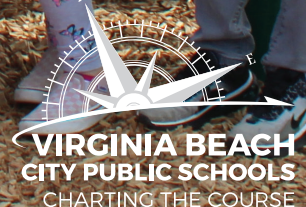


# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE  
FISCAL YEAR  
ENDED  
JUNE 30, 2023



The School Board  
of the City of Virginia Beach  
*(a component unit of the City of Virginia Beach, Virginia)*





**School Board of the City of Virginia Beach**  
(A component unit of the City of Virginia Beach, Virginia)

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2023**

**PREPARED BY**

**OFFICE OF BUSINESS SERVICES**

**Daniel Hopkins, CPA**  
**Director of Business Services**

**Misty Caish, MPA**  
**Accounting Coordinator**

**Michael Jackson**  
**Accounting Coordinator**

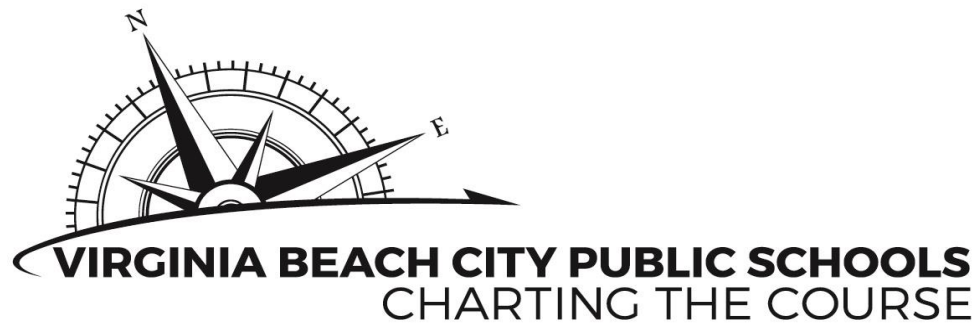
**Thea Jones**  
**Financial Management Specialist**

**Karen Pawley**  
**Principal Accountant**

**Necole Cortes**  
**Principal Accountant**

**Terrashae Burgos**  
**Principal Accountant**

**Theresa Jordan**  
**Principal Accountant**



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**School Board of the City of Virginia Beach, Virginia  
Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 2023**

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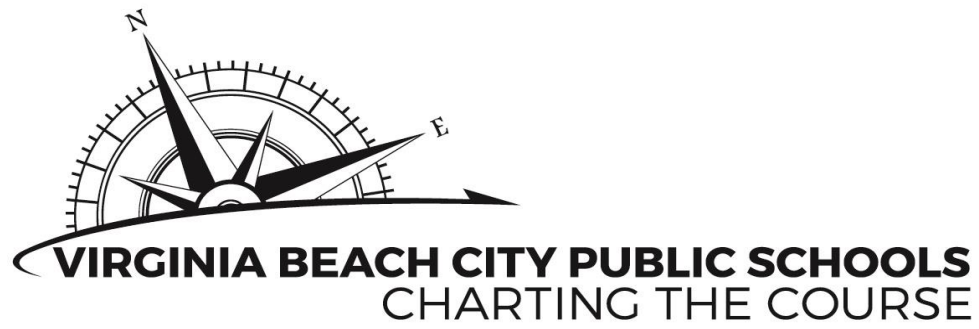


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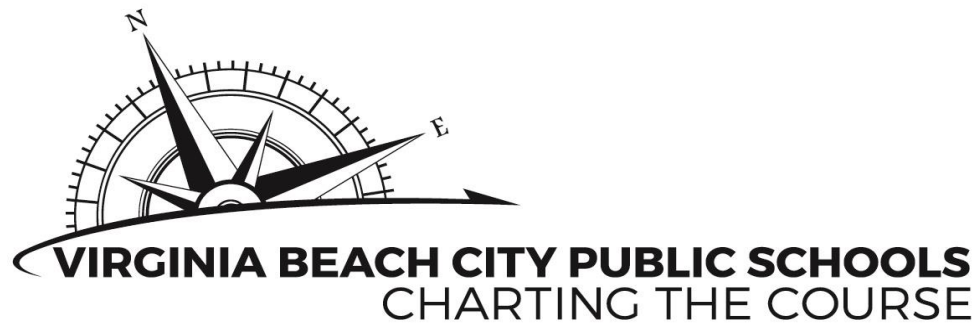
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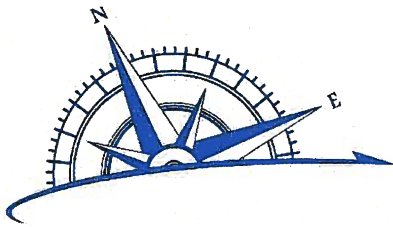
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# INTRODUCTORY SECTION



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# VIRGINIA BEACH CITY PUBLIC SCHOOLS

## CHARTING THE COURSE

December 15, 2023

The Honorable Members of the School Board  
and the Citizens of the  
City of Virginia Beach, Virginia:

We are pleased to submit to you the Annual Comprehensive Financial Report (the ACFR) of the School Board of the City of Virginia Beach, Virginia (the School Board) for the fiscal year ended June 30, 2023. Responsibility for the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Governmental Activities and various funds of the School Board. All disclosures necessary to enable the reader to gain an understanding of the School Board's financial activities have been included.

The ACFR is divided into four sections:

**Introductory Section** – includes this Transmittal Letter, reproductions of the Government Finance Officers Association's (GFOA) and the Association of School Business Officials' (ASBO) financial reporting certificate awards, the School Board members (June 30, 2023), and an Organizational Chart (June 30, 2023).

**Financial Section** – includes the Report of Independent Auditor, Management's Discussion and Analysis (MD&A), Basic Financial Statements, Notes to the Basic Financial Statements, Required Supplementary Information for Retirement, Other Postemployment Benefits and Major Governmental Funds, Notes to the Required Supplementary Information, and Combining and Individual Fund Statements and Schedules for Nonmajor Funds.

**Statistical Section** – includes several tables and graphs that present various financial, student/personnel, demographic, economic, and other information, for the School Board and City of Virginia Beach, generally presented on a multi-year basis.

**Compliance Section** – includes the Report of Independent Auditor 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*.

Accounting principles generally accepted in the United States of America (the GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of MD&A. This Transmittal Letter is designed to complement MD&A and should be read in conjunction with it. The School Board's MD&A is presented immediately following the Report of Independent Auditor.

The School Board is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and Office of Management and Budget Uniform Grant Guidance. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, if any, and auditors' reports, is included in the City of Virginia Beach's ACFR.

## THE REPORTING ENTITY AND ORGANIZATION

The present City of Virginia Beach (the City) was formed on January 1, 1963 by the merger of Princess Anne County and the former, smaller City of Virginia Beach. This merger created one of the largest cities in the Commonwealth of Virginia with an area of 310 square miles and 38 miles of shoreline on the Atlantic Ocean and the Chesapeake Bay.

The School Board is responsible for elementary and secondary education within the city. The elected eleven-member School Board, vested with legislative powers, appoints the Superintendent who is the executive and administrative head of the public school division. The City Council approves the School Board's operating budget, levies the necessary taxes to finance their portion of the operations, and approves the borrowing of money and issuance of bonds when necessary. The City Council is prohibited from exercising any control over specific appropriations within the operating budget of the School Board. However, City Council may exercise control in total by major categories (e.g., Instruction; Administration, Attendance and Health; Pupil Transportation; Operations and Maintenance; Technology) as prescribed by the Code of Virginia, as amended.

In accordance with the requirements of the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government (the City of Virginia Beach), as well as its component units, which are legally separate organizations for which the City Council is financially accountable (e.g., a component unit that is fiscally dependent on the Primary Government). The School Board is considered a component unit of the City and the financial position and results of operations of the School Board are also presented in the City's ACFR. The School Board has no component units for financial reporting purposes.

The School Board is fiscally dependent (i.e., it does not have taxing or levying authority, or borrowing authority). It derives most of its funding from allocations from the City and the Commonwealth of Virginia and is the fourth largest school division in the Commonwealth of Virginia. Cities in Virginia have sole property taxing jurisdiction over the entire area within their boundaries and operate independently of any county government. There are no overlapping

jurisdictions and, consequently, citizens of Virginia cities are not subject to overlapping debt or taxation.

Leadership is provided by the School Board working in concert with the Superintendent. The School Board consists of eleven citizens directly elected to serve four-year overlapping terms. The City's Charter designates that the composition of the School Board consists of one member from among the residents of each of the seven districts elected from the city at-large, with four additional at-large members. The School Board is responsible for setting policy, while the Superintendent and his administrative staff are charged with managing the school division's operations.

The administrative structure is divided into eight operational areas, as follows: Chief of Staff; School Leadership; School Division Services (such as construction, facilities planning, food services, pupil transportation, distribution services, custodial services, maintenance, safe schools, and similar activities); Technology; Budget and Finance; Teaching and Learning; Human Resources; and Communications and Community Engagement.

## ECONOMIC CONDITION AND OUTLOOK

The School Board serves Virginia Beach, the largest city in the Commonwealth of Virginia with a population of more than 457,000 people, and oversees Virginia Beach City Public Schools (VBCPS), the fourth largest school system in Virginia, with an enrollment of roughly 63,000 students and more than 10,000 employees in full-time equivalent positions. Situated on the coast of the Atlantic Ocean adjacent to the Chesapeake Bay, Virginia Beach is 146 air miles from Washington, D.C.

Virginia Beach is well known as a resort community. Its diversification, however, has been the underlying strength of the city's economy. Major components of the city's economic base include advanced manufacturing, information technology, professional services, biomedical, offshore wind, agriculture, the military community consisting of three bases, and the omnipresent resort and convention trade.

The ongoing Economic Development Investment Program (EDIP) promotes business development attraction and expansion. Six new businesses came to the City of Virginia Beach and 11 existing businesses were expanded during the period from July 1, 2022, to June 30, 2023. Through these projects, 1,100 jobs were created, and 3,800 jobs were retained.

- The Virginia Beach Development Authority (VBDA) awarded 12 EDIP grants totaling \$4,060,000, resulting in \$117,900,000 new capital investment in our City.
- Over this fiscal year, 14 companies invested a total of \$468,300,000 in new capital investments in our City.

- Two additional companies located in the International Incubator and the Old Dominion University Data Science Institute established an office in Virginia Beach.
- VBDA approved an EDIP grant of \$800,000 to DroneUp LLC based on their commitment to invest \$6,850,000 in new capital and to create 510 new jobs in the City. Gov. Glenn Youngkin approved a \$928,000 grant from the Commonwealth's Opportunity Fund to assist with the project. The Governor also approved \$4,000,000 in funds from the Virginia Economic Development Incentive Grant.
- VBDA approved an EDIP grant of \$1,500,000 to ZIM American Integrated Shipping Services Co., LLC based on their commitment to invest \$30,000,000 in new capital and to create more than 300 new jobs in the City. Gov. Youngkin approved a \$1,497,300 grant from the Commonwealth's Opportunity Fund to assist Virginia Beach with ZIM's decision to expand its US headquarters within the Hampton Roads region, retaining 292 existing jobs.
- VBDA approved an EDIP grant of \$500,000 to STIHL for a facility expansion project that will increase STIHL's manufacturing capabilities in the City resulting in job creation and retention, as well as a capital investment estimated at \$49,000,000.

**Façade Improvement Grant (FIG) Program:** The FIG program provides matching grants to small, locally owned and operated businesses to these small businesses in making exterior building improvements, which enhanced the overall appearance and attractiveness of these businesses adding to the overall economic vitality of the City.

- This year VBDA awarded a total of 15 grants totaling \$119,384 which resulted in \$463,145 in private investment for façade improvements throughout the City.

**International Incubator:** VBDA maintains office space which is available on a short-term basis to international companies looking to establish a United States presence here in Virginia Beach.

- This year, VBDA welcomed two new tenants to its International Incubator: KAPA Global, a Korean association representing the auto parts sector, and Actualtic, a Barcelona-based engineering company specializing in technological diagnosis, information and communication technology projects design and support services.

**Atlantic Park Project:** VBDA has entered into all contracts as a public partner, holds title to the real estate and administers the Capital Improvement Program onsite. Upon completion of the project, VBDA will hold title to parking garages and entertainment venues.



In the current fiscal year, the Virginia Beach Development Authority will continue outreach and marketing initiatives identified by its targeted key industries as listed below.

- Advanced Manufacturing
- Defense & Aerospace
- IT/Cyber
- Maritime/Logistics
- Renewables
- Bio & Life Sciences
- The HIVE/ Local Business Growth & Entrepreneurship
- Professional Office & Retail

### **OFFSHORE WIND ENERGY**

Virginia Beach has the potential to become a significant offshore wind energy hub. Two of the largest offshore wind farms in the United States will soon find a home in federal waters, just a few miles off the City's shoreline, totaling \$18 billion in private capital investment. The first commercial-scale wind farm, by Dominion Energy, is scheduled to begin construction in 2024, while the second one, by Avangrid Renewables, is expected to start construction in 2026.

Infrastructure in Virginia Beach and across the region is already in place to accommodate businesses in the offshore wind supply chain, providing them with ample opportunities to benefit from the rapid growth of this sector.

### **BIO & LIFE SCIENCES**

Virginia Beach serves as a vibrant hub for both established and emergent companies in the bio and life sciences sector. The City's strategic location on the U.S. East Coast, talent pipeline, bio networks and industry associations, capital access, incentive programs, and commitment to innovation are what makes Virginia Beach a natural fit for this industry.

### **ADVANCED MANUFACTURING**

Given its central location on the East Coast of the United States and its access to an extensive multi-modal transportation network, Virginia Beach offers a logistical advantage to manufacturers looking to transport their goods both domestically and internationally.

By far the biggest appeal to manufacturers located in Virginia Beach is the proximity to the best performing port in North America — The Port of Virginia — which provides direct access to 90 foreign ports via 30 shipping lines with quick and efficient rail service to a number of destinations throughout the United States.

### **MARITIME & LOGISTICS**

Virginia Beach is the location of choice for businesses in the distribution and logistics sector.

Given its close proximity to The Port of Virginia, the deepest harbor on the East Coast, the City has naturally gained a heavy concentration of businesses involved in freight transportation arrangement, marine cargo handling, logistics consulting services, port and harbor operations, coastal and deep-sea freight transportation, supply chain management, and warehousing and storage.

The Hampton Roads region offers competitive wages, a lower cost of living, and the real benefits of a high quality of life.

### **MILITARY & DEFENSE**

The greater Virginia Beach area is home to the largest active-duty military population in the United States, as well as nine major military installations representing all branches of the U.S. Armed Forces. In addition, the only permanent NATO headquarters outside of Europe is located in the greater Virginia Beach area, as are the world's largest naval base and other major military commands including the U.S. Navy's headquarters for computer network command and control.

Private industry support for the area's defense operation plays a major role in the regional economy, creating thousands of jobs and leading significant innovations in new technologies for both military and private sector applications. Two major federal research and development facilities (NASA Langley Research Center and Thomas Jefferson National Accelerator Facility) are responsible for developing new technologies in the fields of materials, sensors, aviation safety, and nuclear science.

### **CYBER SECURITY & INFORMATION TECHNOLOGY**

Virginia Beach is rapidly emerging as a leader in the cybersecurity, information technology, and advanced digital communications industries. Thanks to its advantageous business climate, a robust 21st century fiber broadband infrastructure, a reliable power supply, and a highly skilled workforce, Virginia Beach is a natural choice for the IT and cybersecurity industry.

Virginia Beach has a number of higher education facilities that provide a wide variety of degree and certificate programs to support the area's rapidly expanding private-sector IT core.

Additionally, the greater Virginia Beach area is home to one of the largest active-duty military populations in the United States, which is a real asset for the cybersecurity industry. Every year, many highly trained service members who leave the military choose to remain in the region, which strengthens the labor force and talent pool.

Virginia Beach is primed for the digital future with three of the fastest, highest-capacity transatlantic submarine cables in the world today landing in Virginia Beach. Coupled with its 21st century broadband infrastructure, Virginia Beach can deliver what it takes to fuel a digital economy.

Virginia Beach is also well-positioned to support the growth of the emergent unmanned vehicle systems industry.

### **OFFICE & RETAIL**

Virginia Beach is an extremely attractive location for retailers with locals contributing more than \$6.4 billion in retail sales per year.

A variety of real estate options are available to support headquarters and corporate back-office operations, either in urban office towers, mid-rise buildings, or traditional suburban-style office parks. Additionally, the Virginia Beach MSA has one of the most robust telecommunication infrastructure systems in the U.S. to support all facets of corporate operations.

### **INTERNATIONAL PROFILE**

Virginia Beach's central location on the East Coast of the United States, and proximity to two international airports and the fast-growing Port of Virginia, establish the City as a hub of international commerce. Many international companies choose to locate and grow in Virginia Beach because they enjoy a low-tax, business-friendly environment that encourages business expansion.

The large volume of global trade that takes place in the Virginia Beach area allows businesses to have access to some of the best international business law and immigration attorneys in the United States. Moreover, many banks in the area are also experienced in conducting international financial transactions.

### **LOCAL SUCCESS STORIES**

In 1974, STIHL established its North American headquarters in the City of Virginia Beach. The global leader in handheld outdoor power equipment has since expanded its local manufacturing operation on numerous occasions and has continued to create new employment opportunities for the citizens of Virginia Beach. What initially started as a 20,000-square-foot manufacturing facility for the German manufacturer has grown into a 150-acre campus with two million square feet of combined industrial and office space in the City.

Sanjo Corte Fino, a Spanish metal-stamping company based in Barcelona, announced that it selected Virginia Beach for the site of its North American manufacturing headquarters in 2016. Sanjo, a family-owned business founded in 1967, initially invested \$17.5 million in real estate and equipment in the City of Virginia Beach. Six years after breaking ground on their 24,000-square-foot facility, Sanjo now prepares for an additional investment of \$3.2 million to expand its manufacturing operation in Virginia Beach, creating 40 new jobs as a result.

## **QUALITY OF LIFE**

There is always something fun to do in Virginia Beach! It's one of the reasons Virginia Beach has been called a great place to live, work, and enjoy.

There are 38 miles of beautiful beaches for all to enjoy. With 4,500-plus acres of community parks including First Landing State Park, thousands of visitors flock here each year. There are also numerous outdoor sports and recreational options, and a variety of sporting venues such as public golf courses, softball fields, tennis courts, and many recreation centers.

From the flourishing local culinary scene to the variety of arts and entertainment, to family-friendly attractions, to that special energy and vibe that is Virginia Beach — it's why locals choose to call it home and millions of visitors come here every year.

## **MAJOR INITIATIVES**

Virginia Beach City Public Schools (VBCPS) is committed to providing the best possible experience to meet the needs of students and families.

For the 15th consecutive year, VBCPS has continued to maintain record levels with respect to the On-Time Graduation (OTG) rate, which stands at 95.3% for the 2023 cohort year, and a low dropout rate of 2.8%. VBCPS also outperformed Virginia's rates of 91.9% for OTG and 5.4% for dropouts.

Another indicator of the remarkable success of the school community is the Virginia Department of Education pass rates from the Standards of Learning Assessments for 2022-2023. The data shows VBCPS exceeded the state level of performance in all subject areas and outperformed all local divisions in reading, writing, and science. The division also outperformed seven other comparable divisions in Virginia in reading, mathematics and science, and data shows that VBCPS continues to excel, exceeding pre-pandemic pass rates in Geometry, Algebra II and Earth Science. All of Virginia Beach City Public Schools' 82 testing sites are projected to earn state accreditation again for 2023-2024.

Academic and Career Planning is now mapped from elementary school through graduation. This highlights that VBCPS is intentional about when and how its youngest students begin to be aware of careers and how their educational choices shape their opportunities. VBCPS believes that providing work-based learning (WBL) experiences is a worthwhile part of preparing all students to go out into the world. This is demonstrated through the division's work to expand the robust WBL models at the Entrepreneurship and Business Academy, Advanced Technology Center, and Technical and Career Education Center. WBL was expanded to all high schools and is also supported by a fulltime Work Based Learning specialist. A service-learning component was added to English 10 in 2023 to support the development of robust high quality work based



learning for every student.

Since the industry credential program began in 2002, over 155,000 industry credentials have been earned by VBCPS students. Each year, students have access to over 125 different credentials that link to career fields free of charge. Students build their resume by collecting stackable credentials that prove the professional skills they can demonstrate.

VBCPS recently collaborated with Newport News Shipbuilding to create the Apprentice X program. This program offers 39.5 credits via distance learning from the Apprentice School. This is just the latest example in the continual expansion of dual enrollment in CTE, which currently includes Virginia Teachers for Tomorrow, Early Childhood Education at the Tech Center, Welding, CISCO, Network Administration, Veterinary Assisting, Hotel Management, EMT, and the entire associate degree in business offered at the Entrepreneurship and Business Academy at Kempsville High School.

VBCPS prioritizes creating and fostering meaningful partnerships to enhance student learning opportunities. As such, VBCPS teamed up with Naval Air Station (NAS) Oceana on Project SEARCH, which connects high school students with intellectual and developmental disabilities to internships and on-the-job training. NAS Oceana is the Navy's first installation in the country to host the innovative program and the partnership supports the city's military families and provides pathways to building student independence.

Advancement via Individual Determination (AVID) is a schoolwide approach to teaching and learning which fosters equitable access to educational resources and experiences required for students to be future ready. Through intentional professional learning on Writing, Inquiry, Collaboration, Organization, and Reading, also known as WICOR, teachers are equipped with Tier 1 research-based instructional practices to meet the needs of all students. An AVID elective is also offered to support students in the academic middle. AVID elective students are often first-generation college students and traditionally underrepresented populations. The AVID elective provides students an opportunity to learn, develop and refine skills through the use of WICOR to prepare to become successful lifelong learners. VBCPS started using AVID in 1998, and has expanded the program to include all middle and high schools.

VBCPS cares deeply about each and every student's academic experience, but also about their overall social emotional needs. One of the ways the division is working to enhance those experiences is through the hiring of Family Outreach Representatives to help traditionally underserved families navigate the education process. The Family Outreach Representative (FOR) position is a vital component to the success of Family Engagement. The role of the FOR is to foster authentic communication to engage the school community while creating an inclusive welcoming environment. In addition to enhancing involvement and engagement best practices,

the goal is to promote access to information and resources necessary to ensure academic success, as well as improve social well-being of families and students. The FOR position provides training and resources to staff and families creating a mutually beneficial partnership between home and school. Along with FORs, VBCPS has launched a “Language Ambassadors” program using volunteers to help welcome families whose first language isn’t English into schools.

VBCPS has also hosted hundreds of “Family Connection” webinars to support families and recently held the third annual “Back to School Care Fair” that served thousands of families by providing free backpacks, haircuts, vision and hearing screenings, a vaccination clinic and more.

The VBCPS strategic plan, Compass to 2025, has specific focus areas for equity work. This, combined with the division's core value of innovation - reflected in the behavioral imperative to "be open to change" — means that VBCPS strives to ensure all students are connected to learning and achieving at the highest levels. From workshops on Building Inclusive Communities for division leaders to supporting all stakeholders by promoting belonging through a culture of dignity, VBCPS intentionally places focus on creating environments where children can thrive and where educational excellence is the norm, not the exception.

With equity as a crucial tenet of Compass to 2025, each day, students and adults learn about, develop, and openly practice their social-emotional skills in a safe and inclusive environment that prioritizes the well-being of individuals and the collective community.

As a part of our continued commitment to carry out Board Policy 5-4, Educational Equity, VBCPS completed a division-wide equity assessment and convened an equity plan work team comprised of staff, families, and community partners. This team developed an Educational Equity plan that was adopted by the VBCPS School Board in October 2022.

Key priorities of the equity plan include:

- Ensuring diverse cultures and perspectives are positively represented in the curriculum.
- Creating an environment where all students feel safe, welcome, and included at school.
- Addressing student discipline disparities.
- Increasing access to and success in rigorous learning opportunities for all students.
- Recruiting, retaining, and promoting a workforce representative of the diverse student population.
- Increasing opportunities for stakeholders to be informed and involved.
- Ensuring equitable allocation of resources across schools and students.

VBCPS is dedicated to charting a course for each individual student that includes inclusive, meaningful learning experiences along with the social emotional support and skill-building that will prepare them for long-term success.

## FINANCIAL INFORMATION

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School Board are protected from loss, theft, or misuse; and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The School Board maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Activities of the General Fund and Special Revenue funds are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level for the General Fund and the Special Revenue funds. In addition, certain controls are exercised administratively on the General Fund (e.g., cost center, personnel positions, capital outlay, and certain line-items; and the appropriations related thereto). A cost center is an activity (e.g., Elementary Classroom, Gifted Education and Academy Programs) of a category (e.g., Instruction). In addition, certain controls are exercised on the Special Revenue funds (e.g., federal and state grants, and the appropriations related thereto). The School Board also maintains an encumbrance accounting system as one method of maintaining budgetary control. Outstanding encumbrances of certain governmental funds at the end of the fiscal year are reappropriated as part of the following fiscal year's operating budget.

The School Board has adopted budgets for the following funds: General, Grants, Cafeterias, Textbooks, Communication Towers/Technology, Vending Operations, and Equipment Replacement Funds. As demonstrated by the statements and schedules included in the financial section of this report, the School Board continues to meet its responsibility for sound financial management.

The local government provides an appropriation for education in excess of the Commonwealth of Virginia Standards of Quality (SOQ) payments and determines the level of total education support by means of a Revenue Sharing Formula. The amount derived from the application of this formula is allocated to Debt Service, "Pay As You Go" Capital Improvements, and the Operating Budget. Debt Service, which is managed and controlled by the City, receives the first allocation of funds; "Pay As You Go" Capital Improvements, which are projects which can reasonably be expected to be completed within one year receives the next allocation; and the balance of the funds are allocated as operating budget support.

Long-term financial planning includes a five-year forecast submission to the City establishing underlying assumptions about expected costs, revenues, position turnover, inflation, and enrollment as well as evaluating the budget impact of post-employment benefits, the risk management program, and assessing the fiscal impact of the capital improvement program on

the school division's operations. With over 50 percent of General Fund revenue derived from the City appropriation, assumptions regarding the City's revenue growth play a major role in forecast results and the budget development process. In addition, nearly 85 percent of the School Board's Operating budget is tied to personnel and assumptions related to salary increases, rise in healthcare costs and the impact of pension costs and other post-employment benefits are significant factors in future forecasting.

