,752,831	43,813,578	30,975,865	31,321,203	22,629,570	19,754,792	19,734,967	15,951,767	15,857,483
Judicial administration	13,772,430	11,904,911	10,308,819	9,954,133	8,913,036	9,359,555	9,038,700	8,475,762	8,905,780	8,917,856
Public safety	97,048,765	88,982,703	79,688,818	73,786,172	63,534,889	68,818,114	68,516,177	67,098,311	70,411,215	69,892,637
Public works	40,073,130	31,951,004	30,907,132	32,824,811	31,028,249	31,008,020	32,770,988	28,327,969	25,406,877	25,253,641
Health and welfare	60,511,807	55,307,935	48,725,817	48,810,229	43,931,241	42,909,005	41,641,883	42,765,196	43,850,760	39,346,495
Parks, recreation, and cultural	12,893,772	14,393,700	13,679,308	11,313,746	10,086,328	9,951,790	9,648,344	9,445,923	10,529,089	10,301,293
Community development	13,333,873	30,623,289	14,926,408	15,704,041	16,228,475	12,841,277	13,376,493	12,849,049	12,701,995	12,251,778
Transportation	-	102,839,462	-	-	-	2,031,161	1,991,161	1,899,605	1,899,605	1,812,105
Education	86,309,874	-	96,213,282	91,289,843	88,960,453	83,444,670	83,383,419	81,289,167	78,429,620	79,053,977
Other	1,072,028	1,401,831	1,358,278	1,411,889	1,181,823	5,926	5,804	11,551	114,088	-
Debt service										
Principal retirement	18,580,891	19,576,056	19,071,971	18,949,133	17,562,964	19,659,044	20,053,892	20,898,484	20,004,267	21,778,211
Interest and other charges	10,879,724	8,579,890	7,865,276	7,404,701	4,413,316	7,183,199	7,728,888	8,467,108	7,632,824	8,306,238
Bond issuance cost	-	-	-	-	-	395,939	166,024	121,399	348,146	1,493,517
Capital outlays	65,016,800	36,051,194	41,668,137	24,048,351	27,443,255	39,850,527	45,200,609	40,383,339	24,214,097	33,858,879
Total expenditures	466,939,640	449,364,806	408,226,824	366,472,914	344,605,232	350,087,797	353,277,174	341,767,830	320,400,130	328,124,110
Excess (deficiency) of revenues over (under) expenditures	(22,841,444)	(11,339,437)	(18,113,366)	(9,167,578)	10,372,614	(18,904,001)	(14,821,039)	(16,887,259)	(7,076,180)	(15,397,769)
Other financing sources (uses)										
Issuance of promissory note	3,500,000	-	-	-	-	-	-	-	-	-
Issuance of subscription liability	3,418,130	-	713,029	-	-	-	-	-	-	-
Issuance of leases	11,483,100	3,533,142	-	-	-	649,509	-	-	-	1,681,463
Issuance of bond anticipation note	54,510,000	38,245,000	10,135,000	23,732,335	25,085,496	39,559,603	22,111,144	7,479,800	20,980,000	15,170,000
Issuance of public improvement bonds	13,840,000	-	-	-	-	-	-	-	-	-
Issuance of refunding bonds	3,505,250	-	-	-	7,839,384	47,671,451	-	-	-	15,710,000
Premium on issuance of bonds	1,286,279	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow	-	-	-	-	-	(47,874,217)	-	-	-	(15,275,000)
Payment to refunded bond escrow agent	(3,628,431)	-	-	-	(15,042,801)	-	-	-	-	-
Premium on sale of bonds	-	1,722,356	-	2,219,827	8,067,016	1,458,833	-	-	1,251,508	2,368,860
Transfers in	29,057,582	29,062,543	22,069,847	34,677,203	20,978,682	27,697,468	20,706,574	22,008,923	14,747,887	15,861,385
Transfers out	(32,660,309)	(33,908,876)	(26,220,289)	(38,138,560)	(25,795,714)	(30,868,540)	(23,489,017)	(24,893,593)	(18,387,991)	(18,642,801)
Total other financing sources (uses), net	84,311,601	38,654,165	6,697,587	22,490,805	21,132,063	38,294,107	19,328,701	4,595,130	18,591,404	16,873,907
Net change in fund balances	61,470,157	27,314,728	(11,415,779)	13,323,227	31,504,677	19,390,106	4,507,662	(12,292,129)	11,515,224	1,476,138
Fund balances – beginning of year	137,185,600	109,870,872	121,286,651	107,963,424	76,458,747	57,068,642	52,560,980	64,853,109	47,291,793	45,815,655
Fund balances – end of year	**$ 198,655,757**	**$ 137,185,600**	**$ 109,870,872**	**$ 121,286,651**	**$ 107,963,424**	**$ 76,458,748**	**$ 57,068,642**	**$ 52,560,980**	**$ 58,807,017**	**$ 47,291,793**
Total debt service	$ 29,460,615	$ 28,155,946	$ 26,937,247	$ 26,353,834	$ -	$ -	$ -	$ -	$ -	$ -
Total expenditures	466,939,640	449,364,806	408,226,824	366,472,914	-	-	-	-	-	-
Less capital outlay	(65,016,800)	(36,051,194)	(32,523,077)	(17,429,796)	-	-	-	-	-	-
Noncapital expenditures	**$ 401,922,840**	**$ 413,313,612**	**$ 375,703,747**	**$ 349,043,118**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Debt service as a percentage of noncapital expenditures	**7.3%**	**6.8%**	**7.2%**	**7.6%**	**6.9%**	**8.7%**	**9.0%**	**9.7%**	**9.3%**	**10.2%**

(1) In Fiscal year 2016, a Recycling and Disposal lease obligation that is accounted for as a Governmental activity was initiated.
(2) In Fiscal year 2017, other Operating Expenses includes payments for Affordable Care Act and Debt Set Off.
(3) In Fiscal year 2022, change in presentation of debt service as a percentage of noncapital expenditures.
(4) Transportation combined with Public Works starting in 2021.
See Table 15 for additional information relating to the ratio of debt service expenditures to general expenditures.

Table 6

City of Roanoke, Virginia

Local Tax Revenues by Source

Last Ten Fiscal Years
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General property	$ 171,291,395	$ 158,313,745	$ 142,580,439	$ 134,435,422	$ 131,250,933	$ 124,280,901	$ 120,758,870	$ 116,465,065	$ 113,275,390	$ 113,081,794
Sales	29,082,525	28,382,022	27,991,127	26,412,560	24,115,939	22,191,888	22,389,378	21,426,783	19,696,458	20,600,395
Business, professional, and occupational license	18,333,395	16,908,146	15,800,550	15,300,817	13,887,187	14,810,889	13,893,514	13,425,036	12,932,282	12,421,850
Utility consumer	9,569,934	8,343,782	9,165,773	9,355,793	9,295,425	9,271,091	9,579,846	9,640,336	9,270,713	9,363,331
Prepared food and beverage	22,632,447	21,662,618	20,810,566	19,248,569	15,978,463	15,545,216	17,335,630	16,609,514	15,996,897	15,704,954
Cigarette	1,468,183	1,410,431	1,624,895	1,804,158	1,819,498	1,969,011	2,108,127	2,152,811	2,267,939	2,371,201
Transient room (1)	5,732,455	5,590,631	5,438,880	4,746,104	2,945,251	3,678,683	4,784,182	5,375,713	4,317,618	4,305,977
Telecommunications	4,511,609	4,533,662	4,824,376	4,968,579	5,119,041	5,763,219	5,897,696	6,357,300	6,562,456	6,727,824
Motor vehicle license	3,124,481	3,157,603	3,402,539	2,684,923	3,214,542	2,630,898	2,914,811	2,955,266	2,765,343	2,594,635
Recordation and probate	1,343,992	1,330,312	1,557,525	1,814,416	1,587,259	1,350,270	1,122,549	1,085,920	1,017,518	1,034,652
Utility consumption	446,332	717,751	421,923	461,335	462,604	455,400	481,088	477,951	455,996	465,136
Admissions	1,187,464	1,194,662	1,033,039	949,394	117,056	709,614	972,422	992,421	447,622	462,216
Franchise	338,625	280,377	270,601	414,134	354,540	399,756	403,332	482,719	449,488	496,151
Bank stock	1,383,805	1,830,816	1,770,580	2,032,726	1,664,928	1,249,767	1,677,904	1,750,847	1,600,050	1,575,655
Skill games	-	-	-	-	444,096	-	-	-	-	-
Total local taxes	**$ 270,446,642**	**$ 253,656,558**	**$ 236,692,813**	**$ 224,628,930**	**$ 212,256,761**	**$ 204,306,603**	**$ 204,319,349**	**$ 199,197,682**	**$ 191,055,770**	**$ 191,205,771**

Table 7

City of Roanoke, Virginia

General Property Tax Levies and Collections

Last Ten Years
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total tax levies	**$ 177,292,435**	**$ 163,450,466**	**$ 148,193,002**	**$ 153,887,747**	**$ 136,379,330**	**$ 131,348,076**	**$ 126,568,227**	**$ 123,059,222**	**$ 120,894,494**	**$ 119,869,392**
Current tax collections (1) (2)	$ 156,434,308	$ 148,080,643	$ 133,369,630	$ 123,230,936	$ 118,751,936	$ 113,093,282	$ 108,667,501	$ 106,201,641	$ 103,165,694	$ 102,275,497
Current tax collections – state share	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992
Collections in subsequent years (1) (2)	11,077,962	8,236,358	-	5,578,762	2,647,637	6,452,163	4,047,295	3,167,218	3,762,800	3,862,990
Total tax collections	**$ 175,588,262**	**$ 164,392,993**	**$ 141,445,622**	**$ 136,885,690**	**$ 129,475,565**	**$ 127,621,437**	**$ 120,790,788**	**$ 117,444,851**	**$ 115,004,486**	**$ 114,214,479**
Current tax collections as percent of levies	**92.79%**	**95.54%**	**95.45%**	**85.33%**	**93.00%**	**92.25%**	**92.24%**	**92.86%**	**92.02%**	**92.06%**
Total tax collections as percent of levies	**99.04%**	**100.58%**	**95.45%**	**88.95%**	**94.94%**	**97.16%**	**95.44%**	**95.44%**	**95.13%**	**95.28%**

(1) Effective FY23, information collected from the Treasurer's tax collection system and Department of Finance accounting system. Prior data sources were from Department of Finance accounting system.
(2) Tax collections may exceed levies as result of collections of prior year levied amounts.

Table 8

City of Roanoke, Virginia

Assessed and Estimated Actual Value of Taxable Property
Last Ten Years
(Unaudited)

	REAL PROPERTY				PERSONAL PROPERTY				PUBLIC SERVICE CORPORATIONS					
Year	Assessed Value	Percentage Growth (Decline)	Estimated Actual Value	Assessment Ratio	Assessed Value	Percentage Growth (Decline)	Estimated Actual Value	Assessment Ratio	Assessed Value	Percentage Growth (Decline)	Estimated Actual Value	Assessment Ratio	Total Assessed Value	Total Estimated Actual Value
2016	$ 6,724,229,966	0.45	$ 6,724,229,966	1.00	$ 942,611,706	4.84	$ 1,571,019,510	0.60	$ 439,744,208	0.50	$ 447,235,982	0.983	$ 8,106,585,880	$ 8,742,485,458
2017	6,783,463,907	0.88	6,783,463,907	1.00	943,805,249	0.13	1,573,008,748	0.60	451,184,702	2.60	460,658,865	0.979	8,178,453,858	8,817,131,520
2018	6,970,302,556	2.75	6,970,302,556	1.00	956,571,007	1.35	1,594,285,012	0.60	437,557,641	(3.02)	446,411,247	0.979	8,364,431,204	9,010,998,815
2019	7,180,263,331	3.01	7,180,263,331	1.00	993,064,403	3.82	1,655,107,338	0.60	471,816,290	7.83	480,577,945	0.981	8,645,144,024	9,315,948,614
2020	7,444,437,601	3.68	7,444,437,601	1.00	1,031,434,753	3.86	1,719,057,922	0.60	489,031,454	3.65	497,647,214	0.983	8,964,903,808	9,661,142,737
2021	7,764,101,330	4.29	7,764,101,330	1.00	1,083,274,770	5.03	1,805,457,950	0.60	488,147,929	(0.18)	503,508,493	0.969	9,335,524,029	10,073,067,773
2022	8,629,427,867	11.15	8,629,427,867	1.00	1,207,279,732	11.45	2,012,132,887	0.60	450,208,362	(7.77)	468,296,275	0.961	10,286,915,961	11,109,857,029
2023 (1) (2)	8,512,032,700	(1.36)	8,512,032,700	1.00	1,165,244,218	(3.48)	1,942,073,697	0.60	221,613,090	(50.78)	247,098,230	0.897	9,898,890,008	10,701,204,627
2024	9,676,864,200	13.68	9,676,864,200	1.00	1,209,749,741	3.82	2,016,249,568	0.60	483,846,036	118.33	499,955,461	0.968	11,370,459,977	12,193,069,229
2025	10,669,254,800	10.26	10,669,254,800	1.00	1,236,041,484	2.17	2,060,069,140	0.60	555,542,665	14.82	572,260,535	0.971	12,460,838,949	13,301,584,475

(1) Beginning in 2023 reporting on original assessed value.

(2) Beginning in fiscal year 2023, based on a revision of City Code Sec. 32-124, tangible personal property taxes of public service corporations are due on the 5th of December of the tax year for which such taxes are assessed. Therefore, personal property taxes of public service corporations were not assessed and billed in fiscal year 2023. Previously taxes were billed April 5th based upon an estimated assessment with December 5th billing a true-up to actual assessments.

Table 9

City of Roanoke, Virginia

Property Tax Rates and Tax Levies
Last Ten Years
(Unaudited)

	REAL PROPERTY		PERSONAL PROPERTY		PUBLIC SERVICE CORPORATIONS			
Year	Direct Tax Rate Per $100	Levy	Direct Tax Rate Per $100	Levy (1)	Direct Tax Rate Per $100	Levy	Total Tax Levies	Total Direct Rate
2016	1.22	$ 82,035,606	3.45	$ 32,374,952	1.22	$ 5,458,834	$ 119,869,392	1.82
2017	1.22	82,758,259	3.45	32,593,307	1.22	5,542,928	120,894,494	1.82
2018	1.22	85,037,691	3.45	32,639,181	1.22	5,382,350	123,059,222	1.81
2019	1.22	87,599,213	3.45	33,159,157	1.22	5,809,857	126,568,227	1.80
2020	1.22	90,822,140	3.45	34,507,463	1.22	6,018,473	131,348,076	1.81
2021	1.22	94,865,951	3.45	35,505,623	1.22	6,007,756	136,379,330	1.80
2022	1.22	105,279,020	3.45	42,661,925	1.22	5,946,802	153,887,747	1.84
2023	1.22	106,097,610	3.45	38,964,270	1.22	3,130,122 (2)	148,192,002	1.81
2024	1.22	116,803,324	3.45	40,673,359	1.22	5,973,783	163,450,466	1.77
2025	1.22	128,464,850	3.45	41,964,441	1.22	6,863,144	177,292,435	1.75

(1) Includes the Personal Property Tax Relief from the Commonwealth.

(2) Beginning in fiscal year 2023, based on a revision of City Code Sec. 32-124, tangible personal property taxes of public service corporations are due on the 5th of December of the tax year for which such taxes are assessed. Therefore, personal property taxes of public service corporations were not assessed and billed in fiscal year 2023. Previously taxes were billed April 5th based upon an estimated assessment with December 5th billing a true-up to actual assessments.

Table 10

City of Roanoke, Virginia

Principal Property Taxpayers
Comparison of June 30, 2025 and June 30, 2016
(Unaudited)

		2025			2016		
Taxpayer	Description	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Appalachian Power Co. (PSC)	Public Utility	$ 257,657,209	1	2.25%	$ 153,038,718	3	1.89%
Carilion	Healthcare Provider	250,268,266	2	2.18%	223,819,909	1	2.76%
Norfolk Southern Railway	Transportation	154,451,519	3	1.35%	168,338,807	2	2.08%
Roanoke Gas Company (PSC)	Public Utility	86,903,136	4	0.76%	46,663,319	5	0.58%
Valley View Mall LLC	Shopping Mall	76,905,700	5	0.67%	83,533,700	4	1.03%
Blue Ridge Multi-Family LLC	Apartments	47,998,900	6	0.42%	-	-	0.00%
BRC Orange Avenue LLC	Apartments	46,035,500	7	0.40%	-	-	0.00%
Steel Dynamics Roanoke BAR Division	Primary Metals	42,806,979	8	0.37%	38,616,461	6	0.48%
HR Foundation Inc	Hotel	41,875,700	9	0.37%	-	-	0.00%
Verizon Virginia	Communications	41,406,402	10	0.36%	34,901,868	7	0.43%
Faison Roanoke Office Ltd	Office Building	-	-	-	29,885,900	8	0.37%
Advance Auto Parts	Auto Parts	-	-	-	24,552,514	9	0.30%
Maple Leaf Bakery	Bakery	-	-	-	15,792,700	10	0.19%
		$ 1,046,309,311		**9.12%**	**$ 819,143,896**		**10.11%**

Source: City of Roanoke, Commissioner of the Revenue

Table 11

City of Roanoke, Virginia

Taxable Retail Sales
Last Ten Calendar Years
(Unaudited)

Calendar Year	Total Retail Sales (1)
2016	$ 1,824,416,057
2017	1,837,473,382
2018	1,933,216,680
2019	1,969,546,727
2020	1,894,999,374
2021	2,075,100,883
2022	2,292,504,068
2023	2,352,300,649
2024	2,386,808,419
2025	594,202,841 (2)

(1) Source: State Department of Taxation. Data excludes prescription drug sales.
(2) For 2025 through second quarter.

City of Roanoke, Virginia

Ratio of General Bonded Debt to Total Estimated Actual Value and Bonded Debt Per Capita Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Population (A)	Total Estimated Actual Value	Governmental Activities Gross Bonded Debt (B)	Business-type Activities Gross Bonded Debt (B)	Gross Bonded Debt	Less Bonds Supported By Western Virginia Water Authority	Less Amount Available in Debt Service Fund	Net Bonded Debt	Ratio of General Net Bonded Debt to Total Estimated Actual Value	General Net Bonded Debt Per Capita
2016	99,681 (est.)	$ 8,742,785,092	$ 210,393,462	$ 30,109,234	$ 240,502,696	$ 9,405,800	$ 1,011,031	$ 230,085,865	2.63	$ 2,308.22
2017	99,644 (est.)	8,817,419,846	208,814,498	33,675,339	242,489,837	8,213,900	539,265	233,736,672	2.65	2,345.72
2018	99,837 (est.)	9,011,349,475	199,521,519	31,488,513	231,010,032	7,003,200	41,733	223,965,099	2.49	2,243.31
2019	99,920 (est.)	9,316,391,122	200,500,454	30,765,932	231,266,386	5,769,800	17,890	225,478,696	2.42	2,256.59
2020	99,348 (est.)	9,661,222,140	224,716,453	34,585,420	259,301,873	4,515,516	17,215	254,769,142	2.64	2,564.41
2021	99,795 (est.)	10,073,067,733	235,584,388	36,938,205	272,522,593	3,200,614	76,816	269,245,163	2.67	2,697.98
2022	99,883 (est.)	11,109,857,029	239,814,070	36,858,379	276,672,449	1,870,000	235,769	274,566,680	2.47	2,748.88
2023	98,865 (est.)	10,701,204,627	231,023,607	33,955,551	264,979,158	945,000	83,740	263,950,418	2.47	2,669.81
2024	97,847 (est.)	12,193,069,229	251,471,115	36,425,921	287,897,036	-	174,957	287,722,079	2.36	2,940.53
2025	99,504 (est.)	13,301,584,475	303,118,492	39,133,335	342,251,827	-	249,051	342,002,776	2.57	3,437.08

Source (A) Weldon - Cooper Center for Public Service
(B) Gross Bonded Debt includes Bonds and Bond Premiums. See Table 13.