#### INDEPENDENT AUDIT

An independent audit of the School Board's finances is required each fiscal year by either the Virginia Auditor of Public Accounts or a firm of independent Certified Public Accountants. Accordingly, the records have been audited by Cherry Bekaert LLP and its report on the financial statements is included herein.

#### FINANCIAL REPORTING CERTIFICATE AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School Board for its ACFR for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a governmental entity financial report. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. The ACFR must satisfy both GAAP and applicable legal requirements. A GFOA Certificate is the highest form of recognition awarded in the field of governmental financial reporting and is valid for a period of one year only. We believe that our current ACFR continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine the School Board's eligibility for another certificate award.

In addition, the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the School Board for its ACFR for the fiscal year ended June 30, 2022. ASBO sponsors this Certificate of Excellence in Financial Reporting program to foster excellence in the preparation and issuance of school system annual financial reports. This prestigious international certificate award is the highest form of recognition in school financial reporting and is valid for a period of one year only. We believe that our current ACFR conforms also to the ASBO program requirements, and we are submitting it to the ASBO to determine the School Board's eligibility for another certificate award.

## ACKNOWLEDGMENTS

Preparation of this report would not have been possible without the dedicated efforts of the entire staff of the Office of Business Services. During the year, they rendered professional and knowledgeable financial services to and on behalf of the school division and maintained the financial records on a current and timely basis. We are most appreciative of these efforts and take this opportunity to recognize these outstanding public servants and their dedication, work ethics, and integrity.

In addition, appreciation and recognition is given for the strong conservative policies and practices dictated by the School Board in the oversight of the financial affairs of the school division, which have achieved the results contained in this financial report. The School Board and the administration are commended for their continuing support which is vital to the financial health of the school division and demonstration of the commitment to financial accountability, stewardship, and transparency.

Respectfully Submitted,



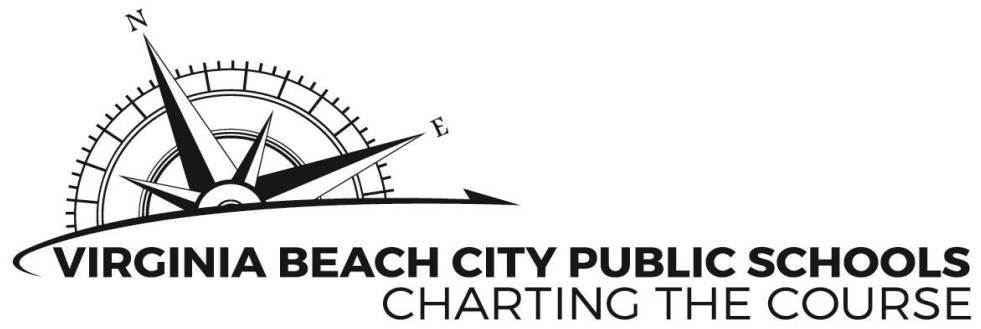
Donald E. Robertson Jr., Ph.D.  
Acting Superintendent



Crystal M. Pate, MPA, CPA  
Chief Financial Officer



Daniel G. Hopkins, CPA  
Director of Business Services



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**SCHOOL BOARD  
OF THE  
CITY OF VIRGINIA BEACH, VIRGINIA  
June 30, 2023**



**Trenace B. Riggs**  
Chair  
District 1 - Centerville

**Carolyn D. Weems**  
Vice Chair  
District 9



**Beverly M. Anderson**  
At-Large



**Kathleen Brown**  
District 10



**Michael Callan**  
District 6



**David Culpepper**  
District 8



**Jennifer Franklin**  
District 2 - Kempsville



**Mrs. Victoria Manning**  
At-Large



**Staci Martin**  
District 4



**Kimberly A. Melnyk**  
District 2



**Jessica L. Owens**  
District 3 - Rose Hall



**Donald E. Robertson Jr., Ph.D.**  
Acting Superintendent



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**School Board of the City of Virginia Beach  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO





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**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

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**The Certificate of Excellence in Financial Reporting  
is presented to**

## **School Board of the City of Virginia Beach**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.



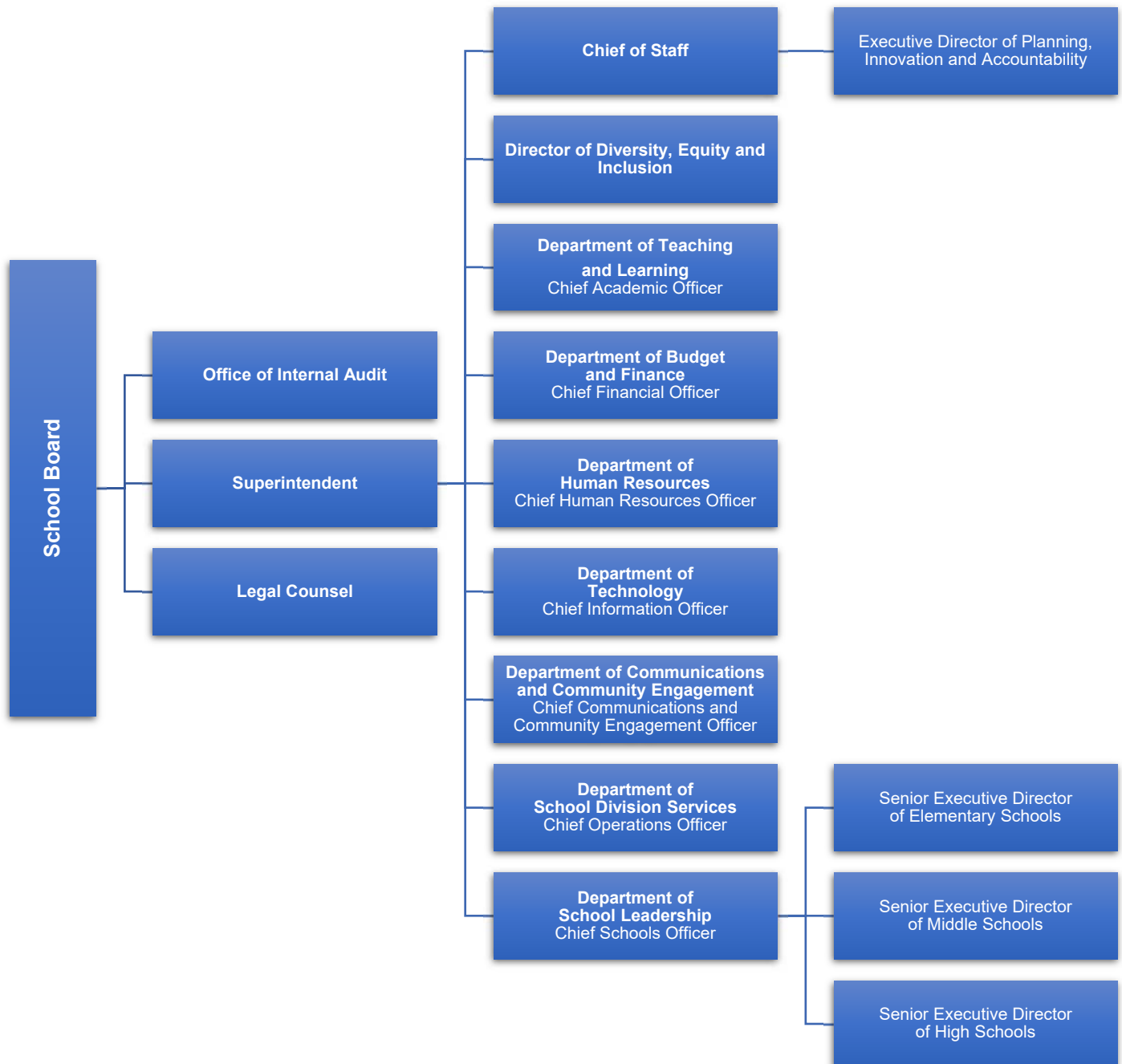
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**John W. Hutchison  
President**

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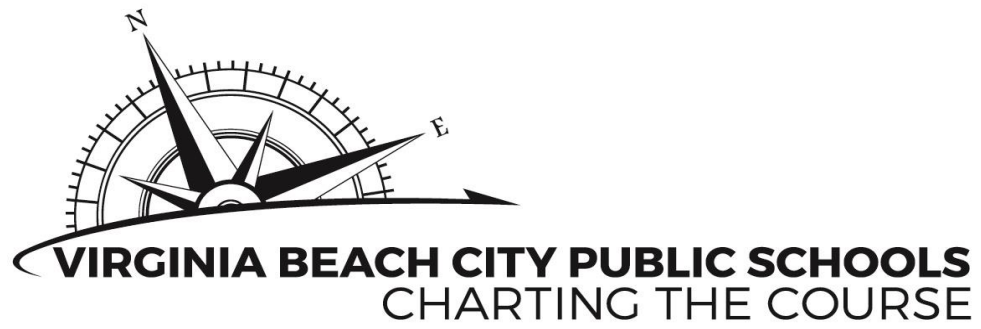
**Siobhán McMahon, CAE  
Chief Operations Officer/  
Interim Executive Director**

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**Organizational Chart**  
**June 30, 2023**



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# FINANCIAL SECTION



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## Report of Independent Auditor

To the Honorable Members of the School Board  
City of Virginia Beach, Virginia

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board of the City of Virginia Beach, Virginia (the "School Board"), a component unit of the City of Virginia Beach, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School Board'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, each major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2023, 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 the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia (the "Specifications"). Our responsibilities under those standards and specifications 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 School Board 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.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 School Board'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, *Government Auditing Standards*, and the Specifications 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, *Government Auditing Standards*, and the Specifications, 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 School Board'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 School Board'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 and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The Other Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is 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 Other Supplementary Information is 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 and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

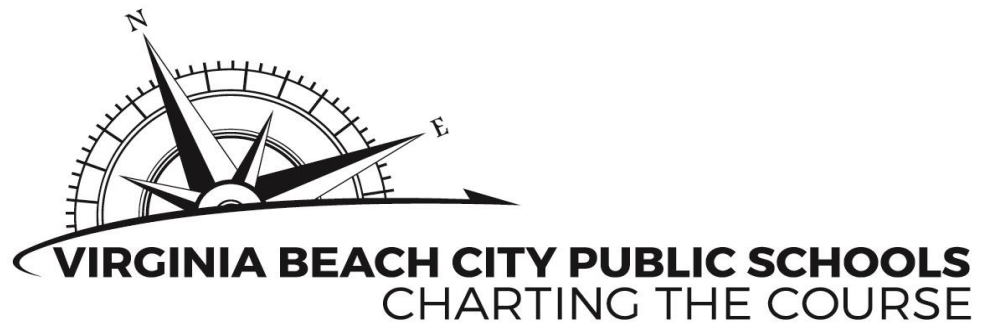
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. 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 December 15, 2023, on our consideration of the School Board'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 School Board'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 School Board's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Cherry Bekaert LLP".

Virginia Beach, Virginia  
December 15, 2023



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**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

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Management's discussion and analysis (MD&A) provides a narrative overview and analysis of the financial activities of the School Board of the City of Virginia Beach, Virginia (the School Board) as of and for the fiscal year ended June 30, 2023. The MD&A should be read in conjunction with the information contained in the transmittal letter, which begins on page 1, and the financial statements and notes, which immediately follow the MD&A.

**FINANCIAL HIGHLIGHTS**

On a government-wide basis for governmental activities, the assets and deferred outflows of the School Board exceeded its liabilities and deferred inflows by \$187,396,898 (net position) at June 30, 2023. Of this amount, \$557,050,053 is investment in capital assets, \$36,829,279 is restricted for grants, cafeterias, textbooks, school activities, and OPEB Asset, and (\$406,482,434) is an unrestricted deficit. The deficit is due to net pension liability and net OPEB liability in the amounts \$462,205,827 and \$157,587,101 respectively.

On a government-wide basis for governmental activities, the School Board's revenues of \$1,072,637,725 exceeded expenses of \$972,469,479 by \$100,168,246.

The School Board's Governmental funds reported total fund balances of \$181,159,481 at June 30, 2023. Of this amount, \$1,682,525 is nonspendable (i.e., inventories, prepaid items, and leases), \$36,783,536 is restricted (e.g. federal and state grantor agencies, cafeterias, textbook adoptions, school activities), \$125,127,828 is committed (e.g., capital projects contracts, communication towers/technology, vending, equipment replacement, school allocations), and \$17,565,592 is assigned (e.g., instructional technology, athletics, instruction, administration, attendance, and health, pupil transportation, operations and maintenance, technology).

In the General Fund, the School Board returned unexpended appropriations and excess revenue (reversion) for Fiscal Year 2023 to the City of Virginia Beach, Virginia (City) in the amount of \$30,388,833 as required by the Code of Virginia, as amended. Based on the Revenue Sharing Formula between the City and the School Board, the initial reversion amount available for re-appropriation in FY2024 will be decreased by (\$4,248,024) due to certain City revenue streams coming in under budget for FY2023. The net reversion of \$26,140,809 is designated for use in Fiscal Year 2024 in the following manner; approximately \$14,890,809 will be re-appropriated to the CIP fund, \$11,000,000 will be re-appropriated to School Reserve Special Revenue Fund for schools replacements in the CIP fund, and \$250,000 re-appropriated to the Athletics Fund for increased expenses.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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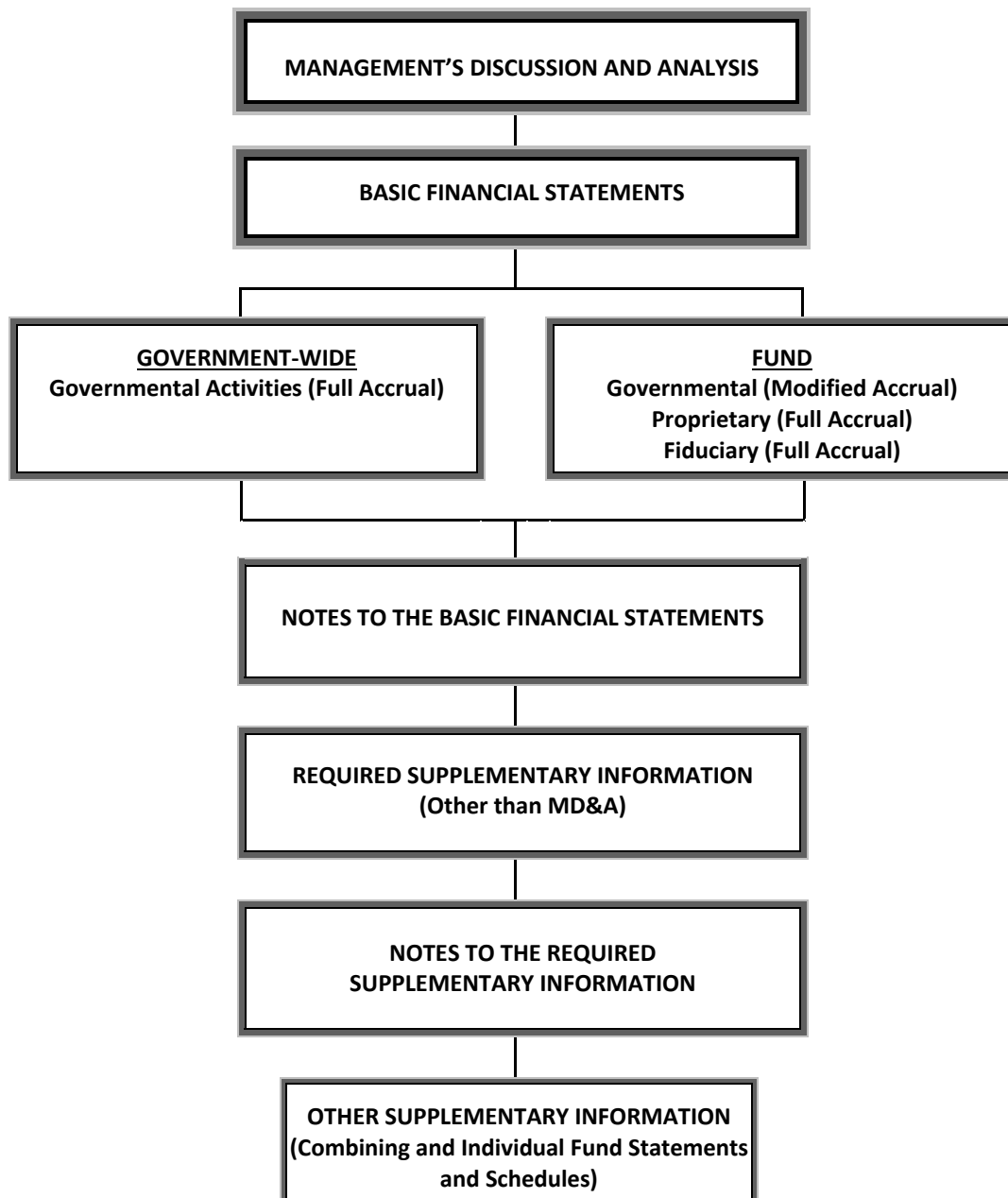
**OVERVIEW OF THE FINANCIAL STATEMENTS**

The MD&A serves as an introduction to the School Board's basic financial statements. The School Board's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

This Annual Comprehensive Financial Report (ACFR) consists of four sections, as follows: Introductory, Financial, Statistical, and Compliance. The following presents the components of the Financial Section of the ACFR.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to present a broad overview of the School Board's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the School Board's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as net position. Increases and decreases in net position over time may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

The Statement of Activities presents information showing how the School Board's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave, claims and judgments).

The government-wide financial statements distinguish functions related to governmental activities (principally supported by taxes and intergovernmental revenues) and business-type activities (intended to recover all or a significant portion of costs through user fees and charges). The School Board reports only governmental activities, since it has no business-type activities.

Both of the government-wide financial statements (Statement of Net Position and Statement of Activities) present governmental activities of the School Board. These governmental activities are principally supported by the City, State sales tax, and intergovernmental revenues. The reported governmental activities of the School Board are Instruction; Administration, Attendance and Health; Pupil Transportation; Operations and Maintenance; Cafeterias; and Technology.

The government-wide financial statements are presented in Exhibits A-1 and A-2 of this report.

**FUND FINANCIAL STATEMENTS**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School Board, like other state and local governments and public school divisions, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the School Board can be divided into three categories: Governmental funds, Proprietary funds, and Fiduciary funds.

**Governmental Funds**

Governmental funds are used to account for essentially the same activities reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds' financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

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available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By conducting this comparison, a better understanding may be achieved in the long-term impact of the School Board's near-term financing decisions. Both the Governmental Funds' Balance Sheet (Exhibit A-3) and the Governmental Funds' Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit A-4) provide a reconciliation for each statement to facilitate this comparison between governmental funds and governmental activities.

The School Board maintains nine individual governmental funds. Information is presented separately in the Governmental Funds' Balance Sheet (Exhibit A-3) and in the Governmental Funds' Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit A-4) for the General, School Grants, School Cafeterias, and Capital Projects Funds, which are considered to be major funds. Data from the other five governmental funds, which are considered nonmajor funds, are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is presented in the form of combining statements in Statements D-1 and D-2 of this report.

The School Board adopts an annual appropriated budget for all its major and nonmajor governmental funds, except the School Activity Fund and Capital Projects Fund (appropriations for capital projects do not parallel the School Board's fiscal year). Budgetary comparison schedules have been provided for the General, School Grants, and School Cafeterias Funds in the Required Supplementary Information section of this report (Schedules C-1 through C-3) to demonstrate compliance with this budget. Individual fund budgetary comparison schedules for each nonmajor fund are presented in Schedules D-3 through D-6 of this report to also demonstrate compliance with this budget.

As noted above, the basic governmental funds' financial statements are presented in Exhibits A-3 and A-4 of this report.

**Proprietary Funds**

The School Board maintains one type of Proprietary fund, which is the Internal Service Fund type. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the School Board's various activities and the City. The School Board uses Internal Service funds to account for its Risk Management and Health Insurance programs. Because both of these services predominantly benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

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Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Both Internal Service funds are combined into a single, aggregated presentation in the proprietary funds' financial statements (Exhibits A-5 through A-7). Individual fund data for the Internal Service funds is presented in the form of combining statements in Statements E-1 through E-3 of this report.

As noted above, the basic proprietary fund financial statements are presented in Exhibits A-5 through A-7 of this report.

**Fiduciary Fund**

The fiduciary fund is used to account for resources held for the benefit of parties outside the government. The fiduciary fund is not reflected in the government-wide financial statements because the resources of those funds are not available to support the School Board's programs.

The School Board's Fiduciary fund is a Trust fund for the Other Postemployment Benefits (OPEB) fund which accounts for assets in essentially the same manner as a Proprietary Fund using the economic resources measurement focus.

The basic fiduciary fund financial statements are presented in Exhibit A-8 and A-9 of this report.

**Notes to the Basic Financial Statements and the Required Supplementary Information**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and the required supplementary information.

The Notes to the Basic Financial Statements begin after Exhibit A-9 and the Notes to the Required Supplementary Information begin after Schedule C-3 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School Board's retirement plans and Other Postemployment Benefits for the professional and nonprofessional employees.

Required supplementary information begins after the Notes to the Basic Financial Statements. As noted above, the combining statements for the Nonmajor Governmental funds are presented in Statements D-1 and D-2; and the combining statements for the Internal Service funds are presented in Statements E-1 through E-3 of this report.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**NET POSITION**

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$187,396,898 (net position) at June 30, 2023, as illustrated in the Summary of Net Position (with comparative amounts at June 30, 2022), as follows:

<b>Summary of Net Position</b>			
	<b>2023</b>	<b>2022</b>	<b>Variance</b>
Current & Other Assets	\$ 419,387,668	\$ 384,690,711	\$ 34,696,957
Capital Assets, net	<u>570,672,899</u>	<u>568,391,642</u>	<u>2,281,257</u>
Total Assets	<u>\$ 990,060,567</u>	<u>\$ 953,082,353</u>	<u>\$ 36,978,214</u>
Deferred Outflows	<u>\$ 162,270,280</u>	<u>\$ 177,570,604</u>	<u>\$ (15,300,324)</u>
Current Liabilities	\$ 161,600,021	\$ 137,883,504	\$ 23,716,517
Net Pension Liability	462,205,827	374,959,932	87,245,895
Net OPEB Liability	157,587,101	144,993,753	12,593,348
Other Noncurrent Liabilities	<u>36,314,348</u>	<u>33,814,609</u>	<u>2,499,739</u>
Total Liabilities	<u>\$ 817,707,297</u>	<u>\$ 691,651,798</u>	<u>\$ 126,055,499</u>
Deferred Inflows	<u>\$ 147,226,652</u>	<u>\$ 351,772,507</u>	<u>\$ (204,545,855)</u>
Net Position:			
Net Invested in Capital Assets	\$ 557,050,053	\$ 564,465,917	\$ (7,415,864)
Restricted for:			
Grants	4,762,445	3,856,966	905,479
Cafeterias	20,802,112	19,014,788	1,787,324
Textbooks	5,991,443	5,509,053	482,390
School Activities	5,227,536	4,983,205	244,331
Net OPEB Asset	45,743	-	45,743
Unrestricted (Deficit)	<u>(406,482,434)</u>	<u>(510,601,277)</u>	<u>104,118,843</u>
Total Net Position (Deficit)	<u>\$ 187,396,898</u>	<u>\$ 87,228,652</u>	<u>\$ 100,168,246</u>

The largest portion of the School Board's net position reflects its net investment in capital assets (e.g., land, buildings, equipment, and vehicles). The School Board uses these assets (e.g., schools, buses) for elementary and secondary educational purposes; consequently, these assets are not available for future spending.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

An additional portion of the School Board's net position represents resources that are subject to external restrictions on their use. The \$406,482,434 unrestricted deficit reflects the effects of accounting principles generally accepted in the United States of America requirements for reporting pensions and OPEB activity. At June 30, 2023 the net pension liability is \$462,205,827 and the net OPEB liability is \$157,587,101.

**CHANGES IN NET POSITION**

The School Board's revenues of \$1,072,637,725 exceeded expenses of \$972,469,479 by \$100,168,246 for Fiscal Year 2023. Changes in Net Position (with comparative amounts for the year ended June 30, 2022), is illustrated as follows:

<b>Changes in Net Position</b>			
	<b>2023</b>	<b>2022</b>	<b>Variance</b>
<b><u>Revenues</u></b>			
Program Revenues:			
Charges for Services	\$ 14,779,616	\$ 6,549,464	\$ 8,230,152
Operating Grants	269,510,671	266,759,796	2,750,875
Capital Grants	15,823,813	-	15,823,813
General Revenues:			
Local Government	456,010,900	520,622,167	(64,611,267)
State Basic Aid	192,465,613	177,729,756	14,735,857
State Sales Tax	98,633,260	98,227,243	406,017
Federal Impact Aid	15,699,124	14,339,468	1,359,656
Interest Earnings	977,987	219,891	758,096
Miscellaneous	8,122,786	6,388,283	1,734,503
Sale of Capital Assets	613,955	627,668	(13,713)
Total Revenues	<u>\$1,072,637,725</u>	<u>\$1,091,463,736</u>	<u>\$ (18,826,011)</u>
<b><u>Expenses</u></b>			
Instruction	\$ 661,318,464	\$ 662,288,101	\$ (969,637)
Admin, Attendance, & Health	36,864,956	37,088,876	(223,920)
Pupil Transportation	53,277,359	45,739,040	7,538,319
Operations and Maintenance	121,182,598	109,185,578	11,997,020
Cafeterias	37,165,648	36,566,426	599,222
Technology	62,660,454	61,418,845	1,241,609
Total Expenses	<u>\$ 972,469,479</u>	<u>\$ 952,286,866</u>	<u>\$ 20,182,613</u>
Change in Net Position	\$ 100,168,246	\$ 139,176,870	\$ (39,008,624)
Net Position (Deficit) -			
July 1	<u>87,228,652</u>	<u>(51,948,218)</u>	<u>139,176,870</u>
Net Position			
(Deficit) – June 30	<u>\$ 187,396,898</u>	<u>\$ 87,228,652</u>	<u>\$ 100,168,246</u>



**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

Total revenue decreased by \$18,826,011 (1.7%). This is a net result of:

- A decrease in local government revenue source of \$64,611,267 mainly due to the City not selling bonds for capital projects; and
- Increase in State Basic Aid revenue of \$14,735,857; and
- Increase in Federal Impact Aid revenue of \$1,359,656; and
- Increase in Capital Grants of \$15,823,813 due to federal COVID-19 grants.

Total expenses increased by \$20,182,613 (2.1%). This is a net result of:

- An increase in Pupil Transportation of \$7,538,319 due to the purchase of capital equipment, and
- An increase in Operations and Maintenance of \$11,997,020 due to building improvements and increased costs for utilities.

**Governmental Activities**

The following illustration presents the cost of the governmental activities: Instruction; Administration, Attendance and Health; Pupil Transportation; Operations and Maintenance; Cafeterias; and Technology during Fiscal Years 2023 and 2022. The illustration also shows each activity's net cost (total cost less charges for services, operating grants, and capital grants). The net cost shows the financial impact that is placed on the School Board's general revenue sources (local government, federal and state aid, interest earnings, and other nonspecific revenue sources).

<b>Total and Net Cost of Governmental Activities</b>				
	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
<u>Expenses</u>				
Instruction	\$ 661,318,464	\$ 481,773,448	\$662,288,101	\$ 513,563,854
Admin, Attendance, & Health	36,864,956	(6,905,866)	37,088,876	(15,292,751)
Pupil Transportation	53,277,359	51,877,036	45,739,040	44,679,325
Operations and Maintenance	121,182,598	104,470,187	109,185,578	108,927,801
Cafeterias	37,165,648	72,873	36,566,426	(8,060,552)
Technology	62,660,454	41,067,701	61,418,845	35,159,929
Total Expenses	<u>\$ 972,469,479</u>	<u>\$ 672,355,379</u>	<u>\$ 952,286,866</u>	<u>\$ 678,977,606</u>

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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**FINANCIAL ANALYSIS OF THE SCHOOL BOARD’S FUNDS**

As noted earlier, the School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**GOVERNMENTAL FUNDS**

The focus of the School Board’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School Board’s financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the School Board’s net resources available for spending at the end of the fiscal year.

As of June 30, 2023, the School Board’s governmental funds reported combined fund balances of \$181,159,481 an increase of \$4,155,037 in comparison with the prior fiscal year balance. Of the total amount of the combined fund balances, \$1,682,525 is nonspendable (i.e., inventories, prepaid items, and leases), \$36,783,536 is restricted (e.g., federal and state grantor agencies, cafeterias, textbook adoptions, school activities), \$125,127,828 is committed (e.g., capital projects, communication towers/technology, vending, equipment replacement), and \$17,565,592 is assigned (e.g., instructional technology, athletics, instruction, administration, attendance, and health, pupil transportation, operations and maintenance, technology). The fund balance increased 2.3% mainly due to an increase in fund balance in the Capital Projects Fund, which mostly comes from Reversion FY22 funds since we have started the replacement of three new schools. The following pages will provide additional fund balance information.

**General Fund**

The General Fund is the general operating fund of the School Board that is used to account for all of the financial resources, except those required to be accounted for in another fund. At June 30, 2023, the fund balance of the General Fund was \$17,874,919. Of this amount, \$309,327 is nonspendable (i.e., prepaid items) and \$17,565,592 is assigned (e.g., instructional technology, athletics, instruction, administration, attendance, and health, pupil transportation, operations and maintenance, technology). The General Fund balance decreased \$11,162,470 due to an decrease in encumbrances that were previously carried forward due to COVID-19 delays in deliverables.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**General Fund Budget Amendment**

<u>Amount</u>	<u>Purpose</u>
\$ 5,227,025	There was a supplemental budget amendment, other than for encumbrances, during fiscal year 2023. The General Fund budget amendment (e.g. to provide 1% cost of living adjustment (COLA) for all employees and a bonus payment of \$1,000 for each SOQ funded instructional and support position) was funded through an increase in revenue from the state.

**General Fund Original Budget to Final Budget Difference Reconciliation**

**General Fund:**

\$ 26,328,800 – FY 2022 Outstanding Encumbrances Appropriated  
5,227,025 – Budget Amendment (See above)  
\$ 31,555,825 – Original Budget to Final Budget Difference (including the Other Financing Uses budget)

**General Fund Final Budget to Actual Expenditures Variance Reconciliation**

The following table presents a summary comparison of the General Fund's final budget compared to actual expenditures by type. The variance includes \$16,014,585 of outstanding encumbrances at June 30, 2023.

	Final Budget	Actual	Variance from Final Budget	%
<u>Expenditures</u>				
Salaries and Benefits	\$743,256,035	\$724,664,310	\$18,591,725	2.50%
Purchased Services	64,331,141	59,088,331	5,242,810	8.15%
Other	28,631,324	27,523,220	1,108,104	3.87%
Materials and Supplies	49,366,546	42,957,643	6,408,903	12.98%
Capital Outlay	<u>13,491,205</u>	<u>8,455,672</u>	<u>5,035,533</u>	<u>37.32%</u>
Total Expenditures	<u>\$ 899,076,251</u>	<u>\$862,689,176</u>	<u>\$36,387,075</u>	<u>4.05%</u>

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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The remaining available balances, which is not expected to affect future services, are as follows:

- Lower than expected expenditures for salaries and benefits due to vacancies and lapsed salaries;
- Lower than expected expenditures for purchased services due to reduced contractual services; the variance has been committed in carryforward balances for necessary building maintenance
- Lower than expected expenditures of other charges due to reduction of \$766 thousand in utilities usage and \$351 thousand due to reduction of travel;
- Lower than expected expenditures of materials and supplies due to a reduction of \$5 million in instructional supplies; \$2 million in technology supplies; variance includes \$3.6 million in carryover and other commitments;
- Capital Outlay variance includes \$5 million in carryover and other commitments for equipment replacement.

Transfers:

\$ 4,838,448 – Final Budget to Actual Expenditures Variance

Transfers are budgeted and presented separately as required for reporting purposes. The budget is mainly for the local match requirements of federal and state grants budgeted in the Grants Special Revenue Fund.

**Special Revenue Funds**

The Special Revenue funds are used to account for the proceeds of specific revenue sources (other than capital projects), which are legally restricted or committed to be expended for specified purposes. These funds are used to finance designated programs and are generally not available for other purposes. The School Board's Special Revenue funds are as follows:

**Major Funds:**

School Grants – accounts for certain private, Commonwealth of Virginia, and Federal grants (with matching local funds, if required).

School Cafeterias – accounts for the revenues (e.g., Commonwealth of Virginia, Federal Government) and expenditures associated with the food services operations of the school division.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

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**Nonmajor Funds:**

School Textbooks – accounts for the financing (e.g., Commonwealth of Virginia) and acquisitions of textbooks and related materials used in the school division.

School Communication Towers/Technology – accounts for the rent receipts (long-term contracts with telecommunication companies) relating to the communication towers constructed on School Board property and technology related expenditures.

School Vending Operations – accounts for receipts (long-term exclusive contract with a vending company) relating to the bottled drinks vending operations of the school division and expenditures (including school-level allocations).

School Equipment Replacement – accounts for the financing (e.g., local government) and acquisition of various replacement equipment.

School Activity – accounts for the receipts and expenditures relating to activities conducted at individual school sites in connection with student athletics, classes, clubs, and various fundraising and private donor activities.

School Grants Fund: During Fiscal Year 2023, revenues and other financing sources totaled \$105,788,148 and expenditures totaled \$104,882,669. This resulted in an increase in the fund balance of \$905,479 due to a net increase in local match requirements. The significant differences for this are with two of the grants (1) Early Reading Intervention grant where there were prior year funds that needed to be expended prior to the FY 2023 funds and (2) Cops School Violence Prevention grant that was new in FY 2023 but not expended. The remaining fund balances will be used for the required local match of Commonwealth of Virginia and Federal approved FY 2023 grant proceeds to be disbursed in FY 2024.

School Cafeterias Fund: During Fiscal Year 2023, revenues totaled \$37,411,904 and expenditures totaled \$35,866,487. As compared to Fiscal Year 2022, Federal funding decreased due to the expiration of universal free meal federal waivers that allowed all students to receive no cost meals during School Year 2021-2022. During Fiscal Year 2023, however, the National School Lunch Program and School Breakfast Program reverted to traditional operations where student meals were charged based on student household eligibility (paid, reduced, or free). This explains the significant increase in Charges for Services during Fiscal Year 2023 as compared to Fiscal Year 2022. The remaining fund balance will be used to support increasing food and labor costs, as well as continue the expansion of the Scratch Cooking Initiative's equipment upgrades.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

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Nonmajor Special Revenue Funds: During Fiscal Year 2023, revenues totaled \$13,719,493, expenditures totaled \$13,388,725, and we recorded a loss of \$24,127 on one of our Cell Tower Leases. This resulted in a combined increase in the fund balances of all nonmajor Special Revenue funds of \$306,641. The Communication Towers/Technology, School Vending Operations, and School Activity funds had an increase in fund balance while the School Textbook fund and School Equipment Replacement fund incurred an expected decrease in fund balance. The remaining fund balances of these nonmajor Special Revenue funds will be used in the future for technology purposes, equipment replacements and other appropriate needs.

**Proprietary Funds – Internal Service Funds**

The Internal Service funds are used to account for the financing of goods and/or services provided by one department or agency to other departments or agencies of the governmental unit (and to other governmental units), on a cost-reimbursement basis. The School Board operates Internal Service funds for the school division's Risk Management and Self-Insured Health Care Benefits programs.

During Fiscal Year 2023, total revenues including nonoperating revenues amounted to \$169,259,835. Expenses totaled \$162,884,019. This resulted in an increase in net position of \$6,375,816 due to less than budgeted charges in the Risk Management Fund for workers compensation and motor vehicle insurance premiums.

**Capital Projects Fund (Major Fund)**

During Fiscal Year 2023, revenues including other financing sources totaled \$64,191,473 and expenditures totaled \$51,631,503. This resulted in an increase in the fund balance of \$12,559,970 due to the receipt of \$15.8 million received from the Commonwealth of Virginia.

Proceeds from public improvement charter bond issues, State Literary Fund Loans, Virginia Public School Authority financing, local funding sources, and construction grants (including lottery proceeds) from the Commonwealth of Virginia are accounted for in the Capital Projects Fund until improvement projects are completed. The City provides the aforementioned sources of revenues (classified as From Local Government in the financial statements, except interest earnings and Commonwealth of Virginia revenues).

When capital projects are completed, the costs of the improvements (meeting the capitalization threshold) are transferred from construction in progress to the appropriate capital asset account. The various significant active capital projects for the current fiscal year are presented below.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

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Princess Anne High School Replacement	Renovations/Replacements-HVAC Systems
Energy Performance Contracts	Renovations/Replacements-Reroofing
Lynnhaven Middle School Expansion	Renovations/Replacements-Grounds
Bayside High School Replacement	Renovations/Replacements-Various
School Bus and Fleet Replacement	Phone System Replacement

**CAPITAL ASSETS**

Section 15.2-1800.1 of the Code of Virginia, as amended, affects the reporting of local School Board capital assets and related debt for financial reporting purposes. Under this legislation, the City has a "tenancy in common" with the School Board whenever the City incurs "on-behalf of" debt for any school property which is payable over more than one year. For financial reporting purposes, the City will report the Net Book Value of School Board property equal to the total outstanding principal balance of the applicable "on-behalf of" debt at June 30, 2023. The below illustration reflects capital assets remaining with the School Board (net of those that have been transferred between the School Board and the City as the outstanding principal balance changes).

The School Board's investment in capital assets for its governmental activities as of June 30, 2023 amounts to \$570,672,899 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, machinery/equipment and vehicles, and subscription lease for software. The total increase in the School Board's investment in capital assets for the current fiscal year was 1.1%, as follows:

<b>Capital Assets</b> <b>(net of accumulated depreciation)</b> <b>As of June 30, 2023 and 2022</b>			
	2023	2022	Percentage Change
Land	\$ 38,967,870	\$ 38,968,372	0%
Construction in Progress	18,441,696	2,940,086	527.25%
Buildings and Improvements	454,058,033	467,563,554	-2.89%
Machinery/Equipment and Vehicles	57,544,077	54,993,905	4.64%
Subscription Lease	1,661,223	-	
Total Capital Assets (net)	<u>\$ 570,672,899</u>	<u>\$ 564,465,917</u>	1.10%

The significant increase in Construction in Progress is due to the early stages of replacing three schools (Princess Anne High, Bayside High, and B. F. Williams Elementary/Bayside 6<sup>th</sup> Grade) and replacement of the divisions phone system. The increase in capital assets is due to the replacement of buses and vehicles compared to the previous fiscal year.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

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Additional information on the School Board's capital assets is presented in Note 4 of this report.

**ECONOMIC FACTORS**

The unemployment rate for the City continues to be below the Metropolitan Statistical Area (MSA) and U.S. rates and is also below the Commonwealth of Virginia (state) rate. Average annual unemployment rates for 2022 were 2.8% for Virginia Beach, 3.2% for the MSA, 2.9% for Virginia, and 3.7% for the U.S. Unemployment rates have decreased in 2022 compared with 2021 for the City, the region, the State and the Nation as the recovery continues from the impacts of COVID-19 pandemic. The unemployment rate for the nation has reached the 2019 rate of 3.7% and is almost at the pre-pandemic level for the city (2.7%), MSA (3.1%) and the State (2.8%). There has been a steady decline in the unemployment rate in Virginia Beach from 2013 through 2019. The shock of COVID-19 caused unemployment to increase in Virginia Beach to 12.6% in April 2020 with the gradual decline to 2.5% in July of 2023 as the economy continued recovering. Likewise, for the MSA, the unemployment rate rose to 12.4% in April 2020 and declined to 2.9% by July 2023. For the Commonwealth, the unemployment rate was 11.1% in April 2020 and decreased to 2.7% in July of 2023. For the United States, the unemployment rate was 14.4% in April 2020 and decreased to 3.8% by July 2023 (U.S. Department of Labor, Bureau of Labor Statistics).

Based on the most recent data available, the per capita personal income for 2022 was \$65,986 for Virginia Beach, \$57,873 for the MSA, \$68,985 for Virginia, and \$65,470 for the U.S. Over the 5-year period from 2017 to 2022, the per capita personal income for Virginia Beach has increased an average of 3.7% per year. (Source: U.S. Department of Commerce, Bureau of Economic Analysis (BEA)) Based on the latest data available, the median household income continues to increase for Virginia Beach in 2022 to \$83,245 compared with \$81,634 in 2021. Median household income for the City has increased an average of 2.8% per year since 2017. (Source: US Census Bureau, 2022 American Community Survey)



**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

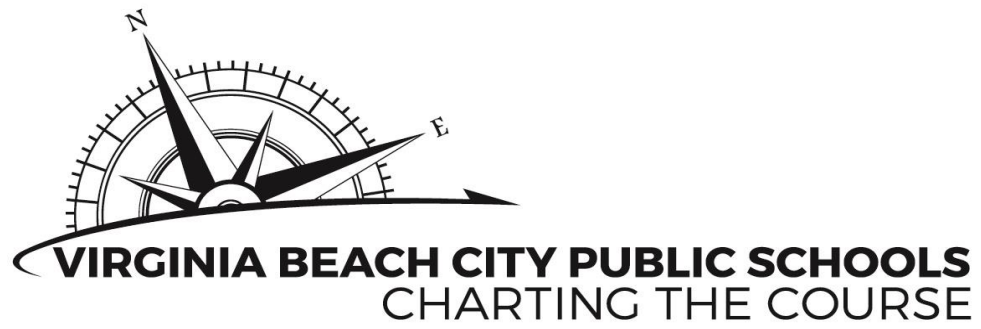
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**Factors Influencing Future Budgets**

- Decline in student enrollment
- Global and national economic conditions
- Employee health care costs
- Employee post-employment benefits
- Unfunded state and federal mandates
- Competitive salaries and pay raises
- Rising cost of operating expenses (e.g., fuel and utilities)
- Changes with the Virginia Retirement System (VRS)
- Increasing debt service
- Maintenance of facilities and future capital improvement program needs
- Increased costs resulting from the impact of COVID-19
- Loss of Federal Pandemic relief funds (e.g., ESSER grants)

**REQUESTS FOR INFORMATION**

This Annual Comprehensive Financial Report is designed to provide a general overview of the School Board’s finances and to demonstrate the School Board’s commitment to financial accountability, stewardship, and transparency. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Business Services, Virginia Beach City Public Schools, 2512 George Mason Drive, P.O. Box 6038, Virginia Beach, Virginia 23456-0038.



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# BASIC FINANCIAL STATEMENTS

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	Governmental Activities
<b>ASSETS</b>	
Current Assets:	
Cash and Investments (Notes 1L1 and 6)	\$ 369,991,488
Accounts Receivable	5,233,857
Due from Commonwealth (Note 2A)	14,392,874
Due from Federal Government (Note 2B)	25,868,614
Lease Receivable (Note 2C)	682,434
Inventories (Note 1G)	726,037
Prepaid Items (Note 1L5)	1,160,282
Total Current Assets	<u>\$ 418,055,586</u>
Noncurrent Assets:	
Net OPEB Asset (Note 8)	\$ 45,743
Lease Receivable, Non-Current (Note 2C)	1,286,339
Capital Assets (Note 4):	
Land	38,967,870
Buildings, Improvements, Machinery, Equipment, and Vehicles (net of accumulated depreciation)	511,602,110
Construction in Progress	18,441,696
Subscription Asset (net of accumulated amortization)	1,661,223
Total Noncurrent Assets	<u>\$ 572,004,981</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 990,060,567</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES (Note 8)</b>	
Deferred Outflows from Pensions	\$ 121,293,159
Deferred Outflows from OPEB	<u>40,977,121</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>\$ 162,270,280</b></u>
<b>LIABILITIES</b>	
Current Liabilities:	
Salaries Payable and Withholding (Note 7C)	\$ 84,555,619
Vouchers and Accounts Payable	35,390,922
Accrued Interest Payable	45,468
Deposits Payable	75,000
Due to Commonwealth	33,745
Due to Federal Government	89,677
Unearned Revenues (Note 3)	14,096,616
Long-term Liabilities (Note 5A)	27,312,974
Total Current Liabilities	<u>\$ 161,600,021</u>
Noncurrent Liabilities:	
Net Pension Liability (Notes 5A and 8)	462,205,827
Net OPEB Liability (Notes 5A and 8)	157,587,101
Other Long-term Liabilities (Notes 1I, 5A and 9)	36,314,348
Total Noncurrent Liabilities	<u>\$ 656,107,276</u>
<b>TOTAL LIABILITIES</b>	<u><b>\$ 817,707,297</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows from Pensions (Note 8)	\$ 122,002,414
Deferred Inflows from OPEB (Note 8)	23,321,600
Deferred Inflows from Leases (Note 2C)	<u>1,902,638</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u><b>\$ 147,226,652</b></u>
<b>NET POSITION (DEFICIT) (Note 1K)</b>	
Net Investment in Capital Assets	\$ 557,050,053
Restricted for: (Note 10D)	
Grants	4,762,445
Cafeterias	20,802,112
Textbooks	5,991,443
School Activities	5,227,536
Net OPEB Asset	45,743
Unrestricted (Deficit)	<u>(406,482,434)</u>
<b>TOTAL NET POSITION</b>	<u><b>\$ 187,396,898</b></u>

The accompanying notes are an integral part of the basic financial statements.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

		Program Revenues			Net (Expenses)
		Charges for	Operating	Capital	Revenues and
Expenses		Services	Grants and	Grants and	Change In
			Contributions	Contributions	Net Position
<u>GOVERNMENTAL ACTIVITIES</u>					
Instruction	\$ 661,318,464	\$ 2,850,609	\$ 176,694,407	\$ -	\$ (481,773,448)
Administration, Attendance, & Health	36,864,956	500	43,770,322	-	6,905,866
Pupil Transportation	53,277,359	1,235,478	164,845	-	(51,877,036)
Operations and Maintenance	121,182,598	332,074	556,524	15,823,813	(104,470,187)
Cafeterias	37,165,648	9,298,152	27,794,623	-	(72,873)
Technology	62,660,454	1,062,803	20,529,950	-	(41,067,701)
Total Governmental Activities	\$ 972,469,479	\$ 14,779,616	\$ 269,510,671	\$ 15,823,813	\$ (672,355,379)

General Revenues:

Local Sources:

Local Government	\$ 456,010,900
Miscellaneous	8,122,786
Sale of Capital Assets	613,955

Federal and State Aid not Restricted  
to Specific Purposes:

State Basic Aid	192,465,613
State Sales Tax	98,633,260
Federal Impact Aid	15,699,124

Interest Earnings

977,987

Total General Revenues \$ 772,523,625

Change in Net Position \$ 100,168,246

Total Net Position - July 1 87,228,652

Total Net Position - June 30 \$ 187,396,898

The accompanying notes are an integral part of the basic financial statements.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	General	School Grants	School Cafeterias	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Investments (Notes 1L1 and 6)	\$ 89,644,224	\$ -	\$ 21,847,240	\$ 131,331,882	\$ 17,179,352	\$ 260,002,698
Accounts Receivable	530,435	24,824	113,180	4,700	40,785	713,924
Due from Other Funds (Note 10B)	7,126,492	-	-	-	-	7,126,492
Due from Commonwealth (Note 2A)	10,892,564	3,489,458	10,852	-	-	14,392,874
Due from Federal Government (Note 2B)	77,309	24,399,577	1,391,728	-	-	25,868,614
Lease Receivable (Note 2C)	-	-	-	-	1,968,773	1,968,773
Inventories (Note 1G)	-	-	726,037	-	-	726,037
Prepaid Items (Note 1L5)	309,327	-	7,290	-	573,736	890,353
<b>TOTAL ASSETS</b>	<b>\$ 108,580,351</b>	<b>\$ 27,913,859</b>	<b>\$ 24,096,327</b>	<b>\$ 131,336,582</b>	<b>\$ 19,762,646</b>	<b>\$ 311,689,765</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>						
Liabilities:						
Salaries Payable and Withholding (Note 7C)	\$ 79,289,604	\$ 3,938,714	\$ 1,290,652	\$ 35,508	\$ -	\$ 84,554,478
Vouchers and Accounts Payable	10,834,743	7,665,454	604,956	11,999,035	12,455	31,116,643
Deposits Payable	-	-	-	-	75,000	75,000
Due to Other Funds (Note 10B)	-	7,126,492	-	-	-	7,126,492
Due to Commonwealth	2,004	31,741	-	-	-	33,745
Due to Federal Government	-	1,763	-	87,914	-	89,677
Unearned Revenue (Note 3)	579,081	4,387,250	665,280	-	-	5,631,611
<b>TOTAL LIABILITIES</b>	<b>\$ 90,705,432</b>	<b>\$ 23,151,414</b>	<b>\$ 2,560,888</b>	<b>\$ 12,122,457</b>	<b>\$ 87,455</b>	<b>\$ 128,627,646</b>
Deferred Inflows of Resources:						
Leases (Note 2C)	\$ -	\$ -	\$ -	\$ -	\$ 1,902,638	\$ 1,902,638
Fund Balances: (Notes 1J and 10D)						
Nonspendable	\$ 309,327	\$ -	\$ 733,327	\$ -	\$ 639,871	\$ 1,682,525
Restricted	-	4,762,445	20,802,112	-	11,218,979	36,783,536
Committed	-	-	-	119,214,125	5,913,703	125,127,828
Assigned	17,565,592	-	-	-	-	17,565,592
<b>TOTAL FUND BALANCES</b>	<b>\$ 17,874,919</b>	<b>\$ 4,762,445</b>	<b>\$ 21,535,439</b>	<b>\$ 119,214,125</b>	<b>\$ 17,772,553</b>	<b>\$ 181,159,481</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 108,580,351</b>	<b>\$ 27,913,859</b>	<b>\$ 24,096,327</b>	<b>\$ 131,336,582</b>	<b>\$ 19,762,646</b>	<b>\$ 311,689,765</b>

The accompanying notes are an integral part of the basic financial statements.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

Amounts reported for governmental activities in the Statement of Net Position in Exhibit A-1 are different from amounts reported for governmental funds in this exhibit because:

Total Fund Balances - Governmental Funds (this exhibit)	\$ 181,159,481
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

	Cost of Capital Assets	\$ 1,115,347,792
	less: Accumulated Depreciation/Amortization	<u>544,674,893</u>
		570,672,899

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of the following:

	Compensated Absences	\$ (43,913,225)
	Subscription Liability	(1,623,811)
	Accrued Interest on long-term debt	<u>(45,468)</u>
		(45,582,504)

Internal Service Funds are used to account for the risk management and health insurance programs and related charges to the various governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

	Total Assets	\$ 114,778,652
	less: Total Liabilities	<u>30,830,711</u>
	Total Net Position	83,947,941

Per GAAP, pension activity is not reported in the governmental funds (Note 8).

	Net Pension Liability	\$ (462,205,827)
	Deferred Outflows of Resources	121,293,159
	Deferred Inflows of Resources	<u>(122,002,414)</u>
		(462,915,082)

Per GAAP, OPEB activity is not reported in the governmental funds (Note 8).