City of Roanoke, Virginia

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

	Governmental Activities				Business-type Activities				
Fiscal Year	General Obligation Bonds (2)	Note Payable	Subscriptions	Leases (3)	General Obligation Bonds (2)	Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2016	$ 210,393,463	$ -	-	$ 5,356,637	$ 30,109,234	$ 19,412	$ 245,878,746	6.28	$ 2,473
2017	208,814,498	-	-	4,692,759	33,675,339	11,750	247,194,346	6.04	2,474
2018	195,557,160	-	-	3,964,359	31,485,398	3,115	231,010,032	5.48	2,316
2019	197,186,001	-	-	3,314,453	30,765,932	-	231,266,386	5.52	2,315
2020	221,385,375	-	-	3,331,078	34,558,799	26,621	259,301,873	5.97	2,594
2021	232,814,909	-	-	2,493,881	36,922,954	15,251	272,246,995	6.06	2,744
2022	239,814,070	-	-	2,747,891	36,858,379	34,057	279,454,397	6.11	2,799
2023	231,023,607	-	568,123	1,518,854	33,955,551	23,198	267,089,333	5.40	2,704
2024	251,471,115	-	431,034	3,869,249	36,425,921	11,869	292,209,188	5.67	2,990
2025	303,118,492	3,500,000	3,081,529	14,217,891	39,133,335	6,103	363,057,350	6.66	3,735

(1) See Table 16 for Personal Income and Population data.
(2) General Obligation Bonds include Bond Anticipation Notes, Bond Premiums, and Bond Discounts.

City of Roanoke, Virginia

Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt limit	$ 1,066,925,480	$ 967,686,420	$ 851,203,270	$ 862,942,787	$ 776,410,133	$ 744,443,760	$ 718,026,323	$ 697,030,256	$ 678,346,391	$ 672,422,997
Total general net debt applicable to limit	362,808,299	362,808,299	267,067,884	242,561,961	272,170,177	259,284,658	231,248,497	229,932,036	219,172,541	215,556,963
Available legal debt margin	**$ 704,117,181**	**$ 604,878,121**	**$ 584,135,386**	**$ 620,380,826**	**$ 504,239,956**	**$ 485,159,102**	**$ 486,777,826**	**$ 467,098,220**	**$ 459,173,850**	**$ 456,866,034**
Total net debt Applicable to limit as a percentage of debt limit	34.01%	37.49%	31.38%	28.11%	35.05%	34.83%	32.21%	32.99%	32.31%	32.06%

The Charter of the City of Roanoke limits the Legal Debt to 10% of the Assessed Valuation of Real Estate within the City limits. The City has no overlapping debt.

Legal Debt Margin Calculation for Fiscal Year 2024:

Assessed value of real property	$10,669,254,800
Debt limit - 10% of assessed value	1,066,925,480
Amount of debt applicable to debt limit	
Gross total primary government debt (1)	363,057,350
Less available debt service fund balance	(249,051)
General net debt applicable to limit	362,808,299
Available legal debt margin	**$ 704,117,181**

Source: City of Roanoke, Commissioner of the Revenue.
(1) Includes Bonds, Bond Anticipation Notes, Bond Premiums, Note Payable, Lease and Subscription Liabilities.

City of Roanoke, Virginia

Ratio of Annual Debt Service Expenditures for General Long-Term Debt to Total General Expenditures Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Principal (1)		Interest (1) (4)	Total Debt Service	Total General Expenditures (2)	Percent of Debt Service to General Expenditures
2016	$ 22,571,454		$ 8,301,585	$ 30,873,039	$ 347,306,775	8.9%
2017	20,374,492	(3)	8,009,420	28,383,912	359,445,090	7.9
2018	20,922,884		8,622,820	29,545,704	344,489,393	8.6
2019	20,025,191		8,045,279	28,070,470	384,480,284	7.3
2020	19,595,744		7,943,729	27,539,473	400,927,915	6.9
2021	16,989,063		4,706,775	21,695,838	383,666,414	5.7
2022	19,036,126		7,753,163	26,789,289	424,029,070	6.3
2023	20,879,069		8,076,371	28,955,440	452,821,961	6.4
2024	20,084,707		8,954,464	29,039,171	536,366,460	5.4
2025	20,074,344		11,270,923	31,345,267	607,564,540	5.2

(1) Principal and interest payments include all general long-term debt payments supported by tax revenues of the City, including those related to leases and subscription liabilities. Debt payments made on behalf of the Civic Facilities Fund and Technology Fund are included. The Technology Fund was closed effective June 30, 2017. Debt payments made by the Parking Fund, Western Virginia Water Authority, and the Hotel Roanoke Conference Center Commission are excluded.

(2) Includes expenditures of the General Funds of the City and School Board, less the transfer from the General Fund to the School Board.

(3) During fiscal year 2017, the Stormwater Fund assumed responsibility for all stormwater debt, including that issued prior to the Fund's formation in fiscal year 2014. Debt payments made by the Roanoke City Stormwater Fund are excluded.

(4) Interest payments exclude federal interest subsidies for Recovery Zone Economic Development (RZED) bonds and Qualified School Construction Bonds (QSCB).

City of Roanoke, Virginia

Demographic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population (1)*	Per Capita Income (1)	Personal Income (1)	School Enrollment (2)*	Local Unemployment Rate (3)	National Unemployment Rate (4)
2016	99,849	$ 37,697	$ 3,763,972,000	13,678	4.1	5.1
2017	100,204	39,296	3,937,623,000	13,677	4.5	4.5
2018	99,934	38,905	3,887,953,000	13,788	3.4	4.2
2019	99,628	39,717	3,956,936,000	13,754	2.8	3.4
2020	99,691	41,224	4,109,693,000	14,049	7.9	11.1
2021	100,031	41,768	4,178,049,000	13,854	4.3	6.1
2022	99,891	45,813	4,576,308,000	13,722	3.4	3.8
2023	98,700	50,076	4,942,547,000	13,707	3.1	3.6
2024	97,657	52,732	5,149,660,000	13,709	3.7	4.5
2025	97,171	56,075	5,448,837,000	13,883	3.2	4.1

(1) Source: 2016 - 2023 Bureau of Economic Analysis, *Personal Income Summary (CAINC1)*
(2) Source: Virginia Department of Education, *Fall Membership Report*
(3) Source: Virginia Employment Commission (Roanoke Metropolitan Statistical Area)
(4) Source: Bureau of Labor Statistics
* Note: Data for prior fiscal years was updated to reflect a change in data source.

Table 17

City of Roanoke, Virginia

Construction Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	COMMERCIAL CONSTRUCTION Number of Permits	COMMERCIAL CONSTRUCTION Value	RESIDENTIAL CONSTRUCTION Number of Permits	RESIDENTIAL CONSTRUCTION Value
2016	541	$ 128,368,145	625	$ 20,843,406
2017	2,302	78,154,510	2,642	43,531,306
2018	2,496	179,936,191	1,556	22,051,158
2019	1,171	109,105,574	1,664	23,021,002
2020	1,155	133,592,810	1,481	29,332,097
2021	963	134,905,663	1,708	28,595,264
2022	852	364,472,441 (1)	1,789	33,990,995
2023	848	114,285,266	1,662	39,360,809
2024	690	156,401,968	1,765	49,392,938
2025	812	161,605,799	1,885	56,739,287

(1) Roanoke Memorial Hospital Expansion
Source: City of Roanoke, Planning, Building and Development Department

Table 18

City of Roanoke, Virginia

Principal Employers
Comparison as of December 31, Fiscal Years 2025 and 2015
(Unaudited)

Employer	December 31, 2025 Rank	December 31, 2025 Ownership	December 31, 2025 Number of Employees	December 31, 2015 Rank	December 31, 2015 Ownership	December 31, 2015 Number of Employees
Roanoke Memorial Community Hospital	1	Private	1,000+	-	-	-
Roanoke City Public Schools	2	Local Govt	1,000+	2	Local Govt	1,000+
Carilion Services	3	Private	1,000+	1	Private	1,000+
City of Roanoke	4	Local Govt	1,000+	3	Local Govt	1000+
United Parcel Service "UPS"	5	Private	1,000+	6	Private	1000+
Walmart	6	Private	500-999	7	Private	500-999
Virginia Transformer Corporation	7	Private	500-999	-	-	-
United States Postal Service	8	Federal Govt	500-999	9	Federal Govt	500-999
US Department of Vetran Affairs	9	Federal Govt	500-999	-	-	-
Steel Dynamics - Roanoke Bar Div.	10	Private	250-499	-	-	-
Advance Auto Parts	-	-	-	4	Private	1,000+
Norfolk Southern	-	-	-	5	Private	1,000+
Virginia Western Community College	-	-	-	8	State Govt	500-999
Triad Laboratory Alliance	-	-	-	10	Private	500-999

Source: Virginia Employment Commission (VEC)

Table 19

City of Roanoke, Virginia

Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years
(Unaudited)

	2025	2024	2023	2022	2021	2020 (2)	2019	2018	2017 (1)	2016
Function:										
General government	198	194	181	189	190	189	184	192	194	204
Judicial administration:										
Sheriff	46	42	134	49	52	58	31	37	39	34
Other	49	50	48	49	52	50	53	55	54	60
Public safety:										
Police	290	270	254	247	271	287	306	308	310	313
Jail	152	149	85	176	189	156	159	154	151	173
Fire	284	250	281	270	261	264	241	241	245	253
Other	50	63	25	26	27	60	59	57	62	70
Public works:										
Engineering	9	9	10	12	13	11	11	13	13	13
Maintenance/other	98	98	102	93	102	108	98	107	97	113
Transportation	56	57	47	46	59	65	60	65	63	65
Stormwater	44	44	47	40	42	44	33	33	33	37
Health and welfare	215	219	199	208	214	215	226	209	213	231
Parks, recreation and cultural	105	116	104	104	103	106	99	99	99	104
Civic facilities	23	20	22	22	15	24	25	-	-	-
Community development	44	65	53	52	54	56	56	53	48	52
Total	**1,663**	**1,646**	**1,592**	**1,583**	**1,644**	**1,693**	**1,641**	**1,623**	**1,621**	**1,722**

(1) Starting with fiscal year 2017, using the guidance of the GFOA General Purpose Checklist, the City went back to reporting full-time employees instead of full-time equivalent positions.