	Net OPEB Liability	\$ (157,587,101)
	Net OPEB Asset	45,743
	Deferred Outflows of Resources	40,977,121
	Deferred Inflows of Resources	<u>(23,321,600)</u>
		<u>(139,885,837)</u>

Total Net Position of Governmental Activities in the Statement of Net Position (Exhibit A-1)	\$ <u>187,396,898</u>
--	-----------------------

The accompanying notes are an integral part of the basic financial statements.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	General	School Grants	School Cafeterias	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
From Use of Money and						
Property	\$ 332,074	\$ -	\$ 253,620	\$ 263,917	\$ 791,493	\$ 1,641,104
Charges for Services	1,018,801	-	8,569,073	-	155,672	9,743,546
Miscellaneous	3,915,181	290,159	794,588	-	7,785,969	12,785,897
From Local Government	407,913,456	-	-	48,103,743	-	456,017,199
From Commonwealth	424,442,822	12,991,741	1,002,667	15,823,813	4,986,359	459,247,402
From Federal Government	18,437,704	87,365,261	26,791,956	-	-	132,594,921
Total Revenues	<u>\$ 856,060,038</u>	<u>\$ 100,647,161</u>	<u>\$ 37,411,904</u>	<u>\$ 64,191,473</u>	<u>\$ 13,719,493</u>	<u>\$ 1,072,030,069</u>
<b>EXPENDITURES</b>						
Current:						
Instruction	\$ 618,857,056	\$ 71,037,127	\$ -	\$ 3,467,637	\$ 8,572,071	\$ 701,933,891
Administration, Attendance, & Health	39,236,548	3,093,943	-	-	-	42,330,491
Pupil Transportation	50,149,031	3,199,249	-	-	-	53,348,280
Operations and Maintenance	107,459,456	13,261,728	-	8,405,388	-	129,126,572
Cafeterias	-	2,764,815	35,671,275	-	-	38,436,090
Technology	46,353,359	11,525,807	195,212	135,940	4,558,073	62,768,391
Capital Outlay	822,690	-	-	39,622,538	-	40,445,228
Debt Service:						
Principal-Subscription Liability	633,726	-	-	-	258,581	892,307
Total Expenditures	<u>\$ 863,511,866</u>	<u>\$ 104,882,669</u>	<u>\$ 35,866,487</u>	<u>\$ 51,631,503</u>	<u>\$ 13,388,725</u>	<u>\$ 1,069,281,250</u>
<b>EXCESS (DEFICIENCY) OF</b>						
<b>REVENUES OVER (UNDER)</b>						
<b>EXPENDITURES</b>	<u>\$ (7,451,828)</u>	<u>\$ (4,235,508)</u>	<u>\$ 1,545,417</u>	<u>\$ 12,559,970</u>	<u>\$ 330,768</u>	<u>\$ 2,748,819</u>
<b>OTHER FINANCING SOURCES</b>						
<b>(USES)</b>						
Transfers In (Note 10A)	\$ -	\$ 5,140,987	\$ -	\$ -	\$ -	\$ 5,140,987
Transfers Out (Note 10A)	(5,140,987)	-	-	-	-	(5,140,987)
Sale of Capital Assets	607,655	-	-	-	-	607,655
Subscription Liability	822,690	-	-	-	-	822,690
Loss on Lease	-	-	-	-	(24,127)	(24,127)
Total Other Financing Sources (Uses), net	<u>\$ (3,710,642)</u>	<u>\$ 5,140,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,127)</u>	<u>\$ 1,406,218</u>
<b>NET CHANGES IN</b>						
<b>FUND BALANCES</b>	<u>\$ (11,162,470)</u>	<u>\$ 905,479</u>	<u>\$ 1,545,417</u>	<u>\$ 12,559,970</u>	<u>\$ 306,641</u>	<u>\$ 4,155,037</u>
FUND BALANCES - JULY 1	<u>29,037,389</u>	<u>3,856,966</u>	<u>19,990,022</u>	<u>106,654,155</u>	<u>17,465,912</u>	<u>177,004,444</u>
FUND BALANCES - JUNE 30	<u><u>\$ 17,874,919</u></u>	<u><u>\$ 4,762,445</u></u>	<u><u>\$ 21,535,439</u></u>	<u><u>\$ 119,214,125</u></u>	<u><u>\$ 17,772,553</u></u>	<u><u>\$ 181,159,481</u></u>

The accompanying notes are an integral part of the basic financial statements.



**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

Amounts reported for governmental activities in the Statement of Activities in Exhibit A-2 are different from amounts reported for governmental funds in this exhibit because:

Net Changes in Fund Balances - Governmental Funds (this exhibit) \$ 4,155,037

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation/amortization expenses in the Statement of Activities. This is the amount by which capital outlay exceeded depreciation/amortization expense (including other transactions (e.g., loss on disposals)) for the fiscal year (Note 10C).

21,297,732

Compensated absences (annual, sick, and personal leave) are reported in governmental funds as expenditures, which are measured by the amount of financial resources used (essentially, the amounts actually paid). However, for governmental activities, those costs are shown and measured by the net of the amounts of leave used and earned for the fiscal year in the Statement of Activities.

Leave Used	\$ 12,647,065	
Leave Earned	<u>(14,338,573)</u>	(1,691,508)

Internal Service Funds are used to account for the risk management and health insurance programs and related charges to the various governmental funds. The change in net position for the Internal Service Funds for the fiscal year is reported with governmental activities in the Statement of Activities.

Risk Management Transfer	\$ 2,000,000	
Risk Management	4,166,711	
Health Insurance	<u>209,105</u>	6,375,816

Section 15.2-1800.1 of the Code of Virginia, as amended, affects the reporting of local School Board capital assets and related debt for financial reporting purposes. Under this legislation, the City has a "tenancy in common" with the School Board whenever the City incurs "on-behalf of" debt for any school property owned by the School Board which is payable over more than one year. For financial reporting purposes, the City will report the Net Book Value of School Board property (the School Board incurs the depreciation expense) equal to the total outstanding principal balance of the applicable "on-behalf of" debt at June 30, 2023. This amount is the applicable net book value change and depreciation expense for the fiscal year.

(16,784,178)

Principal and interest on subscription liabilities are reported as expenditures in governmental funds. However, the principal payments reduce the liabilities in the Statement of Net Position and does not result in expenses in the Statement of Activities and Interest is expensed as it accrues in the Statement of Activities.

846,839

Other financing sources recorded at the inception of subscription liabilities increase fund balance of the governmental funds. In government-wide statements, new debt increases non-current liabilities in the Statement of Net Position and does not affect the Statement of Activities

(822,690)

Per GAAP, this amount is the Pension Expense, Deferred Outflows and Deferred Inflows (pension contributions paid) for the fiscal year (Note 8).

Pension Expense	\$ (88,840,119)	
Deferred Inflows	196,454,745	
Deferred Outflows	<u>(23,455,634)</u>	84,158,992

Per GAAP, this amount is the OPEB Expense, Deferred Outflows and Deferred Inflows (OPEB contributions paid) for the fiscal year (Note 8).

OPEB Expense	\$ (12,714,940)	
Deferred Inflows	7,191,836	
Deferred Outflows	<u>8,155,310</u>	2,632,206

Change in Net Position of governmental activities in the Statement of Activities (Exhibit A-2) \$ 100,168,246

The accompanying notes are an integral part of the basic financial statements.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2023**

	Governmental Activities: Internal Service Funds
<b><u>ASSETS</u></b>	
Current Assets:	
Cash and Investments (Notes 1L1 and 6)	\$ 109,988,790
Accounts Receivable	4,519,933
Prepaid Items (Note 1L5)	<u>269,929</u>
TOTAL ASSETS	<u>\$ 114,778,652</u>
<b><u>LIABILITIES</u></b>	
Current Liabilities:	
Salaries Payable	\$ 1,141
Vouchers and	
Accounts Payables	4,274,279
Unearned Revenues (Note 3)	8,465,005
Estimated Claims and	
Judgments (due within one year)	
(Notes 5A and 9)	<u>13,567,715</u>
Total Current Liabilities	<u>\$ 26,308,140</u>
Noncurrent Liabilities:	
Estimated Claims and	
Judgments (due in more than one year)	
(Notes 5A and 9)	<u>4,522,571</u>
TOTAL LIABILITIES	<u>\$ 30,830,711</u>
<b><u>NET POSITION</u></b>	
Unrestricted	<u>\$ 83,947,941</u>
TOTAL NET POSITION	<u><u>\$ 83,947,941</u></u>

The accompanying notes are an integral part of the basic financial statements.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Governmental Activities: Internal Service Funds
<hr/>	
<u>OPERATING REVENUES</u>	
Charges for Services	\$ 163,285,796
Miscellaneous Revenue	2,688,897
Total Operating Revenues	<u>\$ 165,974,693</u>
<u>OPERATING EXPENSES</u>	
Personnel Services	\$ 965,008
Fringe Benefits	365,274
Purchased Services	2,750,367
Other Charges (Note 1L2)	158,803,370
Total Operating Expenses	<u>\$ 162,884,019</u>
<u>OPERATING INCOME</u>	<u>\$ 3,090,674</u>
<u>NONOPERATING REVENUES</u>	
From Local Government	\$ 2,000,000
Interest Income	1,285,142
Total Nonoperating Revenues	<u>\$ 3,285,142</u>
<u>CHANGES IN NET POSITION</u>	<u>\$ 6,375,816</u>
<u>TOTAL NET POSITION - JULY 1</u>	<u>77,572,125</u>
<u>TOTAL NET POSITION - JUNE 30</u>	<u><u>\$ 83,947,941</u></u>

The accompanying notes are an integral part of the basic financial statements.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Governmental Activities: Internal Service Funds
<b><u>CASH FLOWS FROM OPERATING</u></b>	
<b><u>ACTIVITIES:</u></b>	
Receipts from Users	\$ 165,203,641
Payments to Vendors for Goods/Services	(158,835,229)
Payments to Employees for Services	(1,330,250)
Net Cash Provided By Operating Activities	<u>\$ 5,038,162</u>
<b><u>CASH FLOWS FROM NONCAPITAL</u></b>	
<b><u>FINANCING ACTIVITIES:</u></b>	
Intragovernmental Receipts	\$ 2,000,000
<b><u>CASH FLOWS FROM INVESTING</u></b>	
<b><u>ACTIVITIES:</u></b>	
Interest Received on Investments	<u>1,285,142</u>
<b><u>NET INCREASE IN</u></b>	
<b><u>CASH AND INVESTMENTS</u></b>	
	\$ 8,323,304
<b><u>CASH AND INVESTMENTS,</u></b>	
<b><u>BEGINNING OF YEAR</u></b>	
	<u>101,665,486</u>
<b><u>CASH AND INVESTMENTS,</u></b>	
<b><u>END OF YEAR</u></b>	
	<u>\$ 109,988,790</u>
<b><u>RECONCILIATION OF OPERATING</u></b>	
<b><u>INCOME TO NET CASH</u></b>	
<b><u>PROVIDED BY OPERATING</u></b>	
<b><u>ACTIVITIES:</u></b>	
Operating Income	<u>\$ 3,090,674</u>
Adjustments to Reconcile Operating	
Income to Net Cash Used In	
Operating Activities	
(Increase) Decrease in Assets	
Accounts Receivable	\$ (944,466)
Prepaid Items	1,972
Increase (Decrease) in Liabilities	
Salaries Payable	32
Vouchers and Accounts Payable	3,359,869
Unearned Revenue	173,414
Estimated Claims and Judgments	<u>(643,333)</u>
Total Adjustments	<u>\$ 1,947,488</u>
Net Cash Provided By Operating Activities	<u>\$ 5,038,162</u>

The accompanying notes are an integral part of the basic financial statements.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2023**

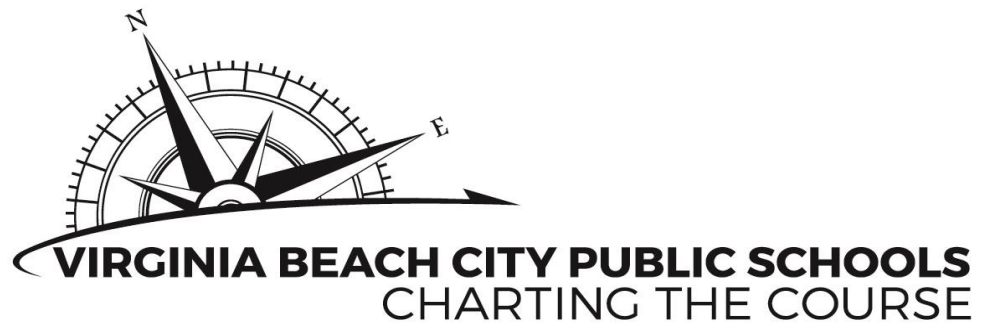
	Other Postemployment Benefits Trust Fund
<u>ASSETS</u>	
Fixed Income	\$ 8,556,841
Stocks	20,964,261
Real Estate	6,417,631
Alternative Investments	<u>6,845,473</u>
 TOTAL ASSETS	 <u><u>\$ 42,784,206</u></u>
<u>NET POSITION</u>	
Net Position Restricted for Postemployment Benefits	
Other than Pensions	<u><u>\$ 42,784,206</u></u>

The accompanying notes are an integral part of the basic financial statements.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Other Postemployment Benefits Trust Fund
<b><u>ADDITIONS</u></b>	
Contributions:	
Employer	\$ 7,514,976
Investment Earnings:	
Increase in the Fair Value of Investments	\$ 3,032,165
Total Additions	\$ 10,547,141
<b><u>DEDUCTIONS</u></b>	
Benefits	\$ 7,514,976
Administrative Expenses	27,865
Total Deductions	\$ 7,542,841
Change in Net Position	\$ 3,004,300
Net Position at Beginning of Year	39,779,906
Net Position at End of Year	\$ 42,784,206

The accompanying notes are an integral part of the basic financial statements.



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**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The present City of Virginia Beach, Virginia (City) was formed on January 1, 1963 by the merger of Princess Anne County and the former smaller City of Virginia Beach. The elected eleven-member School Board of the City of Virginia Beach, Virginia (the School Board), vested with the legislative powers, appoints the Superintendent who is the executive and administrative head of the public school division.

The accounting policies of the School Board conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies of the School Board:

**A. Government-Wide and Fund Financial Statements**

The accounts of the School Board are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts, which comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses, as appropriate.

The basic financial statements and required supplementary information include both the government-wide (based upon the School Board as a whole) financial statements (i.e., Statement of Net Position and Statement of Activities) and fund financial statements.

In the government-wide Statement of Net Position, the governmental activities column is presented on a full accrual and economic resources basis. This basis incorporates long-term assets and receivables, and long-term debt and obligations.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of an activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific activity. Program revenues are those that are directly associated with the specific activity (e.g., Instruction, Pupil Transportation, Cafeterias). Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular activity. Taxes and other items not properly included among program revenues are reported as general revenues. The School Board does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Fund financial statements are provided for governmental funds, proprietary funds (i.e., internal service funds), and fiduciary funds (i.e., custodial funds). By definition, the assets of the fiduciary funds are being held for the benefit of a third party and cannot be used to address activities or obligations of the government; therefore, these funds are excluded from the government-wide

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financial statements. Furthermore, the internal service funds have been incorporated into the governmental activities column in the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School Board reports the following major governmental funds:

**General Fund** - is the general operating fund of the School Board which is used to account for all financial resources, except those required to be accounted for in another fund. Revenues are derived primarily from the Federal Government (including impact aid and awards), Commonwealth of Virginia (including basic aid, awards, and sales tax), and the City.

**School Grants Special Revenue Fund** - accounts for certain private, Commonwealth of Virginia and Federal grants (with matching local funds, if applicable).

**School Cafeterias Special Revenue Fund** - accounts for sales and proceeds from the school cafeterias.

**Capital Projects Fund** - is used to account for the financial resources for the acquisition or construction of major capital facilities.

Additionally, the School Board reports the following fund types:

**Special Revenue Funds** - are used to account for the proceeds of specific revenue sources, other than for the above special revenue funds, which are restricted or committed to be expended for specified purposes. The Textbook Fund accounts for the financing (e.g., Commonwealth of Virginia) and acquisitions of textbooks and related materials used in the school division. The Communication Towers/Technology Fund accounts for rent receipts relating to the communication towers constructed on School Board property. The Vending Operations Fund accounts for receipts and expenditures relating to soft drink vending operations. The Equipment Replacement Fund accounts for financial resources provided for equipment replacement cycle for selected capital equipment for schools and central offices. The School Activity Fund accounts for receipts and expenditures relating to activities conducted at individual school sites in connection with student athletics, classes, clubs, and various fundraising and private donor activities.

**Proprietary Funds/Internal Service Funds** - are used to account for the financing of goods and/or services provided by one department or agency to other departments or agencies of the governmental unit (and to other governmental units), on a cost-reimbursement basis. The School Board has established Internal Service Funds for the Risk Management and Health Insurance programs.

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**Fiduciary Fund** - is used to account for assets held by the School Board in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The Fiduciary Fund is the Other Postemployment Benefit (OPEB) Trust Fund for Retiree Health Benefits. The OPEB Trust Fund accounts for assets in essentially the same manner as a Proprietary Fund using the economic resources measurement focus.

**B. Financial Reporting Entity**

The School Board is responsible for elementary and secondary education within the City. Members of the School Board are elected by the voters and serve staggered terms on the School Board. The City Council approves the School Board's operating budget, levies the necessary taxes to finance the operations, and approves the borrowing of money and issuance of bonds when necessary. The City Council is prohibited from exercising any control over specific appropriations within the operating budget of the School Board. However, City Council may exercise control in total by major categories (e.g., Instruction; Administration, Attendance, and Health; Pupil Transportation; Operations and Maintenance; Technology) as prescribed by the *Code of Virginia*, as amended.

The School Board is considered a component unit of the City and, accordingly, the financial position and results of operations of the School Board are also presented in the City's Annual Comprehensive Financial Report (ACFR).

The School Board uses the following criteria in determining reportable component units (legally, separate organizations): 1) significance of their operational or financial relationship with the School Board, 2) for which the School Board is financially accountable, and 3) whose relationship with the School Board is such that exclusion would cause the School Board's financial statements to be misleading or incomplete. The School Board has no component units.

**C. Capital Assets**

Capital assets, which include land, buildings (e.g., schools, portables), improvements other than buildings (e.g., parking lots, curbs and gutters, sidewalks, drainage systems, fences), machinery and equipment, and vehicles (including school buses) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the School Board as assets with an initial, individual cost of \$5,000 or more. Subscription-based information technology arrangements ("SBITA") are defined as an intangible asset with an initial, individual cost of \$300,000 or more. Capital assets are recorded as expenditures in the governmental funds and as assets in the government-wide financial statements. Depreciation is recorded on the capital assets on a government-wide basis using the straight-line method with the following estimated useful lives:

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Buildings	25 - 50 years
Improvements other than Buildings	20 years
Machinery, Equipment and Vehicles	5 – 20 years

All capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value in the year donated.

**D. Subscription Based Information Technology Arrangements**

The School Board has recorded Subscription-Based Information Technology Arrangement (“SBITA”) assets and liabilities as a result of implementing GASB 96. The SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term, less SBITA incentives, and plus any ancillary charges necessary to place the SBITA into service. The SBITA assets are amortized on a straight-line basis over the life of the related contract. SBITAs which are based on variable payments (or user seats) are not recorded as subscription assets or liabilities and are expenses as incurred.

**E. Basis of Accounting and Measurement Focus**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. The effects of interfund activity have been eliminated from the government-wide financial statements; however, interfund services (e.g., risk management, health insurance) provided and used are not eliminated (elimination of these charges would distort the reported function expenses and program revenues).

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All Proprietary Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

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The modified accrual basis of accounting is used by all governmental fund types and the full accrual basis of accounting is used by the custodial funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (for the most part, revenues are considered available, if they are collected within 90 days of the end of the fiscal year). Expenditures are recorded when the related fund liability is incurred, if measurable.

The following is a list of the major revenue sources, which meet the "susceptible to accrual" criteria:

- Commonwealth of Virginia
- State Sales Taxes
- Federal Government

All Proprietary Funds are reported under the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the Internal Service Funds are charges for services. Operating expenses for the Internal Service Funds include administrative expenses, insurance premiums, and claims payments. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for the same purpose, restricted resources are used first, where practicable and permitted.

The School Board reports unearned revenues on its government-wide financial statements when revenues are received prior to the period in which all eligibility requirements have been met. Unearned revenue at the fund level arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned revenue is removed from the Balance Sheet and revenue is recognized.

**F. Encumbrances**

Encumbrance accounting, in which purchase orders, contracts, and other commitments for the expenditure of monies are recorded (reduces the applicable available appropriation), is followed

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in the General, Special Revenue, and Capital Projects Funds. Encumbrances outstanding do not constitute expenditures until expended or accrued as liabilities.

**G. Inventories**

All inventories are reported using the weighted average cost inventory method. Reported inventories are accounted for under the consumption method (i.e., recorded as expenditures when used) in the governmental funds.

The School Cafeteria Fund's inventory includes United States Department of Agriculture (USDA) commodities under the Donated Commodity Program (operated as an adjunct to the National School Lunch Program). This program provides free agricultural products for use in the preparation of school lunches. The contributions are recorded in the financial statements as revenue upon receipt (title of products pass upon delivery) and expenditures at the time of consumption of the products based on the estimated wholesale market value (provided by the USDA). Other inventories are reported using the weighted average cost inventory method.

**H. Deferred Outflows and Inflows of Resources**

The School Board recognizes deferred outflows and inflows of resources. A deferred outflow of resources represents a consumption of net assets that applies to future periods. A deferred inflow of resources represents an acquisition of net assets that applies to future periods. The Statement of Net Position reports deferred outflows and inflows of resources related to pensions and OPEB (See A-1 and Note 8).

**I. Accrued Compensated Leave**

Annual leave, according to a graduated scale based on years of employment, is credited to each employee as it accrues. In general, administrative personnel may accrue a maximum of 50 days. Instructional personnel may accrue a maximum of 8 personal leave days. Upon employment termination, payment is made by the School Board to the respective employee on the unused portion.

School Board employees are granted one sick leave day per month and may accumulate an unlimited number of sick leave days. However, no payment is made by the School Board on the unused portion upon employment termination, except on the condition of retirement. School Board retirees are paid for their unused sick leave.

An accrual has been made in the financial statements for certain accumulated annual, personal, and sick leave days. This estimate includes salary and the related Social Security and Medicare taxes.

The estimated amount of accrued compensated leave for the School Board's governmental activities is reported in the government-wide financial statements. See Note 5B for the estimated amounts related thereto.



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Accrued compensated leave is typically liquidated by the General Fund, or the applicable special revenue (e.g., School Cafeterias) or internal service (e.g., Risk Management) fund.

**J. Fund Balance**

Fund balance is divided into four classifications based primarily on the extent to which the School Board is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

**Nonspendable** - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid items.

**Restricted** - The restricted fund balance classification is used when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the School Board to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the School Board can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

**Committed** - The committed fund balance classification, includes amounts, if applicable, that can be used only for the specific purposes imposed by a resolution adopted by the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** - The assigned fund balance classification represents amounts intended to be used by the School Board for specific purposes. Assigned amounts are established by the School Board (see Note 10D).

The School Board 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.

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**Unassigned** - The unassigned fund balance classification represents amounts of the General Fund that are not constrained for any particular purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, the unassigned classification is only used to report a deficit fund balance. There were no unassigned fund balances this fiscal year.

**K. Net Position**

The difference between assets and deferred outflows or resources and liabilities and deferred inflows of resources in the government-wide Statement of Net Position must be labeled as net position. In addition, net position must be subdivided into three components: net investment in capital assets; restricted net position; and unrestricted net position, as follows:

**Investment in Capital Assets** - The investment in capital assets component presents the net position that comprise the capital assets (net of accumulated depreciation).

**Restricted Net Position** - The restricted net position component presents the net position that is restricted when constraints placed on the net position use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Position** - The unrestricted net position component consists of net position that does not meet the “investment in capital assets” or “restricted net position” definition.

**L. Miscellaneous**

**1. Cash and Investments**

The School Board’s cash and investments are pooled and invested with the City’s centralized cash and investment pool (see Note 6). Cash invested at June 30 is included in the various cash accounts reflected in the financial statements. Investments are stated at amortized cost or fair value. Interest earnings on investments are allocated to certain funds based upon the average monthly cash balance of each fund.

**2. Proprietary Funds’ Other Charges**

The Proprietary Funds’ Other Charges category mainly consists of premiums and claims payments (including current estimated claims and judgments) in the Risk Management and Health Insurance Internal Service Funds.

**3. Statement of Cash Flows**

For purposes of the Statement of Cash Flows, all highly liquid debt instruments and certificates of deposit, regardless of maturity date, are grouped into cash and temporary investments. The proprietary funds participate in the City’s centralized cash and investment pool (see Note

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6); therefore, separate information on cash equivalents (i.e., investments with original maturities of three months or less upon acquisition) for the fund is not available.

**4. Long-Term Obligations**

All long-term liabilities (see Note 5) are reported in the government-wide financial statements.

**5. Prepaid Items**

Prepaid items are certain required/negotiated payments made during the current fiscal year for goods/services to be delivered/rendered (and recorded as an expenditure/expense on a consumption basis, accordingly) during the following fiscal year(s).

**6. Debt Service**

The School Board has debt service payments on debt incurred by the City “on behalf of” the School Board (see Note 4B for related information). However, information on the School Board and City debt service payments and outstanding debt as a whole are presented in the City’s ACFR.

**M. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**N. Pensions**

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note 8 and the Required Supplementary Information (RSI) section), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

The Virginia Retirement System (VRS) Teacher Retirement Plan is a multiple employer cost-sharing plan. The VRS Political Subdivision Retirement Plan is a multiple employer, agent plan.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the VRS Teacher Retirement Plan and the Political Subdivision Retirement Plan and the additions to/deductions from these plan’s net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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**O. Other Postemployment Benefits**

**1. Retiree Health Benefits**

For purposes of measuring the net OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, and OPEB expense, information about the fiduciary net position of the Other Post Employment Benefit Trust Fund and the additions to/deductions from the OPEB net fiduciary position have been determined on the same basis as they were reported by the VML/VACo Pooled OPEB Trust. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**2. Teacher Employee and Political Subdivision Health Insurance Credit Program**

The VRS Teacher Employee Health Insurance Credit (HIC) Program is a multiple-employer, cost-sharing plan. This program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. The Political Subdivision Health Insurance Credit Program is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. These programs were established pursuant to §51.1-1400 et seq. of the *Code of Virginia* as amended, and to provide the authority under which benefit terms are established or may be amended. For purposes of measuring the net Teacher Employee and Political Subdivision Health Insurance Credit Program OPEB liability, deferred outflows and inflows of resources related to the Teacher Employee and Political Subdivision Health Insurance Credit Program OPEB, and the Teacher Employee and Political Subdivision Health Insurance Credit Program OPEB expense, information about the fiduciary net position of the VRS Teacher Employee and Political Subdivision Health Insurance Credit Program; and the additions to/deductions from the VRS Teacher Employee and Political Subdivision Health Insurance Credit Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**3. Group Life Insurance**

The VRS Group Life Insurance (GLI) Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program was established pursuant §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The program is a defined benefit plan that provides a basic group life insurance benefit for employees or participating employers. For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows and inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information

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about the fiduciary net position of the VRS Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**4. Teacher Employee and Political Subdivision Employee Virginia Local Disability Program**

The VRS Teacher Employee and Political Subdivision Employee Virginia Local Disability Program (VLDP) is a multiple-employer, cost-sharing plan. For purposes of measuring the net Teacher Employee and Political Subdivision Employee VLDP OPEB liability, asset, deferred outflows of resources and deferred inflows of resources related to the Teacher Employee and Political Subdivision Employee VLDP OPEB, and the Teacher Employee and Political Subdivision Employee OPEB expense, information about the fiduciary net position of the VRS Teacher Employee and Political Subdivision Employee VLDP; and the additions to/deductions from the VRS Teacher Employee and Political Subdivision Employee VLDP's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**P. Implementation of New Accounting Pronouncements**

The School Board implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The requirements of this Statement will provide guidance on the accounting and financial reporting for SBITAs for government end users (governments). This Statement (1) defines a SBITA (2) establishes that a SBITA results in a right-to-use subscription asset-intangible asset- and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, included implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. See Note 5 for further information.

**Q. Pronouncements Issued but not Yet Effective**

The GASB has issued the following pronouncements, not yet effective, that may affect future financial position, results of operations, cash flows or the financial presentation of the School Board upon implementation. Management is evaluating these new standards.

<b>GASB STATEMENT NO.</b>	<b>GASB ACCOUNTING STANDARD</b>	<b>EFFECTIVE FISCAL YEAR</b>
	Accounting Changes and Error	
100	Corrections	2024
101	Compensated Absences	2024

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**2. RECEIVABLES**

**A. Due from Commonwealth**

The following revenues were due from the Commonwealth of Virginia at June 30, 2023:

State Share Sales Tax	\$ 7,905,278
Special Education – Regional Program	2,849,806
Technology Initiative	3,000,763
Juvenile Detention Center	292,274
Other Grants, Entitlements, and Shared Revenues	<u>344,753</u>
Total Due From Commonwealth (Exhibit A-3 and A-1)	<u><u>\$ 14,392,874</u></u>

**B. Due from Federal Government**

The following revenues were due from various Federal agencies at June 30, 2023:

Adult Basic Education	\$ 92,812
ARP and ARPA	9,584,961
CARES	286,865
Carl Perkins	1,050,445
CDC VA Department of Health	401,729
CSLFRF	202,350
COPS School Violence Prevention	140,467
DODEA Spanish Immersion	120,473
McKinney Homeless	109,781
NJROTC	77,309
Preschool Incentive	114,799
RIPE for Public Instruction	287,581
National School Lunch Program	990,931
School Breakfast Program	368,181
Summer Feeding Program	12,230
Child and Adult Care Program	20,386
Title I	7,961,989
Title II	358,770
Title III	189,210
Title IV	355,729
Title VI-B	3,082,129
Other Grants, Entitlements, and Shared Revenues	<u>59,487</u>
Total Due From Federal Gvt (Exhibit A-3 and A-1)	<u><u>25,868,614</u></u>

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**C. Lease Receivable**

The School Board leases cell towers to various third parties under multiple leases. The leases are for periods ending at various dates through December 2028 and the School Board receives monthly lease payments ranging from \$72 to \$5,443. The School Board recognized \$602,873 in lease revenue and \$28,584 in interest revenue during the current fiscal year related to these leases. As of June 30, 2023, the School Board's receivable for lease payments was \$1,968,773. Also, the School Board has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$1,902,638.

**3. 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 consist of the following as of June 30, 2023:

General Fund – Summer School Tuition, Regular School Tuition	\$ 579,081
School Grants Fund – Early Reading Intervention, Algebra Readiness, VA Preschool Initiative, and other grants	4,387,250
Other Governmental Funds – School Cafeterias – Charges for Services	<u>665,280</u>
Total Unearned Revenue – Governmental Funds (Exhibit A-3)	<u>\$ 5,631,611</u>
School Health Insurance Internal Service Fund – Prepayment of July health insurance premiums (Exhibit A-5)	<u>8,465,005</u>
Total Unearned Revenue – Governmental Activities (Exhibit A-1)	<u><u>\$ 14,096,616</u></u>

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**4. CAPITAL ASSETS**

**A. Summary of Changes in Capital Assets**

	Balance July 1, 2022	Restatement	Increases	Decreases	Balance June 30, 2023
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 38,968,372	\$ -	\$ -	\$ 502	\$ 38,967,870
Construction in Progress	2,940,086	-	20,657,191	5,155,581	18,441,696
Total Capital Assets Not Being Depreciated	<u>\$ 41,908,458</u>	<u>\$ -</u>	<u>\$ 20,657,191</u>	<u>\$ 5,156,083</u>	<u>\$ 57,409,566</u>
Capital Assets Being Depreciated / Amortized:					
Buildings	\$ 821,812,852	\$ -	\$ 18,042,919	\$ 20,679,376	\$ 819,176,395
Improvements Other Than Buildings	80,863,075	-	3,312,610	-	84,175,685
Machinery/Equipment and Vehicles	145,275,016	-	12,225,736	5,430,724	152,070,028
Subscription Lease	-	1,693,428	822,690	-	2,516,118
Total Capital Assets Being Depreciated / Amortized	<u>\$ 1,047,950,943</u>	<u>\$ 1,693,428</u>	<u>\$ 34,403,955</u>	<u>\$ 26,110,100</u>	<u>\$1,057,938,226</u>
Less Accumulated Depreciation / Amortization for:					
Buildings	\$ 381,427,808	\$ -	\$ 25,243,331	\$ 13,678,665	\$ 392,992,474
Improvements Other Than Buildings	53,684,565	-	2,617,008	-	56,301,573
Machinery/Equipment and Vehicles	90,281,111	-	9,560,442	5,315,602	94,525,951
Subscription Lease	-	-	854,895	-	854,895
Total Accumulated Depreciation / Amortization	<u>\$ 525,393,484</u>	<u>\$ -</u>	<u>\$ 38,275,676</u>	<u>\$ 18,994,267</u>	<u>\$ 544,674,893</u>
Total Capital Assets Being Depreciated / Amortized, Net	<u>\$ 522,557,459</u>	<u>\$ 1,693,428</u>	<u>\$ (3,871,721)</u>	<u>\$ 7,115,833</u>	<u>\$ 513,263,333</u>
Governmental Activities Capital Assets, Net	<u>\$ 564,465,917</u>	<u>\$ 1,693,428</u>	<u>\$ 16,785,470</u>	<u>\$ 12,271,916</u>	<u>\$ 570,672,899</u>

**B. Tenancy in Common with the City on Certain School Buildings**

Section 15.2-1800.1 of the *Code of Virginia*, as amended, affects the reporting of local School Board capital assets and related debt for financial reporting purposes. Under this legislation, the City has a “tenancy in common” with the School Board whenever the City incurs “on behalf of” debt for any school property owned by the School Board, which is payable over more than one year. For financial reporting purposes, the City will report the Net Book Value of School Board property (the School Board incurs the depreciation expense) equal to the total outstanding principal balance of the applicable “on behalf of” debt at June 30, 2023, as follows:

School Buildings reported by the City	\$ 448,663,992
Less: Accumulated Depreciation	<u>78,668,649</u>
Net Book Value reported by the City	<u>\$ 369,995,343</u>



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**C. Depreciation / Amortization Expense on Capital Assets**

Depreciation / Amortization expense was charged to governmental activities, as follows:

Instruction	\$ 27,013,714
Admin, Attendance, & Health	376,348
Pupil Transportation	6,433,373
Operations and Maintenance	816,189
Cafeterias	435,776
Technology	<u>3,200,276</u>
 Total Depreciation Expense	 <u><u>\$ 38,275,676</u></u>

Note: Approximately \$23.0 million of the depreciation expense is on buildings owned by the School Board and reported by the City, and the net accumulated depreciation change/transfer on buildings owned by the School Board and previously reported by the City as a result of the Tenancy in Common provisions disclosed in Note 4B.

The School Board also reported \$13,678,665 increase to accumulated depreciation in Note 4A as a result of the transfer of buildings previously reported by the City and transferred to the School Board in the current year as a result of the Tenancy in Common provision disclosed in Note 4B.

**5. LONG-TERM LIABILITIES**

**A. Summary of Changes in Long-Term Liabilities**

The School Board has entered into SBITAs for finance, reporting, and learning software for a period of 2 to 5 years and an incremental borrowing rate of 2.86 percent. The SBITAs have been recorded at the present value of the future contract payments as of the date of their inception or, for SBITAs existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2022. SBITA liabilities and subscription terms are included in long-term liabilities as follows at June 30, 2023:

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	Balance				Balance	Amounts
Governmental Activities:	<u>July 1, 2022</u>	<u>Restatement</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2023</u>	<u>Due Within</u>
						<u>One Year</u>
Accrued Compensated Leave						
(Note 5B)	\$ 42,221,717	\$ -	\$ 14,338,573	\$ 12,647,065	\$ 43,913,225	\$ 12,900,007
Estimated Claims and Judgments						
(Notes 9A and 9C)	18,733,619	-	158,803,370	159,446,703	18,090,286	13,567,715
Net Pension Liability						
(Note 8A)	374,959,932	-	400,481,839	313,235,944	462,205,827	-
Net OPEB Liability						
(Note 8B-F)	144,993,753	-	68,829,491	56,236,143	157,587,101	-
Subscription Liability	-	1,693,428	648,620	718,237	1,623,811	845,252
Long-Term Liabilities	<u>\$ 580,909,021</u>	<u>\$ 1,693,428</u>	<u>\$ 643,101,893</u>	<u>\$ 542,284,092</u>	<u>\$ 683,420,250</u>	<u>\$ 27,312,974</u>

Software lease debt service requirements to maturity are as follows:

Fiscal Year Ended	Principal	Interest	Total
June 30			Payments
2024	\$ 845,252	\$ 47,055	\$ 892,307
2025	444,987	22,561	467,548
2026	164,404	9,666	174,070
2027	169,168	4,902	174,070
Total SBITA Payments	<u>\$ 1,623,811</u>	<u>\$ 84,184</u>	<u>\$ 1,707,995</u>

For the year ended June 30, 2023, the School Board has software leases with variable payments that were based on user seats which were expensed as incurred in the amount of \$5,935,503.

For the year ended June 30, 2023, the School Board had no other payments, such as termination penalties, not previously included in the measurement of the software liability.

For the year ended June 30, 2023, the School Board had no commitments under software leases before the commencement of the subscription term or any losses associated with the impairment.

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**B. Accrued Compensated Leave**

The accrued compensated leave is as follows at June 30, 2023:

Compensated Leave	
Annual	\$ 15,696,302
Sick	20,793,211
Personal	<u>7,423,712</u>
Total	<u><u>\$ 43,913,225</u></u>

**6. DEPOSITS AND INVESTMENTS**

The Constitution of Virginia and the *Code of Virginia*, as amended, require the election of a City Treasurer. The City's Charter provides that the City Treasurer is the custodian of City cash and has powers and duties prescribed by general law. Cash and temporary investments pertaining to the School Board's funds (except school activity account funds) are pooled and invested with the cash and temporary investments of the City. The bank balance of the City's deposits, which includes the School Board's cash pooled with the City, is covered by Federal Depository Insurance or collateralized in accordance with the Virginia Security for Public Deposits Act. Information to categorize investments for the School Board only, by the level of risk assumed, is unavailable for disclosure. However, information on the pooled deposits and investments (including the investments stated at amortized cost and the investments stated at fair value) for the School Board and City as a whole is presented in the City's ACFR, and below, as follows:

**A. Deposits**

Custodial credit risk for deposits policy – All cash of the City including the School Board Component Unit (excluding the School Board's School Activity Accounts) is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the *Code of Virginia* or covered by Federal Depository Insurance.

The City has compensating balance arrangements with two financial institutions. Bank of America provides services to the City while a \$3.5 million balance is maintained in a demand deposit account. A fluctuating checking account balance based on monthly investment services is a requirement of Branch Banking & Trust (BB&T).

The City categorizes its fair value measurements within the fair value hierarchy established by

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generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs (the City does not value any of its investments using level 3 inputs).

As of June 30, 2023, the City had the following recurring investments. Except for the investments in the State Non-Arbitrage Program (SNAP), Virginia Investment Pool (VIP), and Local Government Investment Pool (LGIP), all investments are in an internal investment pool.

	June 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Weighted Average Maturities (in months)
<b>Investments at Fair Value:</b>					
Money Market Funds	\$ 10,208,097	\$ -	\$ 10,208,097	\$ -	0.01
Negotiable Certificates of Deposits	130,076,968	-	130,076,968	-	0.41
Commercial Paper	92,350,171	-	92,350,171	-	0.51
U.S. Government Securities	305,210,538	-	305,210,538	-	3.59
Miscellaneous Coupon Securities	287,526,708	-	287,526,708	-	2.48
	<u>\$ 825,372,482</u>	<u>\$ -</u>	<u>\$ 825,372,482</u>	<u>\$ -</u>	0.04
<b>Investments Measured at Amortized Cost:</b>					
Certificates of Deposits	\$ 75,003,452				0.12
State Non Arbitrage Program (SNAP)	20,040,364				0.03
State Treasurer's Local Government Pool (LGIP)	172,000,000				0.13
Virginia Investment Pool (VIP)	10,745,840				0.01
Virginia Investment Pool (VIP) - Liquidity Pool	173,406,099				0.14
Total Fair Value	<u>\$ 451,195,755</u>				
Total Investments	<u>\$ 1,276,568,237</u>				
Portfolio Weighted Average Maturity					<u>1.54</u>

Reconciliation of total deposits and investments at June 30, 2023:

	Primary Government	School Board Component Unit	Total
Cash and Investments	\$ 935,894,343	\$ 369,991,488	\$ 1,305,885,831
Restricted Cash and Cash Equivalents	238,890,250	-	238,890,250
Fiduciary Funds	58,186,420	42,784,206	100,970,626
Total	<u>\$ 1,232,971,013</u>	<u>\$ 412,775,694</u>	<u>\$ 1,645,746,707</u>
Less: Cash on Deposit			(369,178,470)
Total Fair Value of Investments at June 30, 2023			<u>\$ 1,276,568,237</u>

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The City has investments in U.S. Government securities valued at \$305.2 million (Level 2 inputs). These investments are classified in Level 2 at the fair value hierarchy and are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the City's custodian bank.

Investments in Money Market Funds (Level 2 inputs) and Commercial Paper (Level 2 inputs) are classified in Level 2 of the fair value hierarchy and are valued in accordance with pricing sources by the City's custodian bank.

The remaining investments are measured in accordance with existing GAAP standards at amortized costs totaled \$451.2 million at June 30, 2023. Investments within the SNAP Investment Pool are held there to meet the debt service reserve requirements of the bond covenants and therefore cannot be withdrawn for any other purpose. Investments within the LGIP have no restrictions on withdrawals and can be obtained upon demand. Investments in the VIP fall within two primary funds, 1-3 Year High Quality Bond Fund and Stable NAV Liquidity Pool. The 1-3 High Quality Bond Fund redemptions are available twice a month and participants are required to provide 5 days' notice. Redemptions greater than \$5 million are requested to be submitted 60 days in advance and if the redemption is greater than 10% of the portfolio's net asset value without the 60 days' notice, the redemption can be executed over time. The Stable NAV Liquidity Pool has no restrictions on withdrawals and funds are available the same day.

**B. Interest Rate Risk**

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits maximum final stated maturities of investments to five years. In addition, the City will structure the investment portfolio so that securities mature to meet cash requirements and by investing operating funds primarily in shorter-term securities.

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements. Reverse and escrow funds may be invested in securities exceeding five years to maturity if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

The City assumes all investments will be held until maturity or until called at their par value. However, an investment may be sold at an earlier date to meet certain obligations or if the investment's credit quality drops. This makes the City's investments sensitive to market rate fluctuations. To mitigate the impact of market rate fluctuations, the City maintains enough liquidity to meet its short-term needs with a smaller portion invested in long-term government-sponsored organizations and high-quality corporate notes.

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**C. Credit Risk**

Credit risk is the risk an investor is subject to as a result of the credit quality of investments in debt securities. Statutes, as well as the City's investment policy, authorize the City to invest in obligations of the United States or agencies thereof; 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; commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record; bankers' acceptance instruments; repurchase agreements which are collateralized with securities approved for direct investment; State Treasurer's LGIP; and corporate notes with at least a rating of Aa by Moody's or AA by Standard and Poor's.

The LGIP is an externally managed investment pool that is not registered with the Securities Exchange Commission but is managed as a "2a-7 like pool". Pursuant to the *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The LGIP values portfolio securities by the amortized cost method and on a monthly basis this valuation is compared to current market to monitor any variance. The fair value of the City's position in the pool is the same as the value of the pool shares.

Custodial credit risk for investments policy: For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City requires that all investments be clearly marked as to ownership and to the extent possible, be registered in the name of the City. In addition, the City pre-qualifies the financial institutions, brokers/dealers, intermediaries and advisors with which the City will do business.

The City's rated debt investments as of June 30, 2023 were rated by Standard & Poor's and Moody's and/or an equivalent national rating organization and the ratings are presented below using the respective rating scale from both agencies.

	<u>AAA</u>	<u>A1/P1/F1+</u>
LGIP	\$ 172,000,000	\$ -
U. S. Government Securities	305,210,538	-
SNAP	20,040,364	-
Commercial Paper	92,350,171	-

Concentration of Credit Risk: Concentration of credit risk represents the risk of investments in any one issue that represents 5% or more of investments. The City's investment policy limits the amount it can invest in commercial paper and bankers' acceptance instruments. By policy, investments in commercial paper are limited to 35% of the total available for investment and not

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more than 5% of the total available for investment can be invested in any one issuing corporation. Bankers' acceptance instruments shall not exceed 50% of the total investment portfolio's book value on the date of acquisition.

All City and School Board Funds participate in a centralized cash and investment pool. Interest earnings on investments are allocated to the appropriate funds based upon the average monthly cash balance of each fund.

## **7. COMMITMENTS AND CONTINGENCIES**

### **A. Litigation**

The School Board, as of June 30, 2023, is a named defendant in various lawsuits. The School Board is vigorously defending all cases and expects no losses will be incurred, which would have a material effect on the School Board's financial position.

### **B. Intergovernmental Grants, Entitlements, and Shared Revenues**

The School Board participates in a number of Federal and state grants, entitlements, and shared revenue programs. These programs are subject to program compliance audits by the applicable federal or state agency or their representatives. The "Single Audit Act Amendments of 1996" and Office of Management and Budget Uniform Grant Guidance requires most governmental recipients of Federal assistance to have an annual independent organization wide financial and compliance audit. The results thereof are incorporated in the City's Annual Comprehensive Financial Report. The amounts, if any, of expenditures that may be disallowed by these audits cannot be determined at this time, although the School Board expects such amounts, if any, to be immaterial.

### **C. Salaries Payable**

The outstanding Salaries Payable amount represents salaries due (in July and August 2023) to school employees (e.g., teachers) who have opted to be paid over a twelve-month period; and salaries that are due (e.g., for services rendered in June 2023 and not paid until July 2023) to substitutes, part-time employees, and other school personnel.

### **D. Construction Projects**

The School Board has active construction projects and related contractual commitments as of June 30, 2023, as follows:

<u>Construction in Progress</u>	<u>Commitments</u>
\$18,441,696	\$33,713,319

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**E. Encumbrances**

The School Board has encumbrances such as purchase orders, contracts, and other commitments for the expenditure of monies for goods and/or services not received as of June 30, 2023. These outstanding encumbrances (listed below) do not constitute expenditures until expended or accrued as liabilities and, therefore, are not reflected in the accompanying financial statements.

<u>Fund</u>	<u>Amount of Encumbrances</u>
General	\$ 16,014,585
Capital Projects	33,713,319
Other Governmental	12,821,834
Total	<u>\$ 62,549,738</u>

**8. RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS**

**A. Virginia Retirement System**

**1. Plan Description**

All full-time, salaried permanent (professional) employees of the School Board are automatically covered by the VRS Teacher Retirement Plan, upon employment. All full-time, salaried permanent (non-professional) employees of the School Board are automatically covered by the VRS Political Subdivision Retirement Plan, upon employment. These plans are administered by the Virginia Retirement System (the System or VRS) 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 in the VRS Teacher Retirement Plan and VRS Political Subdivision Retirement Plan – 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 set out in the table below:



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<b>PLAN 1</b> <b>Retirement Plan Provisions</b>	<b>PLAN 2</b> <b>Retirement Plan Provisions</b>	<b>HYBRID</b> <b>Retirement Plan Provisions</b>
<p><b><u>Plan 1</u></b>  Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.</p>	<p><b><u>Plan 2</u></b>  Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.</p>	<p><b><u>Hybrid Retirement Plan</u></b>  The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> <li>• The defined benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.</li> <li>• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.</li> <li>• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.</li> </ul>
<p><b><u>Eligible Members</u></b>  Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of</p>	<p><b><u>Eligible Members</u></b>  Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership</p>	<p><b><u>Eligible Members</u></b>  Employees are in the Hybrid Retirement Plan if their</p>

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<p>January 1, 2013, and they have not taken a refund</p> <p><b><u>Hybrid Opt-In Election</u></b>  VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p>date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p><b><u>Hybrid Opt-In Election</u></b>  Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p>membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> <li>• School division employees</li> <li>• Political subdivision employees*</li> <li>• Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014</li> </ul> <p><b>*Non-Eligible Members</b>  Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees</li> </ul> <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>
<p><b><u>Retirement Contributions</u></b>  Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The</p>	<p><b><u>Retirement Contributions</u></b>  Same as Plan 1.</p>	<p><b><u>Retirement Contributions</u></b>  A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a</p>

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<p>employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>		<p>percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>
<p><b><u>Service Credit</u></b>  Service Credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p><b><u>Service Credit</u></b>  Same as Plan 1.</p>	<p><b><u>Service Credit</u></b>  <b><u>Defined Benefit Component:</u></b>  Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><b><u>Defined Contribution Component:</u></b>  Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>

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PLAN 1 Retirement Plan Provisions	PLAN 2 Retirement Plan Provisions	HYBRID Retirement Plan Provisions
<p><b><u>Vesting</u></b>  Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p><b><u>Vesting</u></b>  Same as Plan 1.</p>	<p><b><u>Vesting</u></b>  <b><u>Defined Benefit Component:</u></b>  Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><b><u>Defined Contribution Component:</u></b>  Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> <li>• After two years, a member is 50 % vested and may withdraw 50 % of employer</li> </ul>

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<b>PLAN 1</b> <b>Retirement Plan Provisions</b>	<b>PLAN 2</b> <b>Retirement Plan Provisions</b>	<b>HYBRID</b> <b>Retirement Plan Provisions</b>
		<p>contributions.</p> <ul style="list-style-type: none"> <li>• After three years, a member is 75 % vested and may withdraw 75 % of employer contributions.</li> <li>• After four or more years, a member is 100 % vested and may withdraw 100 % of employer contributions.</li> </ul> <p>Distributions not required, except as governed by law.</p>
<p><b><u>Calculating the Benefit</u></b>  The basic benefit is calculated based on a formula using the member's average final compensation, a plan multiplier, and total service credit at retirement.</p> <p>An early retirement reduction factor is applied to the basic benefit if the member retires with a reduced retirement benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.</p>	<p><b><u>Calculating the Benefit</u></b>  See definition under Plan 1.</p>	<p><b><u>Calculating the Benefit</u></b>  <b><u>Defined Benefit Component:</u></b>  See definition under Plan 1</p> <p><b><u>Defined Contribution Component:</u></b>  The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p><b><u>Average Final Compensation</u></b>  A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p><b><u>Average Final Compensation</u></b>  A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p><b><u>Average Final Compensation</u></b>  Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p><b><u>Service Retirement Multiplier</u></b>  The retirement multiplier is a</p>	<p><b><u>Service Retirement Multiplier</u></b>  Same as Plan1 for service</p>	<p><b><u>Service Retirement Multiplier</u></b>  <b><u>Defined Benefit Component:</u></b></p>

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<p>factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p>	<p>earned, purchased, or granted prior to January 1, 2013. The retirement multiplier is 1.65% for service credit earned, purchased, or granted on or after January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased, or granted on or after January 1, 2013.</p>	<p>The retirement multiplier for the defined benefit component is 1.00%.</p> <p>For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p> <p><b><u>Defined Contribution Component:</u></b> Not applicable.</p>
<p><b><u>Normal Retirement Age</u></b> Age 65</p>	<p><b><u>Normal Retirement Age</u></b> Normal Social Security retirement age.</p>	<p><b><u>Normal Retirement Age</u></b> <b><u>Defined Benefit Component:</u></b> Same as Plan 2.</p> <p><b><u>Defined Contribution Component:</u></b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b><u>Earliest Unreduced Retirement Eligibility</u></b> Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit at age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.</p>	<p><b><u>Earliest Unreduced Retirement Eligibility</u></b> Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service equal 90.</p>	<p><b><u>Earliest Unreduced Retirement Eligibility</u></b> <b><u>Defined Benefit Component:</u></b> Members are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service equal 90.</p>

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PLAN 1 Retirement Plan Provisions	PLAN 2 Retirement Plan Provisions	HYBRID Retirement Plan Provisions
		<b><u>Defined Contribution Component:</u></b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
<b><u>Earliest Reduced Retirement Eligibility</u></b> Members who are not in hazardous duty positions may retire with a reduced benefit as early as age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.	<b><u>Earliest Reduced Retirement Eligibility</u></b> Members who are not in hazardous duty positions may retire with a reduced benefit as early as age 60 with at least five years (60 months) of service credit.	<b><u>Earliest Reduced Retirement Eligibility</u></b> <b><u>Defined Benefit Component:</u></b> Members who are not in hazardous duty positions may retire with a reduced benefit as early as age 60 with at least five years (60 months) of service credit.  <b><u>Defined Contribution Component:</u></b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
<b><u>Cost-of-Living Adjustment (COLA) in Retirement</u></b> The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4 %) up to a maximum COLA of 5 %.  <b><u>Eligibility:</u></b> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.	<b><u>Cost-of-Living Adjustment (COLA) in Retirement</u></b> The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.  <b><u>Eligibility:</u></b> Same as Plan 1.	<b><u>Cost-of-Living Adjustment (COLA) in Retirement</u></b> <b><u>Defined Benefit Component:</u></b> Same as Plan 2.  <b><u>Defined Contribution Component:</u></b> Not applicable.  <b><u>Eligibility:</u></b> Same as Plan 1 and Plan 2.