(2) In fiscal year 2020, Civic Facilities included 11 furloughed positions.

Source: City of Roanoke, Department of Finance

City of Roanoke, Virginia

Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government										
Levied property taxes	$ 45,915,880	$ 40,673,359	$ 38,964,270	$ 42,661,925	$ 39,263,392	$ 36,675,751	$ 34,817,151	$ 34,027,464	$ 34,198,200	$ 33,465,503
Number of business licenses issued	8,186	10,845	7,413	8,139	9,629	8,291	9,780	7,570	6,741	6,989
Number of property & building permits	2,584	2,455	2,510	2,641	2,456	2,032	2,297	2,167	3,837	3,719
Police										
Number of traffic summons	9,533	8,792	4,336	4,579	5,487	9,546	12,606	12,720	8,455	9,535
Number of assistance call responses	90,389	91,029	94,735	97,728	87,258	92,930	92,140	144,678	87,422	88,250
Number of hours of training conducted	5,198	5,608	27,216	14,824	20,833	26,720	29,789	34,232	32,058	26,122
Fire										
Number of emergency call responses	34,150	31,141	32,427	31,764	29,287	28,616	30,191	28,682	28,314	26,900
Highways and streets										
Number of lane miles resurfaced	69	70	55	38	54	57	52	53	40	75
Number of street lights added	49	37	39	19	26	47	16	14	(18)	60
Judicial administration										
Number of criminal cases	5,031	4,673	4,892	4,317	5,280	6,867	7,836	7,536	7,350	6,700
Number of traffic cases	14,874	16,238	13,326	8,518	8,173	15,928	19,109	18,323	16,366	16,221
Number of civil cases	12,371	10,432	10,795	10,107	10,593	16,362	19,222	17,926	16,485	18,459
Parks and recreation										
Number of participants served	67,585	94,831	134,932	84,449	20,867	113,898	174,994	177,500	166,000	163,000
Education										
Number of instructional personnel	2,220	1,365	1,891	1,874	1,768	1,903	1,787	1,688	1,724	1,116
Number of students	13,706	13,707	13,509	13,664	13,697	13,845	13,636	13,601	13,580	13,585
Libraries										
Number of volumes	177,135	156,067	113,519 (1	225,751	225,516	352,081	288,546	283,291	268,306	258,615
Number of audio materials	4,950	16,171	3,674 (1	17,986	10,952	25,035	27,261	16,558	14,637	13,355
Number of video materials	32,344	26,035	45,089 (1	53,845	53,857	46,345	41,993	42,851	36,505	32,435
Number of annual library visits	435,077	553,826	429,310 (1	333,584	87,656	484,895	679,799	625,586	558,883	554,042
Economic development										
Number of business contacts made	312	796	926	1,349	830	861	1,166	737	808	766
Housing and neighborhood services										
Total housing units	45,904	45,547	45,394	47,201	47,301	47,281	47,210	47,288	47,305	47,381
Average assessed value of single-family housing units	$ 177,447	$ 161,012	$ 180,237	$ 160,296	$ 144,237	$ 137,947	$ 132,091	$ 128,453	$ 125,495	$ 124,482

Sources: Various City of Roanoke departments and Roanoke City Public Schools

(1) Library Department switched over to a new management system in FY2023, figures are lower because they removed duplicate materials and discarded materials that were no longer physically in the libraries but still in the system.

City of Roanoke, Virginia

Capital Asset Statistics by Function
Last Ten Fiscal Years
(Unaudited)

Function	2025	2024	2023	2022	2021	2020		2019	2018	2017	2016
Police											
Number of vehicular units	195	175	162	162	161	152		163	157	156	161
Fire											
Number of stations (1)	11	11	11	11	11	11		11	11	11	11
Number of fire trucks	21	27	26	44	42	30		30	29	29	29
Highways and streets											
Miles of streets (lane miles)	1,136	1,287	1,136	1,130	1,105	1,114		1,054	1,054	1,054	1,054
Number of street lights	10,167	10,102	10,102	10,074	9,957	10,049		10,014	9,998	9,984	10,002
Parks and recreation											
Parks, plazas and recreation sites	69	69	69	64	63	70	(2)	71	71	71	71
Playgrounds/play areas	65	65	66	74	74	73	(3)	97	97	94	94
Football/soccer fields	26	26	26	27	24	24		28	28	24	24
Baseball/softball fields	27	27	26	27	27	27		27	27	29	29
Olympic-size swimming pools	1	2	2	2	2	2		2	2	2	2
Community centers	8	8	8	8	8	8		8	8	6	6
Education											
Elementary schools	17	17	17	17	17	17		17	17	17	17
Middle schools	5	5	5	5	5	5		5	5	5	5
High schools	2	2	2	2	2	2		2	2	2	2
Libraries											
Libraries	6	6	6	6	7	7		7	7	7	7
Kiosks	3	3	3	3	3	2		2	2	2	2

(1) Excludes non-staffed fire stations
(2) Historically, fitness stations were counted in three different parks. Effective fiscal year 2020, they were consolidated into one per location.
(3) Effective fiscal year 2020, adjacent playgrounds that were in close proximity to one another were consolidated into one per location.

Source: City of Roanoke - various departments and Roanoke City Public Schools

Compliance Section

City of Roanoke, Virginia

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Grant Program/Cluster Title	Federal Assistance Listing Number	Identifying Number	Total Federal Expenditures	Passed-Through to Subrecipients	Notes
U.S. DEPARTMENT OF AGRICULTURE:					
Passed Through Commonwealth of Virginia Department of Agriculture:					
Child Nutrition Cluster:					
USDA Food Service Program	10.555	N/A	$ 4,095	$ -	
Total Child Nutrition Cluster			4,095	-	
Subtotal Passed Through Commonwealth of Virginia			4,095	-	
TOTAL U.S. DEPARTMENT OF AGRICULTURE			**4,095**	**-**	
ENVIRONMENTAL PROTECTION AGENCY:					
Direct Programs:					
Brownfields Assessment Grant FY23	66.818	BF-95318801-0	108,397	-	
TOTAL ENVIRONMENTAL PROTECTION AGENCY			**108,397**	**-**	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:					
Direct Programs:					
Community Development Block Grant Cluster					
Community Development Block Grant PY21	14.218	B-21-MC-51-0020	(16,835)	-	
Community Development Block Grant PY22	14.218	B-22-MC-51-0020	192,004	-	
Community Development Block Grant PY23	14.218	B-23-MC-51-0020	50,839	43,063	
Community Development Block Grant - CV CARES FY20	14.218	B-23-MW-51-0020	28,270	-	
Community Development Block Grant PY24	14.218	B-24-MC-51-0020	1,277,397	767,716	
Subtotal Community Development Block Grant Cluster			1,531,675	810,779	5.1
Emergency Solutions Grant PY23	14.231	E-23-MC-51-0020	24,592	24,592	
Emergency Solutions Grant PY24	14.231	E-24-MC-51-0020	136,132	125,330	
Subtotal Emergency Solution Grant			160,724	149,922	5.2
HOME Investment in Affordable Housing - ARP 22	14.239	M-21-MP-51-0206	(78)	-	
HOME Investment Partnerships Program PY21	14.239	M-21-MC-51-0206	(6,590)	-	
HOME Investment Partnerships Program PY22	14.239	M-22-MC-51-0206	55,479	34,100	
HOME Investment Partnerships Program PY23	14.239	M-23-MC-51-0206	323,598	-	
Subtotal HOME Investment Partnerships Program			372,409	34,100	5.3
Continuum Of Care HAT Program FY24	14.267	VA0031LF022215	(14,494)	-	
Continuum Of Care Assessment FY24	14.267	VA0300L3F022408	18,654	-	
Continuum Of Care HAT Program FY25	14.267	VA0031L3F022316	120,546		
Continuum Of Care Planning FY25	14.267	HUD 2023 CoC BRCCPP	87,178	87,178	
Continuum Of Care Assessment FY25	14.267	VA0300L3F022408	9,960	-	
Subtotal Continuum of Care			221,844	87,178	5.4
Lead Hazard Control Grant FY21	14.900	VALHD0440-20	942,182	-	
Healthy Homes Production Grant FY22	14.913	VAHHP0045-22	519,343	370,769	5.5
Lead Hazard Control Grant FY24	14.905	VALHD0570-24	77,625	-	
Subtotal Lead Hazard Control			1,539,150	370,769	
Subtotal Department of Housing and Urban Development Direct Programs			3,825,802	1,452,748	
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			**3,825,802**	**1,452,748**	

City of Roanoke, Virginia

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Grant Program/Cluster Title	Federal Assistance Listing Number	Identifying Number	Total Federal Expenditures	Passed-Through to Subrecipients	Notes
U.S. DEPARTMENT OF THE INTERIOR:					
State Historic Preservation Grant FY24	15.904	P23AF01015	12,957	-	
TOTAL U.S. DEPARTMENT OF THE INTERIOR			**12,957**	**-**	
U.S. DEPARTMENT OF JUSTICE:					
Direct Programs:					
State Criminal Alien Assistance Program FY23	16.606	O-BJA-2023-171698	7,742	-	
State Criminal Alien Assistance Program FY24	16.606	15PBJA-24-RR-06008-SCAA	1,827	-	
Subtotal SCAAP Program			9,569	-	
Bulletproof Vest FY23	17.607	None provided	13,635	-	
Subtotal Bulletproof Vests			13,635	-	
Byrne JAG Covid-19 Emergency Supplement FY22	16.034	Byrne JAG CESF	(5,796)	-	
Byrne JAG FY23 (PY22)	16.738	15BPJA-22-GG-02279-JAGX	22,507	-	
Byrne JAG FY24 (PY23)	16.738	15PBJA-23-GG-03883-JAGX	5,247	-	
Subtotal Justice Assistance			21,958	-	
Passed Through National Recreation and Park Association:					
National Recreation and Park Association Grant	16.726	15JDP-22-GG-03735-MENT	2,127	-	
Subtotal Passed Through National Recreation and Park Association			2,127	-	
Passed Through Virginia Department of Criminal Justice Services:					
Domestic Violence Victim Grant FY25	16.575	2025-DVVF-GRANT-GF	27,688	-	
Subtotal Office on Violence Against Women			27,688	-	
Victim Witness FY25	16.588	25-O1092VW22	162,638	-	
Subtotal Victim Witness Assistance			162,638	-	
VSTOP Grant Program CY24 - CY25	16.588	24-V3153VA22	50,856	-	
Subtotal VSTOP			50,856	-	
Juvenile Justice and Delinquency Prevention FY25	16.540	2020-JX-FX-0032	60,984	-	
Subtotal Juvenile Justice Pass Through Programs			60,984	-	
Byrne JAG FY25 (PY24)	16.738	2019-MU-BX-0026 / 548694	99,889	-	
Subtotal Byrne JAG Pass Through Programs			99,889	-	
Subtotal Passed Through Commonwealth of Virginia			402,055	-	
Passed Through George Mason University:					
Byrne Discretionary Community Project - Mental Health	16.738	None provided	(2,496)	-	
Subtotal Discretionary Community Project			(2,496)	-	
Subtotal Passed Through George Mason University			(2,496)	-	
TOTAL U.S. DEPARTMENT OF JUSTICE			**446,848**	**-**	

City of Roanoke, Virginia

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Grant Program/Cluster Title	Federal Assistance Listing Number	Identifying Number	Total Federal Expenditures	Passed-Through to Subrecipients	Notes
U.S. DEPARTMENT OF LABOR:					
Passed Through Commonwealth of Virginia					
Virginia Community College System/USDOL:					
WIOA Cluster					
WIA/WIOA Adult Program	17.258	23A55AT000020	375,029	375,029	
Subtotal Workforce Innovation and Opportunity Act Adult			375,029	375,029	
WIA/WIOA Youth Activities	17.259	23A55AY000030	408,442	408,442	
Subtotal Workforce Innovation and Opportunity Act Youth			408,442	408,442	
WIA/WIOA Dislocated Worker Formula Grants	17.278	23A55AW000023	312,364	312,364	
Subtotal Workforce Innovation and Opportunity Act Dislocated Worker			312,364	312,364	
Subtotal Passed Through Commonwealth of Virginia			1,095,835	1,095,835	5.6
TOTAL U.S. DEPARTMENT OF LABOR			**1,095,835**	**1,095,835**	
Total WIOA Cluster			**1,095,835**	**1,095,835**	
U.S. DEPARTMENT OF TRANSPORTATION:					
Direct Programs:					
Safe Streets and Roads for All (SS4A)	20.939	DOT-SS4A-FY22-01	269,863	-	
Subtotal Department of Transportation Direct Program			269,863	-	
Passed Through Commonwealth of Virginia Department of Motor Vehicles:					
Highway Safety Cluster					
DMV Pedestrian/Bike FY24	20.600	None provided	1,069	-	
DMV Pedestrian/Bike FY25	20.616	BFHLE-2025-55071-25071	5,235	-	
DMV Traffic Services Grant FY24	20.600	None provided	12,413	-	
DMV Traffic Services Grant FY25	20.600	None provided	37,100	-	
DMV Highway Safety Grant FY24	20.600	None provided	120,497	-	
DMV Highway Safety Grant FY25	20.600	None provided	96,343	-	
Subtotal Highway Safety Cluster			272,657	-	
DMV Alcohol Enforcement FY24	20.607	None provided	9,256	-	
DMV Alcohol Enforcement FY25	20.607	ENF_AL-2025-55068-25068	29,139	-	
			38,395	-	
Aviation Drive Valley View Ped Improvements	20.205	UPC 119555	101,245	-	
Wiley Drive Low Water Bridge	20.205	VDEM-FEMA	462	-	
Tinker Creek Greenway	20.205	UPC 110101	167,903	-	
Roanoke River Greenway - Underhill	20.205	UPC 119666	254,172	-	
SmartSCALE Orange - King and Blue Hills Improvement	20.205	UPC 122120	683,699	-	
Bennett Springs Trailhead Carvins Cove	20.205	VDCR	1,920	-	
Greenway Connection - Riverland Road	20.205	UPC 119586	95,997	-	
Peters Creek Constructed Wetland	20.205	VDEM-FEMA	112,077	-	
HGMP 4512 A/D Eight Flood-prone Properties	20.205	VDEM-FEMA	26,801	-	
Subtotal Highway Planning and Construction			1,444,276	-	
Hazardous Material Response FY21	20.703	None provided	9,969	-	
Hazardous Material Response FY22	20.703	None provided	10,408	-	
Subtotal Hazardous Materials Training and Planning Programs			20,377	-	
Subtotal Passed Through Commonwealth of Virginia			1,775,705	-	
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			**2,045,568**	**-**	

City of Roanoke, Virginia

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Grant Program/Cluster Title	Federal Assistance Listing Number	Identifying Number	Total Federal Expenditures	Passed-Through to Subrecipients	Notes
US DEPARTMENT OF TREASURY:					
Direct Programs:					
ARPA - EOC Renovation	21.027	None provided	233,569	-	
ARPA - Citizen Wi-Fi	21.027	None provided	253,092	-	
ARPA - Axon Cameras	21.027	None provided	324,260	-	
ARPA - Workforce/Skills Development Pathways	21.027	None provided	(1,236,782)	-	
ARPA - Enhanced Mobility	21.027	None provided	406,263	-	
ARPA - Violence Interruption	21.027	None provided	89,682	-	
ARPA - Health and Leadership NW/SE	21.027	None provided	210,000	-	
ARPA - Small Business Grants	21.027	None provided	(130,000)	-	
ARPA - Housing	21.027	None provided	1,030,000	1,030,000	
ARPA - Recreation Center	21.027	None provided	5,066,183	-	
ARPA - Gainsboro Neighborhood Hub	21.027	None provided	188,100	-	
ARPA - Miscellaneous Governance Resiliency	21.027	None provided	3,890,692	250,000	
ARPA - Homelessness Support	21.027	None provided	674,355	140,783	
ARPA - Park Roanoke Capital Maintenance	21.027	None provided	230,446	-	
ARPA - Deferred Outdoor Park Maintenance	21.027	None provided	211,434	-	
ARPA - Roanoke River Kayak Park	21.027	None provided	203,725	-	
ARPA - Belmont-Fallon Target Area Enhancements	21.027	None provided	517,131	-	
ARPA - Multi-Factor Authentication	21.027	None provided	89,855	-	
ARPA - E-911 Location Services	21.027	None provided	85,635	-	
ARPA - Emergency Medical Dispatch	21.027	None provided	155,871	-	
ARPA - Expenditures from Prior Years	21.027	None provided	339,125	-	5.7
Subtotal U.S. Department of Treasury Direct Programs			12,832,636	1,420,783	
Passed Through Virginia Office of the Attorney General:					
Gun Violence Grant VA OG ARPA	21.027	None provided	22,508	-	
Subtotal Passed Through Virginia Office of the Attorney General			22,508	-	
Passed Through Virginia Department of Criminal Justice Services:					
Gun Violence Emergency Relocation Project FY22	21.027	None provided	1,845	-	
Subtotal Passed Through Virginia Department of Criminal Justice Services			1,845	-	
Subtotal American Rescue Plan Act			12,856,989	1,420,783	5.8
TOTAL U.S. DEPARTMENT OF TREASURY			**12,856,989**	**1,420,783**	
NATIONAL ENDOWMENT FOR THE ARTS:					
Direct Programs:					
NEA Our Town FY24	45.024	1913872-42-23	72,651	-	
NEA Daisy Art Activation FY24	45.024	1919450-62-24	55,365	-	
NEA Our Town Arts Connect Neighbors FY25	45.024	1931968-42-24	23,358	-	
Subtotal National Endowment of the Arts Programs			151,374	-	
TOTAL NATIONAL ENDOWMENT FOR THE ARTS			**151,374**	**-**	
U.S. DEPARTMENT OF EDUCATION:					
Passed Through Commonwealth of Virginia Department of Education:					
RCPS 21st Century Literacy FY24	84.287C	S287C240047	13,099	-	
Subtotal 21st Century CLC Program			13,099	-	
Subtotal Passed Through Commonwealth of Virginia			13,099	-	
TOTAL U.S. DEPARTMENT OF EDUCATION			**13,099**	**-**	