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<p>For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p><b><u>Exceptions to COLA Effective Dates:</u></b>  The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term disability.</li> <li>• The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.</li> <li>• The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit.</li> </ul> <p>The COLA will go into effect on July 1 following one full calendar</p>	<p><b><u>Exceptions to COLA Effective Dates:</u></b>  Same as Plan 1.</p>	<p><b><u>Exceptions to COLA Effective Dates:</u></b>  Same as Plan 1 and Plan 2.</p>



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<b>PLAN 1</b> <b>Retirement Plan Provisions</b>	<b>PLAN 2</b> <b>Retirement Plan Provisions</b>	<b>HYBRID</b> <b>Retirement Plan Provisions</b>
year (January 1 to December 31) from the date the monthly benefit begins.		
<p><b><u>Disability Coverage</u></b>  Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased, or granted.</p>	<p><b><u>Disability Coverage</u></b>  Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased, or granted.</p>	<p><b><u>Disability Coverage</u></b>  Employees of school divisions (including Plan 1 and Plan2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>
<p><b><u>Purchase of Prior Service</u></b>  Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave, or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.</p>	<p><b><u>Purchase of Prior Service</u></b>  Same as Plan 1.</p>	<p><b><u>Purchase of Prior Service</u></b>  <b><u>Defined Benefit Component:</u></b>  Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> <li>Hybrid Retirement Plan members are ineligible for ported service.</li> </ul> <p><b><u>Defined Contribution Component:</u></b>  Not applicable.</p>

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**2. Employees Covered by Benefit Terms**

As of the June 30, 2021 actuarial valuation, the following nonprofessional employees (non-teacher) were covered by the benefit terms of the pension plan:

Nonprofessional Employees (non-teacher):

Inactive Members or Their Beneficiaries	
Currently Receiving Benefits	1,810
Inactive Members:	
Vested Inactive Members	350
Non-Vested Inactive Members	1,069
LTD	9
Active Elsewhere in VRS	381
Total Inactive Members	1,809
Active Members	1,819
Total Covered Employees	5,438

**3. 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 school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. For the Professional Plan (Teacher Retirement Plan), each school division's contractually required contribution rate for the year ended June 30, 2023 was 16.62% 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. Contribution to the pension plan from the School Board of the City of Virginia Beach, Virginia were \$73,202,797 and \$70,274,556 for the years ended June 30, 2023 and June 30, 2022, respectively.

For the Nonprofessional (non-teacher) employees. The School Board contractually required employer contribution rate for the year ended June 30, 2023 was 7.99% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. When combined with employee contributions, this rate 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 \$4,109,022 and \$3,629,076 for the years ended June 30, 2023 and June 30, 2022, respectively.

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**4. Net Pension Liability**

At June 30, 2023, the School Board reported a net pension liability of \$452,733,028 for its proportionate share of the net pension liability of the Teacher Retirement Plan (Professional). The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed June 30, 2021 and rolled forward to the measurement date of June 30, 2022. 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, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the School Board's proportion was 4.75530% as compared to 4.83003% at June 30, 2021.

The net pension liability is calculated separately for each system and represents that particular employer's total pension liability determined in accordance with GAAP, less that employer's fiduciary net position. As of June 30, 2022, net pension liability amounts for the VRS Teacher Employee Retirement Plan are as follows (amounts expressed in thousands):

	<b><u>Teacher Employee Retirement Plan</u></b>
Total Pension Liability	\$ 54,732,329
Plan Fiduciary Net Position	<u>45,211,731</u>
Employers' Net Pension Liability	<u><u>\$ 9,520,598</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.61%

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 GAAP in the System's notes to the financial statements and required supplementary information.

For the School Board's Nonprofessional (non-teacher) Retirement Plan, the net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021 rolled forward to the measurement date of June 30, 2022. At June 30, 2023, the school division reported a net pension liability of \$9,472,799 for the Nonprofessional (non-teacher) Retirement Plan.

**5. Pension Expense**

For the year ended June 30, 2023, the School Board recognized pension expense of \$14,635,509 for the Teacher Retirement Plan (Professional). Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts

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from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

In addition, for the year ended June 30, 2023, the School Board recognized pension expense of \$(101,730) for the Nonprofessional (non-teacher) Retirement Plan.

**6. Deferred Outflows/Inflows of Resources**

At June 30, 2023, for the Teacher Retirement Plan (Professional), the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 31,217,732
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	59,026,906
Change in Assumptions	42,683,605	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	9,905	21,201,720
Employer Contributions Subsequent to the Measurement Date	<u>73,202,797</u>	<u>-</u>
Total	<u><u>\$ 115,896,307</u></u>	<u><u>\$ 111,446,358</u></u>

\$73,202,797 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ended June 30</u>	<u>Deferred Amounts</u>
2024	\$ (23,063,605)
2025	(27,237,702)
2026	(43,504,692)
2027	<u>25,053,151</u>
	<u><u>\$ (68,752,848)</u></u>

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In addition, at June 30, 2023, for the Nonprofessional (non-teacher) Retirement Plan, 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	\$ -	\$ 2,803,850
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	7,752,206
Change in Assumptions	1,287,830	-
Employer Contributions Subsequent to the Measurement Date	4,109,022	-
Total	<u>\$ 5,396,852</u>	<u>\$ 10,556,056</u>

\$4,109,022 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended June 30	Deferred Amounts
2024	\$ (4,053,399)
2025	(3,568,826)
2026	(5,209,316)
2027	<u>3,563,315</u>
	<u>\$ (9,268,226)</u>

## **7. Actuarial Assumptions**

### Professional/Teacher Retirement Plan

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2021, 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, 2022.

Inflation	2.50%
Salary increases, including Inflation	3.5% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

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Mortality rates:

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally;  
110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected  
generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally;  
110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected  
generationally

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is  
75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 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, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with modified Mortality Improvement Scale MP-2020
- Adjusted rates to better fit experience for Pan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted 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 discount rate

Nonprofessional (non-teacher) Retirement Plan

The total pension liability for Nonprofessional Retirement Plan (non-teacher) was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the

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following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including Inflation	3.5% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

Mortality rates:

Largest 10 – Non-Hazardous Duty: 20% of deaths assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

All Others (Non 10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% rates for females set forward 2 years

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Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 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, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with modified Mortality Improvement Scale MP-2020
- Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
- Adjusted 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 discount rate

**8. 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:



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<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return*</b>
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP Private Investment Partnership	3.00%	6.55%	0.20%
Total	<u>100.00%</u>		<u>5.33%</u>
Inflation			<u>2.50%</u>
*Expected arithmetic nominal return			<u>7.83%</u>

*\*The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected 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 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.5%.*

## **9. 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 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, 2022, the rate contributed by the school division for the VRS Professional/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 100% of the actuarially determined contribution rate. From July 1, 2022 on, school divisions are assumed 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.

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Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**10. Sensitivity 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 for the Professional/Teacher Retirement Plan 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 were 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	Current Discount	1.00% Increase
	5.75%	6.75%	7.75%
School Division's Proportionate Share of the Net Pension Liability for the VRS Teacher Retirement Plan	\$ 808,615,846	\$ 452,733,028	\$ 162,966,154

In addition, the following presents the School Board's net pension liability for the Nonprofessional (non-teacher) Retirement Plan using the discount rate of 6.75%, as well as what the net pension liability/(asset) would be if it were 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	Current Discount	1.00% Increase
	5.75%	6.75%	7.75%
School Division's Net Pension Liability (Asset) for the NonProfessional (non-teacher) Retirement Plan	\$ 40,909,343	\$ 9,472,799	\$ (16,477,879)

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**11. Combining Pension Liabilities, Assets, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Statement of Net Position**

	Virginia Retirement System		
	Professional Plan	Nonprofessional Plan	Combined Totals
Net Pension Liability	\$ 452,733,028	\$ 9,472,799	\$ 462,205,827
Pension Expense	\$ 14,635,509	\$ (101,730)	\$ 14,533,779
Deferred Outflows of Resources:			
Change in Assumptions	\$ 42,683,605	\$ 1,287,830	\$ 43,971,435
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	9,905	-	9,905
Employer Contributions Subsequent to the Measurement Date	73,202,797	4,109,022	77,311,819
Total Deferred Outflows of Resources	<u>\$ 115,896,307</u>	<u>\$ 5,396,852</u>	<u>\$ 121,293,159</u>
Deferred Inflows of Resources:			
Differences in Expected and Actual Experience	\$ 31,217,732	\$ 2,803,850	\$ 34,021,582
Net Difference between Projected and Actual Earnings on Pension Plan Investments	59,026,906	7,752,206	66,779,112
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	21,201,720	-	21,201,720
Total Deferred Inflows of Resources	<u>\$ 111,446,358</u>	<u>\$ 10,556,056</u>	<u>\$ 122,002,414</u>

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**12. Changes in Net Pension Liability/(asset) – Nonprofessional (non-teacher) Retirement Plan**

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance - July 1, 2021	\$ 264,199,697	\$ 265,793,921	\$ (1,594,224)
Changes for the fiscal year:			
Service Cost	\$ 3,934,382	\$ -	\$ 3,934,382
Interest	17,604,104	-	17,604,104
Diff between Expected/Actual Experience	(4,908,939)	-	(4,908,939)
Contribution - Employer	-	3,605,284	(3,605,284)
Contribution - Employee	-	2,294,774	(2,294,774)
Net Investment Income	-	(176,724)	176,724
Benefit Payments	(14,113,284)	(14,113,284)	-
Refunds of contributions	(551,790)	(551,790)	-
Administrative Expenses	-	(166,678)	166,678
Other Changes	-	5,868	(5,868)
Net Changes	\$ 1,964,473	\$ (9,102,550)	\$ 11,067,023
Balance - June 30, 2022	\$ 266,164,170	\$ 256,691,371	\$ 9,472,799

**13. Pension Plan Fiduciary Net Position – Teacher Retirement Plan**

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position or the VRS Political Subdivision Retirement Plan is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at [varetire.org/pdf/publications/2022-annual-report.pdf](http://varetire.org/pdf/publications/2022-annual-report.pdf), or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**B. Other Postemployment Benefits – Retiree Health Benefits**

**1. Plan Description**

The City and School Board OPEB Plans are each a single-employer, defined benefit plan, administered by the City and School Board in accordance with State and City statutes. Section 15.2-1500 of the Virginia State Code provides that every locality shall provide for the governmental functions of the locality, including employment of the officers and other employees. In connection with this employment, the School Board has established certain plans

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to provide post-employment benefits other than pensions as defined in Section 15.2-1545 of the Virginia Code to retirees and their spouses and eligible dependents.

In accordance with Article 8, Chapter 15, Subtitled II of Title 15.2 of the Virginia Code, the City and School Board have elected to establish a trust for the purpose of accumulating and investing assets to fund OPEB. The School Board, in accordance with this election, has joined the Virginia Pooled OPEB Trust Fund (Trust) established by the Virginia Municipal League and the Virginia Association of Counties in 2008 for the purpose of accumulating and investing assets to fund post-employment benefits other than pensions for counties, cities, towns, school divisions, and other authorized political subdivisions of the Commonwealth of Virginia.

The Trust's Board of Trustees has fiduciary responsibility for the investment of monies and administration of the Trust pursuant to the Trust Agreement. The Board of Trustees is composed of nine members. Trustees are members of Local Finance Boards of participating employers and are elected for staggered three-year terms by the participants in the Trust. In accordance with Section 15.2-1547 of the Virginia Code, City Council appointed the City's Deferred Compensation Board Trust as the OPEB's Local finance Board to serve as the trustee of the City and School Board with respect to the OPEB trust. The board includes City employees, an appointee from City Council, a member of the Sheriff's Office, a member of the School Board, and the Schools' Chief Financial Officer. The trust does not administer the retiree health benefits of each participating employer. Deposits to the trust are irrevocable and held solely for the payment of OPEB benefits for the City and School Board.

**2. Plan Membership**

The membership as of January 1, 2022 includes:

Active Plan Members	10,207
Retirees and Surviving Spouses currently receiving benefits	601
Spouse of Current Retirees currently receiving benefits	<u>62</u>
	<u>10,870</u>

**3. Benefits Provided**

The School Board provides health insurance benefits for their retirees. These benefits are provided through a self-insured program. Employees that retire under VRS guidelines with at least 25 years of service with the City and/or School Board as well as those who retire on a work-related disability compensable under the Workers' Compensation Act before age 65 are eligible for health insurance coverage. This benefit is payable until the retiree becomes eligible for Medicare.

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**4. Contributions**

Contribution requirements of the City, School Board, and plan members are established and may be amended by the respective legislative bodies. The required contributions were actuarially determined and are based upon projected pay as you go financing requirements with an additional amount to prefund benefits. For the period ending June 30, 2023, the School Board's OPEB cost of \$7,514,976 exceeded its actuarially determined employer contribution of \$7,437,500 by \$77,476. For the period ending June 30, 2022, the School Board's OPEB cost was \$6,864,988. Plan members from School Board contributed \$1,753 and \$832 for the POS and Consumer Driven Health plans respectively, annually for retiree-only point of service coverage. The School Board retirees with coverage for their spouses contributed \$5,826 and \$3,716 for the POS and Consumer Driven Health plans, respectively, annually until Medicare eligibility. The School Board has determined that all current employees and retirees shall contribute to the cost of their health care coverage and no level of benefit shall be provided free of charge. Rates are calculated by an actuary with the City and School Board health care consultant and finalized by the Benefits Executive Committee, comprised of City and School executive leadership.

**5. Investments Policy, Target Allocation, Rate of Return**

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the Virginia Pooled OPEB Trust Fund Board of Trustees. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan.

The best estimate range for the long-term expected rate of return is determined by taking the annual average long-term future inflation and real return components including the anticipated effects of return volatility and correlation among various asset classes. The data used in the assessment of reasonability were Milliman's investment consulting practice December 31, 2022 capital market assumptions.

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Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Core Fixed Income	20.00%	2.27%	2.13%
Large Cap US Equities	21.00%	5.64%	4.09%
Small Cap US Equities	10.00%	7.25%	4.67%
Foreign Developed Equities	13.00%	6.90%	5.15%
Emerging Market Equities	5.00%	9.58%	6.20%
Private Real Estate Property	15.00%	4.86%	3.70%
Private Equities	10.00%	10.74%	6.54%
Hedge FOF Strategic	6.00%	4.42%	3.48%
Total	<u>100.00%</u>		
Assumed Inflation Mean		2.33%	2.33%
Assumed Inflation Standard Deviation		1.41%	1.41%
Portfolio Real Mean Return		5.81%	4.90%
Portfolio Nominal Mean Return		8.14%	7.34%
Portfolio Standard Deviation			13.07%
<b>Long-Term Expected Rate of Return</b>			<b>6.50%</b>

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 7.63%. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

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**6. Net OPEB Liability**

The components of the net OPEB liability of the School Board at June 30, 2023 and 2022, were as follows:

<b>Net OPEB Liability</b>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
Total OPEB Liability	\$ 91,049,406	\$ 108,301,873
Fiduciary Net Position	<u>(39,779,906)</u>	<u>(42,784,206)</u>
Net OPEB Liability	\$ 51,269,500	\$ 65,517,667
Fiduciary Net Position as a % of Total OPEB Liability	43.69%	39.50%
Covered Employee Payroll	\$ 481,013,873	\$ 481,013,873
Net OPEB Liability as a % of Covered Payroll	10.66%	13.62%

**7. Actuarial Methods and Assumptions**

The Total OPEB Liability was determined by an actuarial valuation as of January 1, 2022, calculated based on the discount rate and actuarial assumptions below, and projected forward to the measurement date of June 30, 2023. Given the significant uncertainty regarding the impact of COVID-19 on plan costs, including whether the pandemic will increase or decrease costs during the term of our projections, we have chosen not to make an adjustment in the expected plan costs. It is possible that the COVID-19 pandemic could have a material impact on the projected costs.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.



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Inflation	2.50%
Salary Increases	5.35% up to 2 years of service, 4.75% 3 years of service, 4.45% 4-6 years of service, 4.35% 7 years of service, 4.25% 8 years of service, 4% 9-10 years of service, 3.65% 11-19 years of service, 3.50% for 20 or more years of service, including inflation
Long-Term Expected Rate of Return	6.50%
Healthcare Cost Trend Rates	Rates consistent with information from the Getzen Trend Model; 5.50% in 2022, 5.10% in 2023-2024, 5.00% in 2025-2026, then grading to an ultimate rate of 4.00% in 2074
Actuarial Cost Method	Projected unit credit
Mortality	<p>Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates, projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years. 20% of deaths are assumed to be service-related.</p> <p>Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates, projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.</p> <p>Post-Disability: Pub-2010 Amount Weighted General Disabled Rates, projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.</p> <p>Beneficiary: Pub-2010 Amount Weighted General Contingent Annuity Rates, projected generationally.</p> <p>Mortality Improvement: Mortality rates are projected generationally using 75% of the Society of Actuaries' Scale MP-2020 mortality improvement scale.</p>

## **8. Discount Rate**

The discount rate used to measure the total OPEB liability was 6.50%.

	<u>June 30, 2022</u>	<u>June 30, 2023</u>
Discount Rate	6.50%	6.50%
Long-Term Expected Rate of Return, Net of Investment Expense	6.50%	6.50%

The 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 discount rate for calculating the Total OPEB Liability is equal to the long-term expected rate of return.

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**9. Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2022	\$ 91,049,406	\$ 39,779,906	\$ 51,269,500
Changes for the year:			
Service Cost	\$ 2,072,937		\$ 2,072,937
Interest on Total OPEB Liability	5,812,560		5,812,560
Changes of Benefit Terms	-		-
Effect of Economic/Demographic Gains	13,394,219		13,394,219
Effect of Assumption Changes or Inputs	3,487,727		3,487,727
Employer Contributions	-	\$ 7,514,976	(7,514,976)
Net Investment Income	-	3,032,165	(3,032,165)
Benefit Payments	(7,514,976)	(7,514,976)	-
Administrative Expenses	-	(27,865)	27,865
Net Changes in Total OPEB Liability	\$ 17,252,467	\$ 3,004,300	\$ 14,248,167
Balance at June 30, 2023	\$ 108,301,873	\$ 42,784,206	\$ 65,517,667

**10. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources**

For the years ended June 30, 2022 and June 30, 2023, the School Board recognized OPEB expense of \$6,497,757 and \$10,466,129 respectively.

<b>OPEB Expense</b>	<b>June 30, 2022</b>	<b>June 30, 2023</b>
Service Cost	\$ 2,049,213	\$ 2,072,937
Interest on Total OPEB Liability	5,360,537	5,812,560
Administrative Expenses	31,102	27,865
Expected Investment Return net of Investment Expenses	(2,849,779)	(2,584,803)
Recognition of Deferred Inflows/Outflows of Resources		
Recognition of Economic/Demographic Gains or Losses	1,665,276	4,192,487
Recognition of Assumption Changes or Inputs	221,815	879,877
Recognition of Investment Gains or Losses	19,593	65,206
OPEB Expense	\$ 6,497,757	\$ 10,466,129

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At June 30, 2023, the School Board 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
Difference between Expected and Actual Experience	\$ 17,167,537	\$ -
Changes in Assumptions	7,221,856	10,816,575
Net Difference between Projected and Actual Earnings	819,408	-
Total	<u>\$ 25,208,801</u>	<u>\$ 10,816,575</u>

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

Fiscal Year Ending June 30:	
2024	\$ 4,991,770
2025	2,272,646
2026	2,791,827
2027	3,061,090
2028	1,274,893
	<u>\$ 14,392,226</u>

\*Note that additional future deferred inflows and outflows of resources may impact these numbers.

#### **11. Sensitivity Analysis**

The following presents the Net OPEB liability of the School Board, calculated using the discount rate of 6.50%, as well as what the School Board's Net OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate.

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	1.00% Decrease 5.50%	Discount Rate 6.50%	1.00% Increase 7.50%
Total OPEB Liability	\$ 115,805,465	\$ 108,301,873	\$ 101,344,360
Fiduciary Net Position	(42,784,206)	(42,784,206)	(42,784,206)
Net OPEB Liability	<u>\$ 73,021,259</u>	<u>\$ 65,517,667</u>	<u>\$ 58,560,154</u>

The following presents the Net OPEB Liability of the School Board, calculated using the current healthcare cost trend rates, as well as what the School Board's Net OPEB Liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current rates.

	1.00% Decrease	Current Trend Rate	1.00% Increase
Total OPEB Liability	\$ 98,595,698	\$ 108,301,873	\$ 119,339,346
Fiduciary Net Position	(42,784,206)	(42,784,206)	(42,784,206)
Net OPEB Liability	<u>\$ 55,811,492</u>	<u>\$ 65,517,667</u>	<u>\$ 76,555,140</u>

**C. Other Postemployment Benefits – Health Insurance Credit Program**

**1. Plan Description**

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit Program and all full-time, salaried permanent employees of participating political subdivisions are automatically covered by the Political Subdivision Health Insurance Credit Program upon employment. These plans are administered by the VRS, along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. 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.

The specific information for the Health Insurance Credit Program OPEB, including eligibility, coverage, and benefits is set out in the table below:

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<b>TEACHER EMPLOYEE HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS</b>
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<p><b>Eligible Employees</b></p>
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<p>The Teacher Employee Retiree Health Insurance Credit Program was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit.</p>
---

<p>Eligible employees are enrolled automatically upon employment. They include:</p>
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- |   |
|---|
| <ul style="list-style-type: none"><li>• Full-time permanent (professional) salaried employees of public school divisions covered under VRS.</li></ul> |
|---|

<p><b>Benefit Amounts</b></p>
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<p>The Teacher Employee Retiree Health Insurance Credit Program provides the following benefits for eligible employees:</p>
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- |  |
|--|
| <ul style="list-style-type: none"><li>• <b><u>At Retirement</u></b> – For Teacher and other professional school employees who retire with at least 15 years of service, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.</li><li>• <b><u>Disability Retirement</u></b> – For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either:<ul style="list-style-type: none"><li>○ \$4.00 per month, multiplied by twice the amount of service credit, or</li><li>○ \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.</li></ul></li></ul> |
|--|

<p><b>Health Insurance Credit Program Notes:</b></p>
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- |  |
|--|
| <ul style="list-style-type: none"><li>• The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.</li><li>• Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the health insurance credit as a retiree.</li></ul> |
|--|

<b>POLITICAL SUBDIVISION HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS</b>
--

<p><b>Eligible Employees</b></p>
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<p>The Political Subdivision Retiree Health Insurance Credit Program was established July 1, 1993 for retired political subdivision employees who elect the benefit and who retire with at least 15 years of service credit.</p>
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<p>Eligible employees are enrolled automatically upon employment. They include:</p>
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- Full-time permanent salaried employees of the participating political subdivision who are covered under VRS pension plan.

**Benefit Amounts**

The political subdivision Retiree Health Insurance Credit Program provides the following benefits for eligible employees:

- **At Retirement** – For employees who retire with at least 15 years of service, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month.
- **Disability Retirement** – For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

**Health Insurance Credit Program Notes:**

- The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.
- No Health Insurance Credit for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans.
- Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the Health Insurance Credit as a retiree.

**2. Plan Membership**

The Teacher membership as of June 30, 2022 includes:

Active Plan Members	149,793
Inactive Members or their Beneficiaries currently receiving benefits	71,572
Inactive Members entitled to but not yet receiving benefits	<u>3,477</u>
	<u><u>224,842</u></u>

The Political Subdivision membership as of June 30, 2022 includes:

Active Plan Members	36,426
Inactive Members or their Beneficiaries currently receiving benefits	11,639
Inactive Members entitled to but not yet receiving benefits	<u>630</u>
	<u><u>48,695</u></u>

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**3. Contributions**

The contribution requirement for active employees is governed by §51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions and political subdivisions by the Virginia General Assembly. Each school division's and political subdivision's contractually required employer contribution rate for the year ended June 30, 2023 was 1.21% and 1.02%, respectively, of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Program or Political Subdivision Health Insurance Credit Program, respectively. These rates were based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate 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 from the School Board to the VRS Teacher Employee Health Insurance Credit Program were \$5,603,990 and \$5,398,393 for the years ended June 30, 2023 and June 30, 2022, respectively. Contributions from the School Board to the Political Subdivision HIC Program were \$588,631 and \$430,973 for the years ended June 30, 2023 and June 30, 2022, respectively.

**4. Teacher Employee Health Insurance Credit Program OPEB Liabilities, Teacher Employee Health Insurance Credit Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Teacher Employee Health Insurance Credit Program OPEB**

At June 30, 2023, the School Board reported a liability of \$59,115,873 for its proportionate share of the VRS Teacher Employee Health Insurance Credit Program Net OPEB Liability. The Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was measured as of June 30, 2022 and the total VRS Teacher Employee Health Insurance Credit Program OPEB liability used to calculate the Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The School Board's proportion of the Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was based on the School Board's actuarially determined employer contributions to the VRS Teacher Employee Health Insurance Credit Program OPEB plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the School Board's proportion of the VRS Teacher Employee Health Insurance Credit Program was 4.73288% as compared to 4.80573% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee Health Insurance Credit Program OPEB expense of \$4,022,896. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee Health Insurance Credit Program Net OPEB expense was related to deferred amounts from changes in proportion.