City of Roanoke, Virginia

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Grant Program/Cluster Title	Federal Assistance Listing Number	Identifying Number	Total Federal Expenditures	Passed-Through to Subrecipients	Notes
U.S. DEPARTMENT OF HOMELAND SECURITY:					
Direct Programs:					
FEMA Fire Prevention & Safety Grant FY23	97.044	EMW-2023-FP-00164	10,000	-	
Subtotal Department of Homeland Security Direct Programs			10,000	-	
Passed Through Commonwealth of Virginia Department of Emergency Management					
Local Emergency Management Program FY25	97.042	EMP-2024-EP05008	26,241	-	
Subtotal Other State Homeland Security Program			26,241	-	
VDEM SHS Haz Mat Team FY23	97.067	EMW-2022-SS	36,794	-	
VDEM SHS Haz Mat Team FY24	97.067	EMW-2023-SS (1)	101,000	-	
VDEM SHS Haz Mat Team FY25	97.067	EMW-2024-SS-05162 (1)	83,782	-	
SWVA IMT Grant FY22	97.067	Roanoke SHSP IMT FY22	58,574	-	
SWVA IMT Grant FY23	97.067	Roanoke SHSP IMT FY23	28,443	-	
VDEM SHS HTR Technical Rescue Team FY20	97.067	EMW-2019-SS	122	-	
VDEM SHS HTR Technical Rescue Team FY24	97.067	EMW-2023-SS (2)	73,803	-	
VDEM SHS HTR Technical Rescue Team FY25	97.067	EMW-2024-SS-05162 (3)	252	-	
Subtotal Assistance to Firefighters Programs			382,770	-	
Subtotal Passed Through Virginia Department of Emergency Management			409,011	-	
Subtotal Passed Through Commonwealth of Virginia			409,011	-	
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			**419,011**	**-**	
US DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
Passed Through Commonwealth of Virginia Department of Social Services:					
SNAP Cluster					
SNAP	10.561	DSS LASER	3,135,389	-	
Subtotal SNAP Cluster			3,135,389	-	
Guardianship Assistance	93.090	DSS LASER	27,567	-	
IV-E Prevention Services	93.472	DSS LASER	46,548	-	
Promoting Safe and Stable Families	93.556	DSS LASER	94,817	-	
Temporary Assistance for Needy Families	93.558	DSS LASER	1,486,213	-	
Refugee Cash Management	93.566	DSS LASER	112,147	-	
Low-Income Home Energy Assistance Program	93.568	DSS LASER	301,243	-	
Child Care and Development Fund Cluster					
Child Care Mandatory and Matching Funds	93.596	DSS LASER	297,168	-	
Subtotal			2,365,703	-	
Chafee Education & Training Vouchers	93.599	DSS LASER	6,729	-	
Adoption Incentive	93.603	DSS LASER	560	-	
Child Welfare Services - Staff & Operations	93.645	DSS LASER	5,847	-	
Foster Care Title IV-E	93.658	DSS LASER	1,664,913	-	
Adoption Assistance Title IV-E	93.659	DSS LASER	4,845,572	-	
Social Services Block Grant	93.667	DSS LASER	1,324,416	-	
Foster Care Independent Living Program	93.674	DSS LASER	19,627	-	
Elder Abuse Prevention Interventions Program	93.747	DSS LASER	7,970	-	
Family Access Medical Insurance Support	93.767	DSS LASER	34,099	-	
Medicaid Cluster					
Department of Medical Assistance Services	93.778	DSS LASER	2,642,072	-	
Subtotal Passed Through Commonwealth of Virginia			10,551,805	-	
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES			**16,052,897**	**-**	

City of Roanoke, Virginia

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Grant Program/Cluster Title	Federal Assistance Listing Number	Identifying Number	Total Federal Expenditures	Passed-Through to Subrecipients	Notes
U.S. SMALL BUSINESS ADMINISTRATION:					
Passed Through George Mason University:					
Virginia Small Business Development Center CY25	59.037	SBAOEDSB230048-01-00	229,691	-	
Total Small Business Administration			229,691	-	
TOTAL U.S. SMALL BUSINESS ADMINISTRATION			**229,691**	**-**	
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 37,262,563**		

The accompanying notes are an integral part of this schedule.

City of Roanoke, Virginia

Notes to Schedule of Expenditures of Federal Awards

Year End June 30, 2025

Note 1 – Basis of Accounting

This Schedule of Expenditures of Federal Awards (the "Schedule") is prepared on the same basis of accounting as the City of Roanoke's financial statements. The City uses the modified accrual basis of accounting, in which expenditures are generally recognized when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due. Program income earned while administering Federal programs or projects are reported using the additive method. Under this method, expenditures from this income is reported on the Schedule in addition to expenditures made from the original grant.

Note 2 – Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City's portion, are more than shown. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Non-cash Awards – Food Donations

The amount of food commodities reported on the Schedule is the value of the food received by the Roanoke Juvenile Detention Home through the US Department of Agriculture donated food distribution program during current year and priced as net dollar, fair market value as furnished by the US Department of Agriculture.

Note 4 – Indirect Cost Rate

The City uses a direct cost method for administrative expenses within Federal programs. The City has not elected to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 5 – Subrecipient Expenditure Summary

The following charts summarizes Federal funds that passed through the City to subrecipients for the fiscal year ended June 30, 2025:

Note	Group	Total Expenditures
5.1	Community Development Block Grants (CDBG)	$ 810,779
5.2	Emergency Solutions Grants	149,922
5.3	HOME Investments Partnerships Program	34,100
5.4	Continuum of Care Planning	87,178
5.5	Healthy Homes Production Grant	370,769
5.6	Workforce Innovation and Opportunity Act (WIOA)	1,095,835
5.8	Caronavirus State and Local Fiscal Recovery (CSLFRF)	1,420,783
		$ 3,969,366

City of Roanoke, Virginia

Notes to Schedule of Expenditures of Federal Awards

Year End June 30, 2025

Subrecipient	CDBG	Emergency Solutions Grants	HOME	Continuum of Care	Healthy Homes Production Grant	ARPA	WIOA
Blue Ridge Independent Living Center, Inc.	$ -	$ -	$ -	$ -	$ 117,019	$ -	$ -
Bradley Free Clinic of Roanoke Valley	50,000	-	-	-	-	-	-
Children's Trust Foundation Roanoke Valley, Inc.	79,231	-	-	-	-	-	-
Community Housing Partners	152,793	-	-	-	-	-	-
Council of Community Services	75,834	95,337	-	87,178	-	-	-
Family Promise of Greater Roanoke	-	54,585	-	-	-	-	-
Family Service of Roanoke Valley	48,387	-	-	-	-	-	-
Habitat for Humanity		-	34,100	-	-	730,000	-
Renovation Alliance	264,998	-	-	-	253,750	-	-
Restoration Housing	109,881	-	-	-	-	-	-
Roanoke Redevelopment and Housing Authority	-	-	-	-	-	140,783	-
Roanoke Valley-Alleghany Regional Commission	29,655	-	-	-	-	-	-
The Twelve Foundation	-	-	-	-	-	250,000	-
Total Action for Process	-	-	-	-	-	300,000	-
Western Virginia Workforce Development Board	-	-	-	-	-	-	1,095,835
Total	**$ 810,779**	**$ 149,922**	**$ 34,100**	**$ 87,178**	**$ 370,769**	**$ 1,420,783**	**$ 1,095,835**

5.7 CSLFRF expenditures from fiscal year 2022 and 2023 that were excluded from SEFAs. Added here to true-up expenditures with financial statements.

BROWNEDWARDS
certified public accountants

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Members of the City Council
City of Roanoke, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Roanoke, Virginia (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 14, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. **We consider the deficiency, described in the accompanying schedule of findings and questioned costs as Item 2025-001, to be a significant deficiency.**

We consider the deficiency, described in the accompanying schedule of findings and questioned costs as Item 2025-002, to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. **The results of our tests disclosed two instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as Items 2025-010 and 2025-011.**

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
August 14, 2026

BROWNEDWARDS
certified public accountants

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Honorable Members of the City Council
City of Roanoke, Virginia

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the City of Roanoke, Virginia's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Assistance Listing #17.258/17.259/17.278 Workforce Innovation and Opportunity Cluster, #14.900 Lead Hazard Control, #21.027 Coronavirus State and Local Fiscal Recovery Funds, and #14.218 Community Development Block Grant

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions Section of our report, the City of Roanoke, Virginia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on #17.258/17.259/17.278 Workforce Innovation and Opportunity Cluster, #14.900 Lead Hazard Control, #21.027 Coronavirus State and Local Fiscal Recovery Funds, and #14.218 Community Development Block Grant for the year ended June 30, 2025.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City of Roanoke, Virginia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2025.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards

and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal documentation of the City's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on Assistance Listing #17.258/17.259/17.278 Workforce Innovation and Opportunity Cluster, #14.900 Lead Hazard Control, #21.027 Coronavirus State and Local Fiscal Recovery Funds, and #14.218 Community Development Block Grant

As described in the accompanying schedule of findings and questioned costs, the City of Roanoke, Virginia did not comply with the requirements regarding Assistance Listing #17.258/17.259/17.278, Workforce Innovation and Opportunity Cluster as described in finding number 2025-003 for subrecipient monitoring, #14.900 Lead Hazard Control as described in finding number 2025-005 for reporting, #21.027 Coronavirus State and Local Fiscal Recovery Funds as described in finding number 2025-006 for subrecipient monitoring and as described in finding number 2025-007 for reporting, #14.218 Community Development Block Grant as described in finding number 2025-008 for reporting.

Compliance with such requirements is necessary, in our opinion for the City to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that,

individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. **We consider the deficiencies in internal controls over compliance described in the accompanying schedule of findings and questioned costs as Items 2025-003, 2025-004, 2025-006, 2025-007, and 2025-009 to be material weaknesses.**

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance and internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
August 14, 2026

City of Roanoke, Virginia

Summary of Compliance Matters

June 30, 2025

As more fully described in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the City's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

State Compliance Matters

Code of Virginia

- Budget and Appropriation Laws
- Cash and Investment Laws
- Conflicts of Interest Act
- Local Retirement Systems
- Debt Provisions
- Procurement Laws
- Uniform Disposition of Unclaimed Property Act
- Sheriff Internal Controls
- Stormwater Management Program
- Fire Programs Aid to Localities

State Agency Requirements

- Social Services
- Urban Highway Maintenance
- Opioid Abatement Program

Federal Compliance Matters

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal program selected for testing.

Local Compliance Matters

City Charter.

City of Roanoke, Virginia

Schedule of Findings and Questioned Costs

June 30, 2025

A – Summary of Auditor's Results

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **One significant deficiency and one material weakness** relating to the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. **Two instances of noncompliance** material to the financial statements were disclosed.
4. **No significant deficiencies and five material weaknesses** relating to the audit of the major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs expresses a **qualified opinion**.
6. The audit disclosed **five audit findings relating to the major programs**.
7. The programs tested as major were:

Name of Program	Assistance Listing Number
Coronavirus State and Local Fiscal Recovery Funds	21.027
Workforce Innovation and Opportunity Act Cluster:	
WIOA Adult Program	17.258
WIOA Youth Activities	17.259
WIOA Dislocated Worker Formula Grants	17.278
Community Development Block Grant Cluster	14.218
Temporary Assistance for Needy Families	93.558
Medical Assistance Program Cluster	93.778
State Administrative Matching Grants for Supplemental Nutrition Assistance Program Cluster	10.561
Highway Planning and Construction	20.205
Lead Hazard Control	14.900

8. The threshold for distinguishing Type A and B programs was **$1,117,877**.
9. The City was determined **not** to be a **low-risk auditee.**

B – Findings – Financial Statement Audit

2025-001: Auditor Adjustments (Significant Deficiency)

Condition: During the audit, we noted that several year-end adjustments were required to ensure that the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. The adjustments were related to capital assets, pensions, accounts payable, fund balance, long-term debt, earned revenue, and unearned revenue.

Criteria: Financial statements should to be prepared in accordance with accounting principles generally accepted in the United States of America.

Cause: With regard to capital assets and long-term debt, it appears that the rollforward workbooks and supporting schedules were not reviewed before year-end entries were made resulting in additional adjustments. Fund balance was not reconciled to prior year financial report.

Effect: There is an increased risk of financial statement misstatement.

Recommendation: We recommend establishing procedures in which qualified supervisors are reviewing year-end workpapers and reconciliations that feed into the final general ledger and focusing on the accuracy of year-end balances.

View of Responsible Officials and Planned Corrective Action: Management concurs with recommendation. Staffing issues contributed to this condition. Management has developed more breadth of staff to prepare and review reports. This includes the program manager of Lead Safe Roanoke, the Housing Programs and Policy Officer and the Project Grants Manager. Going forward, the City will ensure that reports are prepared and reviewed by separate qualified individuals and that such review is documented.

2025-002: Software Implementation (Material Weakness)

Condition: Due to software implementation at the start of the fiscal year, several balances at yearend needed substantial review and adjusting to correct in preparation for the audit. Balances related to grant revenues, cash, and capital projects were the most affected.

Criteria: Balances at yearend should be tested and reconciled periodically during the year and at yearend.

Cause: Functionality, staff turnover, and staff shortages during implementation phase.

Effect: Delays in the finance department's reconciling of cash. Delays in completing the City's audit. There is an increased risk of financial statement misstatement.

Recommendation: We recommend working with the software provider and internal department of technology to improve the functionality of the system. Also, we recommend continuing to test balances and reconciling throughout the year to ensure accuracy and completeness.

View of Responsible Officials and Planned Corrective Action: Management concurs with the recommendation. The City will continue working with the software provider and the internal Department of Technology to identify and address system functionality issues that contributed to errors and delays in reconciling cash, grant revenues, and capital project balances. Management will also strengthen its year-round review and reconciliation processes, including periodic testing of balances and timely identification and correction of discrepancies. These efforts will help ensure the accuracy and completeness of financial information and reduce the number of adjustments required during the annual audit.

C – Findings and Questioned Costs – Major Federal Award Program Audit

2025-003: Workforce Investment Opportunity Cluster – Assistance Listing #17.258 / 17.259 / 17.278, Subrecipient Monitoring – Material Noncompliance (Material Weakness)

Condition: During our review of subrecipient monitoring, we noted that the City's monitoring was not performed according to the formal written policy. There was a lack of evidence of testing and suggestions to the subrecipient during the fiscal year 2025.

Criteria: According to 2CFR 200.331(a) of the OMB *Compliance Supplement*, the City should make subrecipients aware of award information. According to the City's Program Participant Monitoring Plan, the City is supposed to conduct subrecipient monitoring on a semi-annual basis which should include desk reviews of payroll, disbursements, and other financial items.

Cause: Staff turnover, particularly for the role of grant accountant, caused these procedures to be overlooked. Management prioritized core operating activities with staffing vacancies in lieu of monitoring activities. Management asserts staff went onsite to review key documents, as documented by email activities, but did not document specific items subject to review.

Effect: Noncompliance with federal grant requirements with regard to subrecipient monitoring, as well as an increased risk of subrecipient misusing funds.

Questioned Cost Amount: Not applicable.

Perspective Information: Two out of two subawards.

Recommendation: We recommend performing subrecipient monitoring in accordance with the City's guidelines and following the procedures laid out in the Program Participant Monitoring Plan.

Repeat Finding: 2024-002

View of Responsible Officials and Planned Corrective Action: Management concurs with the finding. The City has reinforced its subrecipient monitoring procedures and will ensure monitoring is performed and documented in accordance with its Program Participant Monitoring Plan. Responsibilities have been clarified, a monitoring schedule and checklist have been implemented, and supervisory review will be incorporated to help ensure required monitoring activities are completed, documented, and retained in the grant files.

2025-004: Lead Hazard Control – Assistance Listing #14.900, Report Preparation – Controls (Material Weakness)

Condition: During our review of reporting, we noted that the City lacked a review process due to departmental constraints. We noted a lack of evidence of review of reporting prior to submission for quarterly reports during the fiscal year 2025.

Criteria: Controls over report review should be in place and documented to ensure timely and accurate reporting.

Cause: Due to the small nature of the department, there is overlap in position responsibilities.

Effect: Increased risk of errors in reporting.

Questioned Cost Amount: Not applicable.

Perspective Information: Quarterly Progress Reports to HUD.

Recommendation: We recommend segregating duties appropriately so that reports can be prepared and reviewed prior to submission by separate individuals. We also recommend maintaining evidence of review.

Repeat Finding: 2024-003

View of Responsible Officials and Planned Corrective Action: Management concurs with recommendation. Staffing issues contributed to this condition. Management has developed more breadth of staff to prepare and review reports. This includes the program manager of Lead Safe Roanoke, the Housing Programs and Policy Officer and the Project Grants Manager. Going forward, the City will ensure that reports are prepared and reviewed by separate qualified individuals and that such review is documented.

City of Roanoke, Virginia

Schedule of Findings and Questioned Costs

June 30, 2025

2025-005: Lead Hazard Control – Assistance Listing #14.900, Report Submission – Material Noncompliance

Condition: During our review of the SF-425 Federal Financial quarterly reports, we noted that two quarterly reports were not submitted.

Criteria: SF-425 Federal Financial quarterly reports are due 30 calendar days after the end of each reporting quarter.

Cause: Due to the small nature of the department, there is overlap in position responsibilities. Gap of grant accountant specifically within the City to prepare these reports.

Effect: Not meeting UG requirements.

Questioned Cost Amount: Not applicable.

Perspective Information: Quarterly reports.

Recommendation: We recommend completing and submitting the quarterly reports within 30 calendar days after the end of each reporting quarter.

View of Responsible Officials: Management concurs with recommendation. Staffing issues contributed to this condition. Management has developed more breadth of staff to prepare and review reports. This includes the program manager of Lead Safe Roanoke, the Housing Programs and Policy Officer and the Project Grants Manager. Going forward, the City will ensure that reports are prepared, reviewed and submitted in a timely manner.

2025-006: Coronavirus State and Local Fiscal Recovery Funds – Assistance Listing #21.027, Subrecipient Monitoring – Material Noncompliance (Material Weakness)

Condition: Subrecipient monitoring was not done according the City's formal, written policy and procedures for funds distributed.

Criteria: Subrecipient monitoring must include following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient by the pass-through entity detected through audits, on-site reviews, and other means.

Cause: Staff turnover, including the lack of a grant accountant.

Effect: Not meeting UG requirements.

Questioned Cost Amount: Not applicable.

Perspective Information: Not applicable.

Recommendation: We recommend preforming subrecipient monitoring in accordance with Uniform Guidance and City policy.

View of Responsible Officials and Planned Corrective Action: Management agrees with the finding. Staff turnover and the lack of a dedicated grant accountant contributed to the deficiencies in the monitoring process. The City is currently correcting this responsibility for subrecipient monitoring. The designated staff has begun desk monitoring of all subrecipients to ensure required monitoring activities are completed and properly documented. These corrective actions will be implemented as part of the City's ongoing grant management processes and will apply to current and future Federal awards subject to subrecipient monitoring requirements.

2025-007: Coronavirus State and Local Fiscal Recovery Funds – Assistance Listing #21.027, Reporting – Material Noncompliance (Material Weakness)

Condition: During our review of the Project and Expenditures quarterly reports, we noted that support was not available for review. Also, we noted that the Quarter 3 (April 2025-June 2025) cumulative totals of expenditures did not agree to the total amounts reported on the schedule of expenditures of federal awards for the past four years and the reconciled remaining balance of funds recorded as unearned revenue.