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At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee Health Insurance Credit Program OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,409,656
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	59,336
Change in assumptions	1,727,076	150,962
Changes in proportionate share	-	2,892,308
Employer contributions subsequent to the measurement date	5,603,990	-
Total	<u>\$ 7,331,066</u>	<u>\$ 5,512,262</u>

\$5,603,990 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the Fiscal Year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

**Year ended June 30**

FY 2024	\$ (881,946)
FY 2025	(816,665)
FY 2026	(732,286)
FY 2027	(471,409)
FY 2028	(498,871)
Thereafter	<u>(384,009)</u>
	<u>\$ (3,785,186)</u>



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**5. Changes in the Net Political Subdivision HIC OPEB Liability**

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a) - (b)
Balance at June 30, 2021	\$ 5,818,029	\$ 446,744	\$ 5,371,285
Changes for the year:			
Service Cost	\$ 58,118	\$ -	\$ 58,118
Interest on Total OPEB Liability	390,927	-	390,927
Benefit Changes	-	-	-
Differences between expected and actual experiences	(167,281)	-	(167,281)
Assumption Changes	475,946	-	475,946
Contributions - Employer	-	430,973	(430,973)
Net investment income	-	(5,734)	5,734
Benefit Payments	(169,274)	(169,274)	-
Administrative Expenses	-	(1,280)	1,280
Other	-	4,151	(4,151)
<b>Net Change in Total OPEB Liability</b>	<b>\$ 588,436</b>	<b>\$ 258,836</b>	<b>\$ 329,600</b>
Balance at June 30, 2022	<b>\$ 6,406,465</b>	<b>\$ 705,580</b>	<b>\$ 5,700,885</b>

**6. Political Subdivision Health Insurance Credit Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Political Subdivision Health Insurance Credit Program OPEB**

For the year ended June 30, 2023, the School Board of the City of Virginia Beach, Virginia recognized Political Subdivision Health Insurance Credit Program OPEB expense of \$517,024.

At June 30, 2023, the School Board of the City of Virginia Beach, Virginia reported deferred outflows of resources and deferred inflows of resources related to the Political Subdivision Health Insurance Credit Program OPEB from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 127,452
Net difference between projected and actual earnings on HIC OPEB plan investments	15,381	-
Change in assumptions	443,928	-
Changes in proportionate share	-	-
Employer contributions subsequent to the measurement date	588,631	-
Total	<u>\$ 1,047,940</u>	<u>\$ 127,452</u>

\$588,631 reported as deferred outflows of resources related to the Political Subdivision HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Political Subdivision HIC OPEB Liability in the Fiscal Year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Political Subdivision HIC OPEB will be recognized in the Political Subdivision HIC OPEB expense in future reporting periods as follows:

**Year ended June 30**

FY 2024	\$ 109,934
FY 2025	109,934
FY 2026	88,326
FY 2027	<u>23,663</u>
	<u>\$ 331,857</u>

**7. Actuarial Assumptions**

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee Health Insurance Credit Program and Political Subdivision HIC OPEB liability for the Political Subdivision Health Insurance Credit Program was based on an actuarial valuation as of June 30, 2021, 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, 2022.

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Inflation	2.5 percent
Salary increases, including inflation –	
Teacher Employees	3.5 percent – 5.95 percent
Political Subdivision Employees	3.5 percent – 5.35 percent
Investment rate of return	6.75 percent, net of plan investment expenses, including inflation
Healthcare Cost Trend Rate	N/A

**Mortality rates – Teachers**

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Rates projected generationally; 110% of rates for males.

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females.

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females.

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

**Mortality rates – Political Subdivision**

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.

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**Post-Retirement:**

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.

**Post-Disablement:**

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.

**Mortality Improvement Scale:**

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2021 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, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change

**8. Net HIC OPEB Liability**

The net OPEB liability (NOL) for the Teacher Employee Health Insurance Credit Program represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2022, NOL amounts for the VRS Teacher Employee Health Insurance Credit Program is as follows (amounts expressed in thousands):

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	<b>Teacher Employee HIC OPEB <u>Plan</u></b>
Total Teacher Employee HIC OPEB Liability	\$ 1,470,891
Plan Fiduciary Net Position	<u>221,845</u>
Teacher Employee net HIC OPEB Liability	<u>\$ 1,249,046</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	15.08%

The total Teacher Employee HIC OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net Teacher Employee HIC OPEB liability is disclosed in accordance with the requirements of GAAP in the System's notes to the financial statements and required supplementary information.

The School Board Net Political Subdivision Health Insurance Credit OPEB liability was measured as of June 30, 2022. The total Political Subdivision Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

**9. Long-Term Expected Rate of Return**

The long-term expected rate of return on VRS 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 VRS 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:

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<b>AssetClass (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return*</b>
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS-Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
<b>Total</b>	<b>100.00%</b>		<b>5.33%</b>
Inflation			2.50%
*Expected arithmetic nominal return			7.83%

\* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected 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 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

#### **10. Discount Rate**

The discount rate used to measure the total Teacher Employee HIC OPEB and Political Subdivision HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2022, the rate contributed by each school division and entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rates. From July 1, 2022 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of eligible 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 HIC OPEB liability.

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**11. Sensitivity Analysis**

The following presents the School Board's proportionate share of the VRS Teacher Employee Health Insurance Credit Program net HIC OPEB liability using the discount rate of 6.75%, as well as what the School Board's proportionate share of the net HIC OPEB liability would be if it were 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 6.75%	1.00% Increase 7.75%
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan	\$ 66,624,268	\$ 59,115,873	\$ 52,751,197
Net HIC OPEB Liability			

The following presents the Political Subdivision Health Insurance Credit Program net HIC OPEB liability using the discount rate of 6.75%, as well as what the liability would be if it were 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 6.75%	1.00% Increase 7.75%
Political Subdivision's Net HIC OPEB Liability	\$ 6,274,956	\$ 5,700,885	\$ 5,206,997

**12. Teacher Employee HIC OPEB Fiduciary Net Position**

Detailed information about the VRS Teacher Employee Health Insurance Credit Program's Fiduciary Net Position and Political Subdivision Health Insurance Credit Program is available in the separately issued VRS 2022 Annual Report. A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at [varetire.org/Pdf/Publications/2022-annual-report.pdf](http://varetire.org/Pdf/Publications/2022-annual-report.pdf), or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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**D. Other Postemployment Benefits – Group Life Insurance**

**1. Plan Description**

All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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 Group Life Insurance Program OPEB.

The specific information for Group Life Insurance Program OPEB, including eligibility, coverage and benefits is set out in the table below:

<b>GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS</b>
<p><b>Eligible Employees</b></p> <p>The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:</p> <ul style="list-style-type: none"><li>• City of Richmond</li><li>• City of Portsmouth</li><li>• City of Roanoke</li><li>• City of Norfolk</li><li>• Roanoke City Schools Board</li></ul> <p>Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.</p>
<p><b>Benefit Amounts</b></p> <p>The benefits payable under the Group Life Insurance Program have several components.</p> <ul style="list-style-type: none"><li>• <b><u>Natural Death Benefit</u></b> – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.</li></ul>



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- **Accidental Death Benefit** – The accidental death benefit is double the natural death benefit.
- **Other Benefit Provisions** – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
  - Accidental dismemberment benefit
  - Safety belt benefit
  - Repatriation benefit
  - Felonious assault benefit
  - Accelerated death benefit option

**Reduction in benefit Amounts**

The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

**Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)**

For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute in 2015. This amount will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,984 as of June 30, 2023.

**2. Plan Membership**

The membership as of June 30, 2022 includes:

Active Plan Members	358,905
Inactive Members or their Beneficiaries currently receiving benefits	203,736
Inactive members entitled to, but not yet receiving benefits	9,458
	<u>572,099</u>

**3. Contributions**

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding

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provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% ( $1.34\% \times 60\%$ ) and the employer component was 0.54% ( $1.34\% \times 40\%$ ). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% 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 payable during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the Group Life Insurance Program from the entity for Professionals (Teachers) was \$2,509,214 and \$2,368,914 for the years ended June 30, 2023 and June 30, 2022, respectively. Contribution to the Group Life Insurance Program from the entity for Nonprofessionals was \$312,721 and \$268,726 for the years ended June 30, 2023 and June 30, 2022, respectively.

**4. GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB**

At June 30, 2023, the entities reported a liability for Professionals (Teachers) of \$24,496,258 and for Nonprofessionals of \$2,756,418 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion for Professionals (Teachers) was 2.03441% and for Nonprofessionals .22892% as compared to 2.06530% for Professionals (Teachers) and .22524% for Nonprofessionals at June 30, 2021.

For the year ended June 30, 2023, the participating employer recognized GLI OPEB expense of \$432,576 for Professionals (Teachers) and \$52,593 for Nonprofessionals. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to the Professional (Teacher) GLI OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,939,795	\$ 982,731
Net difference between projected and actual earnings on Teacher GLI OPEB plan investments	-	1,530,656
Change in assumptions	913,672	2,386,034
Changes in proportionate share	-	1,159,820
Employer contributions subsequent to the measurement date	2,509,214	-
Total	<u>\$ 5,362,681</u>	<u>\$ 6,059,241</u>

At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to the Nonprofessional GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 218,274	\$ 110,581
Net difference between projected and actual earnings on GLI OPEB plan investments	-	172,236
Change in assumptions	102,810	268,486
Changes in proportionate share	43,314	121,375
Employer contributions subsequent to the measurement date	312,721	-
Total	<u>\$ 677,119</u>	<u>\$ 672,678</u>

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\$2,509,214 and \$312,721 reported as deferred outflows of resources related to the Professional (Teacher) and Nonprofessional GLI OPEB, respectively, resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Professional (Teacher) and Nonprofessional GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<b>Year ended June 30 - Professional (Teacher)</b>		<b>Year ended June 30 - Nonprofessional</b>	
FY 2024	\$ (768,701)	FY 2024	\$ (79,052)
FY 2025	(714,867)	FY 2025	(68,935)
FY 2026	(1,492,670)	FY 2026	(156,899)
FY 2027	25,045	FY 2027	8,677
FY 2028	<u>(254,581)</u>	FY 2028	<u>(12,071)</u>
	<u>\$ (3,205,774)</u>		<u>\$ (308,280)</u>

**5. Actuarial Assumptions**

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, 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, 2022.

Inflation	2.5 percent
Salary increases, including inflation –	
Teachers	3.5 percent – 5.95 percent
Locality – General employees	3.5 percent – 5.35 percent
Investment rate of return	6.75 Percent, net of investment expenses, including inflation
Healthcare Cost Trend Rate	N/A

**Mortality rates – Teachers**

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

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Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

**Post-Disablement:**

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

**Mortality Improvement Scale:**

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 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 July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted 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
Withdrawal Rates	Adjusted rates to better fit experience at each age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

**Mortality rates – Largest Ten Locality Employers - General Employees**

**Pre-Retirement:**

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

**Post-Retirement:**

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of females set forward 1 year

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**Post-Disablement:**

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

**Mortality Improvement Scale:**

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted 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
Withdrawal Rates	Adjusted rates to better fit experience at each age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

**Mortality rates – Non-Largest Ten Locality Employers - General Employees**

**Pre-Retirement:**

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

**Post-Retirement:**

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

**Post-Disablement:**

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

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**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

**Mortality Improvement Scale:**

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted 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
Withdrawal Rates	Adjusted rates to better fit experience at each age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

**6. Net GLI OPEB Liability**

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of the measurement date of June 30, 2022, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

	<b><u>Group Life Insurance OPEB Program</u></b>
Total GLI OPEB Liability	\$ 3,672,085
Plan Fiduciary Net Position	<u>2,467,989</u>
Employers' Net GLI OPEB Liability	<u>\$ 1,204,096</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.21%

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The total GLI OPEB 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 GLI OPEB liability is disclosed in accordance with the requirements of GAAP in the System's notes to the financial statements and required supplementary information.

**7. Long-Term Expected Rate of Return**

The long-term expected rate of return on the 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 System's 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:

<b>AssetClass (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return*</b>
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS-Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
<b>Total</b>	<b>100.00%</b>		<b>5.33%</b>
Inflation			2.50%
*Expected arithmetic nominal return			7.83%

\* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected 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 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.5%.



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**8. Discount Rate**

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that 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, 2022, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's 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 GLI OPEB liability.

**9. Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate**

The following presents the employer's proportionate share of the net Professional (Teacher) and Nonprofessional GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were 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 6.75%		1.00% Increase 7.75%	
Employer's proportionate share of the Professional (Teacher)						
Group Life Insurance Program	\$	35,644,923	\$	24,496,258	\$	15,486,611
Net OPEB Liability						
Employer's proportionate share of the Nonprofessional						
Group Life Insurance Program	\$	4,010,910	\$	2,756,418	\$	1,742,616
Net OPEB Liability						

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**10. Group Life Insurance Program Fiduciary Net Position**

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Report. A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at [varetire.org/Pdf/Publications/2022-annual-report.pdf](http://varetire.org/Pdf/Publications/2022-annual-report.pdf), or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**E. Other Postemployment Benefits – Virginia Local Disability Program**

**1. Plan Description**

All full-time, salaried permanent (professional) employees of public school divisions and full-time, salaried general employees of political subdivisions who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Teacher Employee Virginia Local Disability Program or the VRS Political Subdivision Employee Virginia Local Disability Program respectively. These plans are administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for eligible public employer groups in the Commonwealth of Virginia. School divisions are required by Title 51.1 of the *Code of Virginia*, as amended to provide short-term and long-term disability benefits for their Hybrid employees either through a local plan or through the VLDP.

The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

<b>TEACHER EMPLOYEE AND POLITICAL SUBDIVISION EMPLOYEE VLDP PLAN PROVISIONS</b>
<p><b>Eligible Employees</b></p> <p>The Teacher Employee and Political Subdivision Employee Virginia Local Disability Program was implemented January 1, 2014 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with Hybrid retirement benefits</p> <p>Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include:</p> <ul style="list-style-type: none"><li>• Teachers and other full-time permanent (professional) salaried employees of public school divisions covered under VRS.</li><li>• Full-time general employees; including local law enforcement officers, firefighters, or emergency medical technicians who do not have enhanced hazardous duty benefits; of public political subdivisions covered under VRS.</li></ul>

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**Benefit Amounts**

The Teacher Employee and Political Subdivision Employee VLDP provides the following benefits for eligible employees:

**Short-Term Disability –**

- The program provides a short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation in VLDP with their current employer.
- During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work-related or work-related disability.
- Once the eligibility period is satisfied, employees are eligible for higher income replacement levels

**Long-Term Disability –**

- The VLDP program provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work at all or are working fewer than 20 hours per week.
- Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.

**Virginia Local Disability Program Notes:**

- Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible.
- VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.

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**2. Plan Membership**

**Virginia Local Disability Program - Teachers**

The plan membership as of June 30, 2022 includes:

Active Plan Members	14,312
Inactive Members or their Beneficiaries currently receiving benefits	<u>24</u>
	<u>14,336</u>

**Virginia Local Disability Program - Political Subdivisions**

The plan membership as of June 30, 2022 includes:

Active Plan Members	11,017
Inactive Members or their Beneficiaries currently receiving benefits	<u>62</u>
	<u>11,079</u>

**3. Contributions**

The contribution requirement for active Hybrid employees is governed by §51.1-1178(C) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions and political subdivisions by the Virginia General Assembly. Each school division's and political subdivision's contractually required employer contribution rate for the year ended June 30, 2023 was 0.47% and 0.85%, respectively, of covered employee compensation for employees in the VRS Teacher Employee Virginia Local Disability Program or the VRS Political Subdivision Employee Virginia Local, respectively. These rates were based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate 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 from the school division to the VRS Teacher Employee VLDP were \$778,254 and \$659,550 for the years ended June 30, 2023 and June 30, 2022, respectively. Contributions from the political subdivision to the VRS Political Subdivision Employee VLDP were \$240,208 and \$172,623 for the years ended June 30, 2023 and June 30, 2022, respectively.

**4. Teacher Employee and Political Subdivision VLDP OPEB Assets, Teacher Employee and Political Subdivision VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Teacher Employee and Political Subdivision VLDP OPEB**

At June 30, 2023, the school division reported an asset of \$19,604 for its proportionate share of the VRS Teacher Employee VLDP Net OPEB Asset. The Net VRS Teacher Employee VLDP OPEB Asset was measured as of June 30, 2022 and the total VRS Teacher Employee VLDP OPEB asset used to calculate the Net VRS Teacher Employee VLDP OPEB Asset was determined by an actuarial valuation as of June 30, 2021, and rolled forward to the measurement date of June 30,

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2022. The school division's proportion of the Net VRS Teacher Employee VLDP OPEB Asset was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee VLDP OPEB plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion of the VRS Teacher Employee VLDP was 17.43607% as compared to 17.50814% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee VLDP OPEB expense of \$500,360. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee VLDP Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee VLDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 231,204	\$ 59,481
Net difference between projected and actual earnings on Teacher VLDP OPEB plan investments	-	5,453
Change in assumptions	58,479	-
Changes in proportion	3,070	-
Employer contributions subsequent to the measurement date	778,254	-
Total	<u>\$ 1,071,007</u>	<u>\$ 64,934</u>

\$778,254 reported as deferred outflows of resources related to the Teacher Employee VLDP OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee VLDP OPEB Liability in the Fiscal Year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee VLDP OPEB will be recognized in the Teacher Employee VLDP OPEB expense in future reporting periods as follows:

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**Year ended June 30**

FY 2024	\$ 15,720
FY 2025	15,884
FY 2026	12,132
FY 2027	39,308
FY 2028	22,124
Thereafter	<u>122,651</u>
	<u>\$ 227,819</u>

In addition, at June 30, 2023, the political subdivision reported an asset of \$26,139 for its proportionate share of the VRS Political Subdivision Employee VLDP Net OPEB Asset. The Net VRS Political Subdivision Employee VLDP OPEB Asset was measured as of June 30, 2022 and the total VRS Political Subdivision Employee VLDP OPEB asset used to calculate the Net VRS Political Subdivision Employee VLDP OPEB Asset was determined by an actuarial valuation as June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The political subdivision's proportion of the Net VRS Political Subdivision Employee VLDP OPEB Asset was based on the political subdivision's actuarially determined employer contributions to the VRS Political Subdivision Employee VLDP OPEB plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the political subdivision's proportion of the VRS Political Subdivision Employee VLDP was 4.44580% as compared to 4.35422% at June 30, 2021.

For the year ended June 30, 2023, the political subdivision recognized VRS Political Subdivision Employee VLDP OPEB expense of \$141,977. Since there was a change in proportionate share between measurement dates a portion of the VRS Political Subdivision Employee VLDP Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to the VRS Political Subdivision Employee VLDP OPEB from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 36,751	\$ 55,933
Net difference between projected and actual earnings on Teacher VLDP OPEB plan investments	-	114
Change in assumptions	1,001	9,378
Changes in proportion	547	3,033
Employer contributions subsequent to the measurement date	240,208	-
Total	<u>\$ 278,507</u>	<u>\$ 68,458</u>

\$240,208 reported as deferred outflows of resources related to the Political Subdivision Employee VLDP OPEB resulting from the political subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the Net Political Subdivision Employee VLDP OPEB Liability in the Fiscal Year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Political Subdivision Employee VLDP OPEB will be recognized in the Political Subdivision Employee VLDP OPEB expense in future reporting periods as follows:

**Year ended June 30**

FY 2024	\$ (2,872)
FY 2025	(3,202)
FY 2026	(12,663)
FY 2027	1,304
FY 2028	(1,828)
Thereafter	<u>(10,898)</u>
	<u>\$ (30,159)</u>

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**5. Actuarial Assumptions**

**Teacher Employee Virginia Local Disability Program**

The total Teacher Employee VLDP OPEB liability for the VRS Teacher Employee VLDP was based on an actuarial valuation as of June 30, 2021, 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, 2022.

Inflation	2.5 percent
Salary increases, including inflation – Teacher Employees	3.5 percent – 5.95 percent
Investment rate of return	6.75 percent, net of plan investment expenses, including inflation
Healthcare Cost Trend Rate	N/A

**Mortality rates – Teachers**

**Pre-Retirement:**

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

**Post-Retirement:**

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

**Post-Disablement:**

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

**Mortality Improvement Scale:**

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the



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change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

**Political Subdivision Employee Virginia Local Disability Program**

The total Political Subdivision Employee VLDP OPEB liability for the VRS Political Subdivision Employee VLDP was based on an actuarial valuation as of June 30, 2021, 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, 2022.

Inflation	2.5 percent
Salary increases, including inflation – Political Subdivision Employees	3.5 percent – 5.35 percent
Investment rate of return	6.75 percent, net of plan investment expenses, including inflation
Healthcare Cost Trend Rate	N/A

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**Mortality rates – General State Employees**

Pre-Retirement:

Pub-2010 Amount Weighted General Employee Rates projected generationally; females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; males and females set forward 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally; 110% of rates for males and females

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

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**6. Net VLDP OPEB Liability(Asset)**

**Teacher Employee Virginia Local Disability Program**

The net OPEB liability (NOL) for the Teacher Employee VLDP represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2022, NOL amounts for the VRS Teacher Employee VLDP is as follows (amounts expressed in thousands):

	<b>Teacher Employee VLDP OPEB <u>Plan</u></b>
Total Teacher Employee VLDP OPEB Liability	\$ 7,207
Plan Fiduciary Net Position	<u>7,320</u>
Teacher Employee net VLDP OPEB Liability(Asset)	<u><u>\$ (113)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee VLDP OPEB Liability	101.57%

The total Teacher Employee VLDP OPEB asset is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net Teacher Employee VLDP OPEB asset is disclosed in accordance with the requirements of GAAP in the System's notes to the financial statements and required supplementary information.

**Political Subdivision Employee Virginia Local Disability Program**

The net OPEB liability (NOL) for the Political Subdivision Employee VLDP represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2022, NOL amounts for the VRS Political Subdivision Employee Virginia Local Disability Program is as follows (amounts expressed in thousands):

	<b>Political Subdivision Employee VLDP OPEB <u>Plan</u></b>
Total Political Subdivision VLDP OPEB Liability	\$ 7,360
Plan Fiduciary Net Position	<u>7,948</u>
Political Subdivision net VLDP OPEB Liability(Asset)	<u><u>\$ (588)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Political Subdivision VLDP OPEB Liability	107.99%

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The total Political Subdivision Employee VLDP OPEB asset is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net Political Subdivision Employee VLDP OPEB asset is disclosed in accordance with the requirements of GAAP in the System's notes to the financial statements and required supplementary information.

**7. Long-Term Expected Rate of Return**

The long-term expected rate of return on VRS 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 VRS 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:

<b>AssetClass (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return*</b>
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS-Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
<b>Total</b>	<b>100.00%</b>		<b>5.33%</b>
Inflation			2.50%
*Expected arithmetic nominal return			7.83%

\* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected 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 6.72%, including expected inflation of 2.50%. October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11% including expected inflation of 2.50%.

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**8. Discount Rate**

The discount rate used to measure the total Teacher Employee VLDP OPEB and the Political Subdivision Employee VLDP OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2022, the rate contributed by the school division for the VRS Teacher Employee Virginia Local Disability Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee VLDP OPEB and the Political Subdivision Employee VLDP 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 Teacher Employee VLDP OPEB liability and the total Political Subdivision Employee VLDP OPEB liability.

**9. Sensitivity of the School Division's Proportionate Share of the Teacher and Political Subdivision Employee VLDP Net OPEB Asset to Changes in the Discount Rate**

The following tables presents the school division's proportionate share of the VRS Teacher Employee Virginia Local Disability Program net VLDP OPEB asset and the VRS Political Subdivision Employee Virginia Local Disability Program net VLDP OPEB asset using the discount rate of 6.75%, as well as what the school division's/political subdivision's proportionate share of the net VLDP OPEB asset would be if it were 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 6.75%	1.00% Increase 7.75%
School division's proportionate share of the VRS Teacher Employee VLDP OPEB Plan	\$ 142,028	\$ (19,604)	\$ (159,397)
Net VLDP OPEB Liability(Asset)			
Political Subdivision's proportionate share of the VRS Political Subdivision VLDP OPEB Plan	\$ 2,770	\$ (26,139)	\$ (51,240)
Net VLDP OPEB Liability(Asset)			

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**10. VLDP OPEB Fiduciary Net Position**

Detailed information about the VRS Teacher Employee VLDP's Fiduciary Net Position and the VRS Political Subdivision Employee VLDP's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Report. A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at [varetire.org/Pdf/Publications/2022-annual-report.pdf](http://varetire.org/Pdf/Publications/2022-annual-report.pdf), or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**F. Combining OPEB Liabilities, Assets, Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Statement of Net Position**

	OPEB Trust	Virginia Retirement System			
	Retiree Health	Health Insurance Credit	Group Life Insurance	Virginia Local Disability Program	Combined Totals
Net OPEB Liability	\$ 65,517,667	\$ 64,816,758	\$ 27,252,676	\$ -	\$ 157,587,101
Net OPEB Asset	\$ -	\$ -	\$ -	\$ 45,743	\$ 45,743
OPEB Expense	\$ 10,466,129	\$ 4,539,920	\$ 485,169	\$ 642,337	\$ 16,133,555
Deferred Outflows of Resources:					
Differences in Expected and Actual Experience	\$ 17,167,537	\$ -	\$ 2,158,069	\$ 267,955	\$ 19,593,561
Net Differences between Projected and Actual Earnings on Investments	819,408	15,381	-	-	834,789
Change in Assumptions	7,221,856	2,171,004	1,016,482	59,480	10,468,822
Changes in Proportionate Share	-	-	43,314	3,617	46,931
Employer Contributions Subsequent to the Measurement Date	-	6,192,621	2,821,935	1,018,462	10,033,018
Total Deferred Outflows of Resources	\$ 25,208,801	\$ 8,379,006	\$ 6,039,800	\$ 1,349,514	\$ 40,977,121
Deferred Inflows of Resources:					
Differences in Expected and Actual Experience	\$ -	\$ 2,537,108	\$ 1,093,312	\$ 115,414	\$ 3,745,834
Net Difference between Projected and Actual Earnings on Investments	-	59,336	1,702,892	5,567	1,767,795
Change in Assumptions	10,816,575	150,962	2,654,520	9,378	13,631,435
Changes in Proportionate Share	-	2,892,308	1,281,195	3,033	4,176,536
Total Deferred Inflows of Resources	\$ 10,816,575	\$ 5,639,714	\$ 6,731,919	\$ 133,392	\$ 23,321,600

**9. RISK MANAGEMENT AND HEALTH CARE BENEFITS**

**A. School Self-Insurance Program**

The School Board is self-insured for a portion of its risks. The self-insurance coverage for Fire and Property Insurance is \$100,000 per occurrence (includes unnamed windstorm and earthquake

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damage) and 1% of the total insured value of the damaged covered property when such loss or damage results from a named windstorm (minimum deductible – \$250,000 per occurrence); Boiler and Machinery Breakdown coverage is \$10,000 per occurrence; School Leaders Liability (including general liability and errors and omissions) coverage is \$350,000 per occurrence; Crime (Employee Dishonesty) coverage is \$2,500 per occurrence; Environmental Impairment is \$25,000 and Cyber Liability coverage has a \$50,000 self-insured retention. Automobile Liability retention (engine on) is \$450,000 per occurrence; Automobile Physical Damage retention (engine off) is \$60,000 per occurrence; and the Excess Workers' Compensation self-insured retention is \$750,000 per claim.