Criteria: Quarterly project and expenditures reports submitted should agree to supporting documentation, reconciled to current and prior SEFAs (Schedule of Expenditures of Federal Awards), and related account balances on the general ledger.

Cause: Staff turnover, including the lack of a grant accountant.

Effect: Increased risk of errors in reporting. Not meeting UG requirements**.**

Questioned Cost Amount: Not applicable.

Perspective Information: Not applicable.

Recommendation: We recommend maintaining the supporting documentation on a shared drive for easy access and making sure the information keyed into the reports agrees to supporting documentation. We also recommend reconciling to the SEFA and related balances in the general ledger.

View of Responsible Officials and Planned Corrective Action: Management concurs recommendation. The City acknowledges that supporting documentation was not readily available for review for the Project and Expenditures quarterly reports and that the Quarter 3 cumulative expenditures did not agree with the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA) and the reconciled remaining balance of funds recorded as unearned revenue. Staff turnover, financial system challenges, and the lack of a dedicated grant accountant contributed to these deficiencies. Corrective action has already begun for preparing, reviewing, and maintaining Federal award reporting documentation. Supporting documentation for quarterly Project and Expenditures reports will be maintained in a designated shared electronic drive and organized by reporting period and Federal award to ensure documentation is readily accessible for review. A reconciliation was completed for the quarter ending June 30, 2026, and the quarterly report agrees to the general ledger.

2025-008: Community Development Block Grant – Assistance Listing #14.218, Reporting Submission – Material Noncompliance

Condition: During our review of the CDBG and CDBG-CV PR29 Cash on Hand quarterly reports, we noted that one out of two tested were not submitted timely.

Criteria PR29 quarterly reports are due 30 days after program quarter end.

Cause Staff turnover.

Effect Not meeting UG requirements.

Questioned Cost Amount Not applicable.

Perspective Information Not applicable.

Recommendation We recommend submitting the PR29 quarterly timely.

View of Responsible Officials and Planned Corrective Action Management concurs with recommendation. Staffing issues contributed to this condition. Management has developed more breadth of staff to prepare and review reports. This includes the program manager of Lead Safe Roanoke, the Housing Programs and Policy Officer and the Project Grants Manager. Centralization of financial management tasks within the Housing office is also planned. Going forward, the City will ensure that reports are prepared, reviewed and submitted in a timely manner.

2025-009: Community Development Block Grant – Assistance Listing #14.218, Report Preparation – Controls (Material Weakness)

Condition During our review of reporting, we noted that the City lacked a review process due to departmental constraints. We noted a lack of evidence of review of reporting prior to submission for quarterly reports during the fiscal year 2025.

Criteria Controls over report review should be in place and documented to ensure timely and accurate reporting.

Cause Due to the small nature of the department, there is overlap in position responsibilities.

Effect Increased risk of errors in reporting.

Questioned Cost Amount Not applicable.

Perspective Information Quarterly Progress Reports to HUD.

Recommendation We recommend segregating duties appropriately so that reports can be prepared and reviewed prior to submission by separate individuals. We also recommend maintaining evidence of review.

View of Responsible Officials and Planned Corrective Action Management concurs with recommendation. Staffing issues contributed to this condition. Management has developed more breadth of staff to prepare and review reports. This includes the program manager of Lead Safe Roanoke, the Housing Programs and Policy Officer and the Project Grants Manager. Going forward, the City will ensure that reports are prepared, reviewed and approved by someone other than the preparer and submitted in a timely manner.

D – Findings – Commonwealth of Virginia

2025-010: Commonwealth of Virginia – Vendor Payments

Condition: In one instance, a vendor payment for construction in progress was made over 45 days from the invoice date. Virginia Public Procurement Act (VPPA) requires local governments to pay vendors within 45 days if no other payment date is specific in the contract. The payment date means either (i) the date on which payment is due under the terms of the contract or (ii) 45 days after receipt for approval of such invoices for the amount due or the receipt of goods/services, whichever is later.

Recommendation: We recommend paying vendors in accordance with VPPA guidelines.

View of Responsible Officials and Planned Corrective Action: Management concurs with recommendation.

2025-011: Budget Appropriation

Condition: Public Safety and Public Works expenditures exceeded budget appropriations. The legal level of budgetary compliance is at the department level.

Recommendation: Steps should be taken to ensure that excess expenditures over budgeted appropriations be approved by City Council and the budget amended accordingly.

View of Responsible Officials and Planned Corrective Action: Management acknowledges that expenditures in the Public Safety and Public Works departments exceeded the approved expenditure budget at year end.

The variance in Public Safety was primarily attributable to higher-than-budgeted overtime and temporary wage expenditures. In Public Works, the variance was primarily attributable to higher rates and corresponding increases in street lighting charges, as well as increased expenditures Facilities third-party maintenance contracts due to staffing shortages and the need to outsource work. To address this issue for FY2026, Management increased prepared food and beverage taxes to address overtime, temporary wages, and facilities deferred maintenance. This will also include strengthening its monitoring of departmental expenditure throughout the fiscal year. When expenditure is projected to exceed the approved departmental appropriation, management will coordinate with the Finance Department to determine the appropriate strategies to properly amend the budget.

City of Roanoke, Virginia

Summary Schedule of Prior Audit Findings

June 30, 2025

A – Findings – Financial Statement Audit

2024-001: Auditor Adjustments (Significant Deficiency)

Condition: During the audit, we noted that several year-end adjustments were required to ensure that the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. The adjustments were related to capital assets, pensions, accounts payable, fund balance, long-term debt, earned revenue, and unearned revenue.

Criteria: Financial statements should to be prepared in accordance with accounting principles generally accepted in the United States of America.

Cause: With regard to capital assets and long-term debt, it appears that the rollforward workbooks and supporting schedules were not reviewed before year-end entries were made resulting in additional adjustments. Fund balance was not reconciled to prior year financial report.

Effect: There is an increased risk of financial statement misstatement.

Recommendation: We recommend establishing procedures in which qualified supervisors are reviewing year-end workpapers and reconciliations that feed into the final general ledger and focusing on the accuracy of year-end balances.

Current Status: Still applicable. See 2025-001.

B – Findings and Questioned Costs – Major Federal Award Program Audit

2024-002: Workforce Investment Opportunity Cluster – Assistance Listing #17.258 / 17.259 / 17.278, Subrecipient Monitoring (Significant Deficiency)

Condition: During our review of subrecipient monitoring, we noted that the City's monitoring was not being performed according to the formal written policy. There was a lack of evidence of testing and suggestions to the subrecipient during the fiscal year 2024.

Criteria: According to 2CFR 200.331(a) of the OMB Compliance Supplement, the City should make subrecipients aware of award information. According to the City's Program Participant Monitoring Plan, the City is supposed to conduct subrecipient monitoring on a semi-annual basis which should include desk reviews of payroll, disbursements, and other financial items.

Cause: Staff turnover, particularly for the role of grant accountant, caused these procedures to be overlooked. Management prioritized core operating activities with staffing vacancies in lieu of monitoring activities. Management asserts staff went onsite to review key documents, as documented by email activities, but did not document specific items subject to review.

Effect: Noncompliance with federal grant requirements with regard to subrecipient monitoring, as well as an increased risk of subrecipient misusing funds.

Questioned Cost Amount: Not applicable.

Perspective Information: Two out of two subawards.

Recommendation: We recommend performing subrecipient monitoring in accordance with the City's guidelines and following the procedures laid out in the Program Participant Monitoring Plan.

Repeat Finding: 2023-001

Current Status: Still applicable. See 2025-003.

2024-003: Lead Hazard Control – Assistance Listing #14.900, Reporting

Condition: During our review of reporting, we noted that the City lacked a review process due to departmental constraints. We noted a lack of evidence of review of reporting prior to submission for quarterly reports during the fiscal year 2024.

Criteria: Controls over report review should be in place and documented to ensure timely and accurate reporting.

Cause: Due to the small nature of the department, there is overlap in position responsibilities.

Effect: Increased risk of errors in reporting.

Questioned Cost Amount: Not applicable.

Perspective Information: Quarterly Progress Reports to HUD.

Recommendation: We recommend segregating duties appropriately so that reports can be prepared and reviewed prior to submission by separate individuals. We also recommend maintaining evidence of review.

Current Status: Still applicable. See 2025-004.

C – Findings – Commonwealth of Virginia

2024-004: Commonwealth of Virginia – Disclosure Statements

Condition: In three of 82 instances, disclosure statements were filed after the 2/1/24 deadline.

Recommendation: We recommend ensuring disclosure statements are filed in a timely manner.

Current Status: No longer applicable.

2024-005: Commonwealth of Virginia – Appropriations

Condition: Actual expenditures exceeded budget expenditures for several departments of the General Fund.

Recommendation: We recommend reviewing departmental expenditures during the year and making appropriations as necessary.

Current Status: No longer applicable.

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Department of Finance City of Roanoke, Virginia

Margaret Lindsey, CPA	Director of Finance
Windsor Nevitt	Administrative Assistant IV

Accounting / Accounts Payable

Maryna Mabes	Accounting Supervisor
Michelle Surgeon	Senior Accountant
Erik Reinartsen	Senior Accountant
Veronica Hall	Senior Accountant
Rachel Bishop	Accountant
Dana Cauley	Accounts Payable Coordinator
Samira Shahsavani	Account Technician
Ami Baxi	Account Technician

Management and Budget

Trinity Kaseke	Budget Manager
Corey Alshouse	Budget Administrator
Lesha VanBuren	Budget Analyst

Payroll

Suzanne Barnett	Payroll Supervisor
Joshua Lawson	Senior Payroll Technician
Chris Bailey	Payroll System Coordinator

Retirement

Kayla Gunter	Financial Analyst
Robert Steffe	Senior Accountant
Karen Walker	Accountant Technician
Tanya Catron	Interim Retirement Manager