Commercial insurance is purchased to cover the amount in excess of the above self-insured levels for specific losses. When economically feasible, commercial insurance is purchased to cover certain exposures completely. The amount of settlements did not exceed insurance coverage for each of the past three fiscal years and the insurance coverage is substantially the same as in recent prior fiscal years.

Claims processing and payments for all insurance claims are made through commercial carriers and third-party administrators. The School Board uses the information provided by the third-party administrators to aid in the determination of self-insurance liabilities. The computed liability as of June 30, 2023 is \$9,099,286 (undiscounted), as follows:

Fiscal Year	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2021-22	\$ 10,057,092	\$ 8,353,507	\$ 7,289,980	\$ 11,120,619
2022-23	\$ 11,120,619	\$ 6,123,274	\$ 8,144,607	\$ 9,099,286

**B. Surety Bonds**

All School Board employees are covered by a faithful performance bond in the amount of \$100,000 to protect the School Board in the event of fraudulent acts.

**C. Self-Insured Health Care Benefits Program**

Effective January 1, 2000, the School Board established a self-insured health care benefits program for all School Board and City employees. Certain claims expenses paid on behalf of each employee during a single policy year are covered by excess loss insurance with a specific stop-loss limit of \$600,000. The amount of settlements did not exceed insurance coverage for each of the past three fiscal years.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

Claims processing and payments for all health care claims are made through third-party administrators. The School Board uses the information provided by the third-party administrators and a health care benefits consultant to aid in the determination of self-insurance liabilities. The computed liability as of June 30, 2023 is \$8,991,000 (undiscounted), as follows:

<u>Fiscal Year</u>	<u>Beginning-of- Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2021-22	\$ 8,538,000	\$ 152,385,651	\$ 153,310,651	\$ 7,613,000
2022-23	\$ 7,613,000	\$ 152,680,096	\$ 151,302,096	\$ 8,991,000

**10. CERTAIN INTERFUND TRANSACTIONS, EXHIBITS A-4 TO A-2 RECONCILIATION FOR CAPITAL OUTLAY AND FUND BALANCE CLASSIFICATIONS**

**A. Interfund Transfers**

The following are the School Board's interfund transfers in and transfers out that occurred during fiscal year 2023:

<u>Fund</u>	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
General Fund	\$ -	\$ 5,140,987
School Grants - Special Revenue	5,140,987	-
Total per Exhibit A-4 and A-6	<u>\$ 5,140,987</u>	<u>\$ 5,140,987</u>

Purpose: Operational support during Fiscal Year 2022-23

**B. Interfund Receivables and Payables**

The following are the School Board's interfund receivables and payables as of June 30, 2023:

<u>Fund</u>	<u>Interfund Receivables (Due from Other Funds)</u>	<u>Interfund Payables (Due to Other Funds)</u>
General Fund	\$ 7,126,492	\$ -
School Grants - Special Revenue	-	7,126,492
Total per Exhibit A-3	<u>\$ 7,126,492</u>	<u>\$ 7,126,492</u>



**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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Purpose: Eliminate School Grants fund negative cash balance at June 30, 2023  
(expected to be repaid within one year)

**C. Exhibits A-4 to A-2 Reconciliation for Capital Outlay**

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures (Exhibit A-4). However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation / amortization expenses in the Statement of Activities (Exhibit A-2). Below is the amount by which capital outlay exceeded depreciation / amortization expense (including other transactions (e.g., loss on disposals)) for the fiscal year.

Capital Outlay:	
Capital Projects Fund	\$ 39,622,538
General Fund	9,217,641
Grants Special Revenue Fund	308,892
School Equipment Replacement	
Special Revenue Fund	5,462
School Instructional Technology	
Special Revenue Fund	13,310
School Cafeterias Special Revenue Fund	<u>737,722</u>
Total Capital Outlay	\$ 49,905,565
Less:	
Depreciation/amortization Expense	\$(38,275,676)
Depreciation Expense and Accumulated	
Depreciation change/transfer related to	
the Tenancy in Common by the City on	
certain School Buildings (Notes 4B&C)	9,783,467
Loss on Disposals	<u>(115,624)</u>
Total Depreciation/amortization	
Expense and Other	<u>\$(28,607,833)</u>
Total Amount by which Capital	
Outlay Exceeded Depreciation	
Expense and Other (Exhibit A-4)	<u><u>\$ 21,297,732</u></u>

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**D. Fund Balance Classifications**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned (Note 1I) based primarily on the extent to which the School Board is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on the fund balance for the major governmental funds and all of the other governmental funds are presented below.

	General	School Grants	School Cafeterias	Capital Projects	Nonmajor Governmental	Total Governmental Funds
<u><b>Nonspendable</b></u>						
Inventories, Prepaid Items and Leases	\$ 309,327	\$ -	\$ 733,327	\$ -	\$ 639,871	\$ 1,682,525
<u><b>Restricted</b></u>						
Federal And State Grantor Agencies Capital Projects	\$ -	\$ 4,762,445	\$ -	\$ -	\$ -	\$ 4,762,445
State DOE/Textbooks	-	-	-	-	5,991,443	5,991,443
School Activities	-	-	-	-	5,227,536	5,227,536
USDA/Cafeterias Charges	-	-	20,802,112	-	-	20,802,112
Total Restricted	\$ -	\$ 4,762,445	\$ 20,802,112	\$ -	\$ 11,218,979	\$ 36,783,536
<u><b>Committed</b></u>						
Capital Projects Contracts Communication Towers/ Technology	\$ -	\$ -	\$ -	\$ 119,214,125	\$ -	\$ 119,214,125
Vending Operations/ School Allocations	-	-	-	-	5,037,622	5,037,622
Equipment Replacement	-	-	-	-	262,834	262,834
Total Committed	\$ -	\$ -	\$ -	\$ 119,214,125	\$ 5,913,703	\$ 125,127,828
<u><b>Assigned</b></u>						
Instructional Technology	\$ 1,551,007	\$ -	\$ -	\$ -	\$ -	\$ 1,551,007
School Athletics	58,851	-	-	-	-	58,851
Green Run Collegiate Public Charter	28	-	-	-	-	28
Instruction Category	2,917,302	-	-	-	-	2,917,302
Administration, Attendance and Health Category	60,886	-	-	-	-	60,886
Pupil Transportation Category	3,858,769	-	-	-	-	3,858,769
Operations and Maintenance Category	6,999,175	-	-	-	-	6,999,175
Technology Category	2,119,574	-	-	-	-	2,119,574
Total Assigned	\$ 17,565,592	\$ -	\$ -	\$ -	\$ -	\$ 17,565,592
Total Fund Balances	\$ 17,874,919	\$ 4,762,445	\$ 21,535,439	\$ 119,214,125	\$ 17,772,553	\$ 181,159,481

## **REQUIRED SUPPLEMENTARY INFORMATION**

### **RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS**

Schedule of Employer's Share of Net Pension Liability – Professional Employees  
Schedule of Changes in the Net Pension Liability and Related Ratios – Nonprofessional Employees  
Schedule of Employer Pension Contributions – Professional Employees  
Schedule of Employer Pension Contributions – Nonprofessional Employees  
Schedule of Changes in Net OPEB Liability and Related Ratios - Retiree Health  
Schedule of Annual Contributions - Retiree Health  
Schedule of Investment Returns - Retiree Health  
Schedule of Changes in Net OPEB Liability and Related Ratios - HIC  
Schedule of Employer's Share of Net OBEB Liability – HIC  
Schedule of Employer's Share of Net OBEB Liability – GLI  
Schedule of Employer's Share of Net OBEB Liability – VLDP  
Schedule of Employer Contributions – HIC  
Schedule of Employer Contributions – GLI  
Schedule of Employer Contributions – VLDP

### **MAJOR GOVERNMENTAL FUNDS**

#### **GENERAL FUND**

The General Fund is the general operating fund of the School Board which is used to account for all of the financial resources, except those required to be accounted for in another fund.

#### **SCHOOL GRANTS SPECIAL REVENUE FUND**

The School Grants Fund accounts for certain private, Commonwealth of Virginia, and Federal grants (with matching local funds, if required).

#### **SCHOOL CAFETERIAS SPECIAL REVENUE FUND**

The School Cafeterias Fund accounts for the revenues (e.g., Commonwealth of Virginia, Federal Government) and expenditures associated with the food services operations of the school division.

## **NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY  
FOR THE MEASUREMENT DATES OF JUNE 30, 2014 THROUGH 2022  
PROFESSIONAL EMPLOYEES  
JUNE 30, 2023**

Professional/Teacher Retirement Plan

	(a)	(b)	(c)	(d)	(e)
	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the NPL as a % of its Covered Payroll (b)/(c)	Plan Fiduciary Net Position as a % of the Total Pension Liability
Date					
June 30, 2022	4.75530%	\$ 452,733,028	\$ 422,831,262	107.07%	82.61%
June 30, 2021	4.83003%	\$ 374,959,932	\$ 409,081,963	91.66%	85.46%
June 30, 2020	4.91132%	\$ 714,726,039	\$ 414,920,223	172.26%	71.47%
June 30, 2019	4.99839%	\$ 657,816,528	\$ 406,316,058	161.90%	73.51%
June 30, 2018	5.07577%	\$ 596,910,000	\$ 400,750,722	148.95%	74.81%
June 30, 2017	5.08685%	\$ 625,579,000	\$ 393,579,555	158.95%	72.92%
June 30, 2016	5.12286%	\$ 717,924,000	\$ 387,364,218	185.34%	68.28%
June 30, 2015	5.19364%	\$ 653,690,000	\$ 385,231,385	169.69%	70.68%
June 30, 2014	5.16303%	\$ 623,937,000	\$ 377,297,007	165.37%	70.88%

Notes to Schedule:

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**NONPROFESSIONAL EMPLOYEES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2022	2021	2020	2019	2018
<b>Total Pension Liability(Asset)</b>					
Service Cost	\$ 3,934,382	\$ 3,964,435	\$ 3,961,923	\$ 3,788,974	\$ 3,831,060
Interest	17,604,104	16,427,054	15,856,267	15,432,954	14,994,765
Diff Between Expected and Actual Experience	(4,908,939)	(808,663)	2,409,511	2,127,992	(114,972)
Change in Assumptions	-	8,249,072	-	6,306,405	-
Benefit Payments	(14,113,284)	(13,991,919)	(13,083,421)	(12,468,334)	(11,553,290)
Refunds of Contributions	(551,790)	-	(467,858)	(419,254)	(461,154)
Net Change in Total Pension Liability	\$ 1,964,473	\$ 13,839,979	\$ 8,676,422	\$ 14,768,737	\$ 6,696,409
Total Pension Liability - Beginning	264,199,697	250,359,718	241,683,296	226,914,559	220,218,150
Total Pension Liability - Ending (a)	<u>\$266,164,170</u>	<u>\$264,199,697</u>	<u>\$250,359,718</u>	<u>\$241,683,296</u>	<u>\$226,914,559</u>
<b>Plan Fiduciary Net Position</b>					
Employer Contributions	\$ 3,605,284	\$ 3,376,047	\$ 2,906,100	\$ 2,880,916	\$ 2,967,419
Employee Contributions	2,294,774	2,129,012	2,209,656	2,161,296	2,121,653
Net Investment Income	(176,724)	58,169,277	4,171,983	14,049,158	15,092,474
Benefit Payments	(14,113,284)	(13,991,919)	(13,083,421)	(12,468,334)	(11,553,290)
Refunds of Contributions	(551,790)	-	(467,858)	(419,254)	(461,154)
Administrative Expenses	(166,678)	(148,821)	(145,905)	(143,574)	(133,315)
Other Changes	5,868	(312)	(4,932)	(8,810)	(13,321)
Net Change in Fiduciary Net Position	\$ (9,102,550)	\$ 49,533,284	\$ (4,414,377)	\$ 6,051,398	\$ 8,020,466
Fiduciary Net Position, Beginning	265,793,921	216,260,637	220,675,014	214,623,616	206,603,150
Fiduciary Net Position, Ending (b)	<u>\$256,691,371</u>	<u>\$265,793,921</u>	<u>\$216,260,637</u>	<u>\$220,675,014</u>	<u>\$214,623,616</u>
Net Pension Liability(Asset)- Nonprofessional Employees (a) - (b)	<u>\$ 9,472,799</u>	<u>\$ (1,594,224)</u>	<u>\$ 34,099,081</u>	<u>\$ 21,008,282</u>	<u>\$ 12,290,943</u>
Plan Fiduciary Net Position as a % of Total Pension Liability (b)/(a)	<u>96.44%</u>	<u>100.60%</u>	<u>86.38%</u>	<u>91.31%</u>	<u>94.58%</u>
Covered Payroll (c)	<u>\$ 45,137,761</u>	<u>\$ 42,346,298</u>	<u>\$ 43,518,726</u>	<u>\$ 42,872,651</u>	<u>\$ 42,303,998</u>
Net Pension Liability as a % of Covered Payroll - Nonprofessional	<u>20.99%</u>	<u>-3.76%</u>	<u>78.35%</u>	<u>49.00%</u>	<u>29.05%</u>

(continued)

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**NONPROFESSIONAL EMPLOYEES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

(continued)

	2017	2016	2015	2014
<b>Total Pension Liability(Asset)</b>				
Service Cost	\$ 4,027,098	\$ 4,079,432	\$ 4,089,939	\$ 4,171,321
Interest	14,519,133	14,020,741	13,574,596	13,051,394
Diff Between Expected and Actual Experience	1,300,649	264,387	(747,303)	-
Change in Assumptions	(1,332,150)	-	-	-
Benefit Payments	(11,066,537)	(10,581,181)	(9,558,643)	(9,003,617)
Refunds of Contributions	(358,994)	(482,631)	(465,012)	(469,524)
Net Change in Total Pension Liability	\$ 7,089,199	\$ 7,300,748	\$ 6,893,577	\$ 7,749,574
Total Pension Liability - Beginning	213,128,951	205,828,203	198,934,626	191,185,052
Total Pension Liability - Ending (a)	<u>\$220,218,150</u>	<u>\$213,128,951</u>	<u>\$205,828,203</u>	<u>\$198,934,626</u>
<b>Plan Fiduciary Net Position</b>				
Employer Contributions	\$ 2,959,847	\$ 3,876,348	\$ 3,739,486	\$ 3,646,317
Employee Contributions	2,124,981	2,113,676	2,041,468	2,000,972
Net Investment Income	22,825,346	3,214,427	8,507,018	25,850,848
Benefit Payments	(11,066,537)	(10,581,181)	(9,558,643)	(9,003,617)
Refunds of Contributions	(358,994)	(482,631)	(465,012)	(469,524)
Administrative Expenses	(135,200)	(120,635)	(118,985)	(141,126)
Other Changes	(20,191)	(1,394)	(1,792)	1,363
Net Change in Fiduciary Net Position	\$ 16,329,252	\$ (1,981,390)	\$ 4,143,540	\$ 21,885,233
Fiduciary Net Position, Beginning	190,273,898	192,255,288	188,111,748	166,226,515
Fiduciary Net Position, Ending (b)	<u>\$206,603,150</u>	<u>\$190,273,898</u>	<u>\$192,255,288</u>	<u>\$188,111,748</u>
<b>Net Pension Liability(Asset)-</b>				
Nonprofessional Employees (a) - (b)	<u>\$ 13,615,000</u>	<u>\$ 22,855,053</u>	<u>\$ 13,572,915</u>	<u>\$ 10,822,878</u>
<b>Plan Fiduciary Net Position as a % of Total</b>	<u>93.82%</u>	<u>89.28%</u>	<u>93.41%</u>	<u>94.56%</u>
Pension Liability (b)/(a)				
<b>Covered Payroll (c)</b>	<u>\$ 42,112,697</u>	<u>\$ 42,344,732</u>	<u>\$ 40,970,605</u>	<u>\$ 40,017,176</u>
<b>Net Pension Liability as a % of Covered</b>				
Payroll - Nonprofessional	<u>32.33%</u>	<u>53.97%</u>	<u>33.13%</u>	<u>27.05%</u>

Notes to Schedule:

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS**  
**PROFESSIONAL EMPLOYEES**  
**JUNE 30, 2023**

Professional Employees

Date	(a) Contractually Required Contributions	(b) Contributions in Relation to Contractually Required Contributions	(c) Contribution Deficiency (Excess) (a) - (b)	(d) Employer's Covered Payroll	(e) Contributions as a % of Covered Payroll (b) / (d)
June 30, 2023	\$ 73,202,797	\$ 73,202,797	\$ -	\$ 440,450,043	16.62%
June 30, 2022	\$ 70,274,556	\$ 70,274,556	\$ -	\$ 422,831,262	16.62%
June 30, 2021	\$ 67,989,422	\$ 67,989,422	\$ -	\$ 409,081,963	16.62%
June 30, 2020	\$ 65,059,491	\$ 65,059,491	\$ -	\$ 414,920,223	15.68%
June 30, 2019	\$ 63,710,358	\$ 63,710,358	\$ -	\$ 406,316,058	15.68%
June 30, 2018	\$ 65,402,518	\$ 65,402,518	\$ -	\$ 400,750,722	16.32%
June 30, 2017	\$ 57,698,763	\$ 57,698,763	\$ -	\$ 393,579,555	14.66%
June 30, 2016	\$ 54,463,409	\$ 54,463,409	\$ -	\$ 387,364,218	14.06%
June 30, 2015	\$ 55,858,551	\$ 55,858,551	\$ -	\$ 385,231,385	14.50%
June 30, 2014	\$ 43,992,831	\$ 43,992,831	\$ -	\$ 377,297,007	11.66%

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2021, 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS board action are as follows:

- Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted 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 discount rate

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS**  
**NONPROFESSIONAL EMPLOYEES**  
**JUNE 30, 2023**

Date	(a) Contractually Required Contributions	(b) Contributions in Relation to Contractually Required Contributions	(c) Contribution Deficiency (Excess) (a) - (b)	(d) Employer's Covered Payroll	(e) Contributions as a % of Covered Payroll (b) / (d)
June 30, 2023	\$ 4,109,022	\$ 4,109,022	\$ -	\$ 51,427,059	7.99%
June 30, 2022	\$ 3,629,076	\$ 3,629,076	\$ -	\$ 45,137,761	8.04%
June 30, 2021	\$ 3,404,642	\$ 3,404,642	\$ -	\$ 42,346,298	8.04%
June 30, 2020	\$ 2,928,810	\$ 2,928,810	\$ -	\$ 43,518,726	6.73%
June 30, 2019	\$ 2,885,329	\$ 2,885,329	\$ -	\$ 42,872,651	6.73%
June 30, 2018	\$ 2,969,741	\$ 2,969,741	\$ -	\$ 42,303,998	7.02%
June 30, 2017	\$ 2,956,311	\$ 2,956,311	\$ -	\$ 42,112,697	7.02%
June 30, 2016	\$ 3,857,605	\$ 3,857,605	\$ -	\$ 42,344,732	9.11%
June 30, 2015	\$ 3,732,422	\$ 3,732,422	\$ -	\$ 40,970,605	9.11%
June 30, 2014	\$ 3,645,565	\$ 3,645,565	\$ -	\$ 40,017,176	9.11%

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions – The actuarial assumptions used in the June 30, 2021, 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

- Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
- Adjusted 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 discount rate



**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**OTHER POSTEMPLOYMENT BENEFITS – RETIREE HEALTH**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**LAST TEN FISCAL YEARS**  
**JUNE 30, 2023**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
<b>Total OPEB Liability</b>					
Service Cost	\$ 2,072,937	\$ 2,049,213	\$ 1,934,661	\$ 2,566,620	\$ 2,429,766
Interest on Total OPEB Liability	5,812,560	5,360,537	5,305,457	6,616,759	6,508,729
Effect of Economic/Demographic Gains or (Losses)	13,394,219	7,289,849	-	2,340,909	-
Effect of Assumption Changes or Inputs	3,487,727	(584,251)	-	(22,674,032)	3,705,597
Benefit Payments	(7,514,976)	(6,864,988)	(6,160,668)	(5,945,243)	(6,650,666)
<b>Net Change in Total OPEB Liability</b>	<u>17,252,467</u>	<u>7,250,360</u>	<u>1,079,450</u>	<u>(17,094,987)</u>	<u>5,993,426</u>
Total OPEB Liability, Beginning	<u>91,049,406</u>	<u>83,799,046</u>	<u>82,719,596</u>	<u>99,814,583</u>	<u>93,821,157</u>
Total OPEB Liability, Ending (a)	<u>\$108,301,873</u>	<u>\$ 91,049,406</u>	<u>\$ 83,799,046</u>	<u>\$ 82,719,596</u>	<u>\$ 99,814,583</u>
<b>Fiduciary Net Position</b>					
Employer Contributions	\$ 7,514,976	\$ 6,864,988	\$ 6,160,668	\$ 6,950,743	\$ 6,650,666
Net Investment Income	3,032,165	(4,047,045)	10,143,922	2,096,210	2,126,862
Investment Gains or Losses	-	-	-	(1,099,110)	(729,008)
Benefit Payments	(7,514,976)	(6,864,988)	(6,160,668)	(5,945,243)	(6,650,666)
Administrative Expenses	(27,865)	(31,102)	(29,042)	(27,508)	(26,592)
<b>Net Change in Fiduciary Net Position</b>	<u>3,004,300</u>	<u>(4,078,147)</u>	<u>10,114,880</u>	<u>1,975,092</u>	<u>1,371,262</u>
Fiduciary Net Position, Beginning	<u>39,779,906</u>	<u>43,858,053</u>	<u>33,743,173</u>	<u>31,768,081</u>	<u>30,396,819</u>
Fiduciary Net Position, Ending (b)	<u>\$ 42,784,206</u>	<u>\$ 39,779,906</u>	<u>\$ 43,858,053</u>	<u>\$ 33,743,173</u>	<u>\$ 31,768,081</u>
 Net OPEB Liability, Ending (a) - (b)	 <u>\$ 65,517,667</u>	 <u>\$ 51,269,500</u>	 <u>\$ 39,940,993</u>	 <u>\$ 48,976,423</u>	 <u>\$ 68,046,502</u>
 Fiduciary Net Position as a % of Total OPEB Liability	 39.50%	 43.69%	 52.34%	 40.79%	 31.83%
 Covered Payroll	 \$481,013,873	 \$481,013,873	 \$466,464,228	 \$466,464,228	 \$444,517,100
 Net OPEB Liability as a % of Covered Payroll	 13.62%	 10.66%	 8.56%	 10.50%	 15.31%

(continued)

## Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required and until a 10-year trend is complied, OPEB plans should present information for those years for which information is available.

This schedule is presented using the optional format of combining the required schedules as required by GAAP.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**OTHER POSTEMPLOYMENT BENEFITS – RETIREE HEALTH**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**LAST TEN FISCAL YEARS**  
**JUNE 30, 2023**

(continued)

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 1,239,627	\$ 1,529,672
Interest on Total OPEB Liability	5,027,382	4,928,893
Effect of Economic/Demographic Gains or (Losses)	1,400,273	-
Effect of Assumption Changes or Inputs	20,370,070	-
Benefit Payments	<u>(6,679,101)</u>	<u>(5,661,710)</u>
<b>Net Change in Total OPEB Liability</b>	21,358,251	796,855
Total OPEB Liability, Beginning	<u>72,462,906</u>	<u>71,666,051</u>
Total OPEB Liability, Ending (a)	<u><u>\$ 93,821,157</u></u>	<u><u>\$ 72,462,906</u></u>
<b>Fiduciary Net Position</b>		
Employer Contributions	\$ 7,369,401	\$ 5,661,710
Net Investment Income	1,922,273	3,098,316
Investment Gains or Losses	675,431	-
Benefit Payments	(6,679,101)	(5,661,710)
Administrative Expenses	<u>(25,409)</u>	<u>(24,357)</u>
<b>Net Change in Fiduciary Net Position</b>	3,262,595	3,073,959
Fiduciary Net Position, Beginning	<u>27,134,224</u>	<u>24,060,265</u>
Fiduciary Net Position, Ending (b)	<u><u>\$ 30,396,819</u></u>	<u><u>\$ 27,134,224</u></u>
 Net OPEB Liability, Ending (a) - (b)	 <u><u>\$ 63,424,338</u></u>	 <u><u>\$ 45,328,682</u></u>
 Fiduciary Net Position as a % of Total OPEB Liability	 32.40%	 37.45%
 Covered Payroll	 \$444,517,100	 \$426,884,300
 Net OPEB Liability as a % of Covered Payroll	 14.27%	 10.62%

**Notes to Schedule:**

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required and until a 10-year trend is complied, OPEB plans should present information for those years for which information is available.

This schedule is presented using the optional format of combining the required schedules as required by GAAP.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**OTHER POSTEMPLOYMENT BENEFITS – RETIREE HEALTH**  
**SCHEDULE OF ANNUAL CONTRIBUTIONS**  
**LAST TEN FISCAL YEARS**  
**JUNE 30, 2023**

Fiscal Year Ending June 30	Actuarially Determined Contribution	Actual Employer Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2014	\$5,700,900	\$ 5,700,900	\$ -	\$ 421,065,100	1.35%
2015	\$5,832,200	\$ 5,832,200	\$ -	\$ 421,065,100	1.39%
2016	\$4,462,800	\$ 5,748,000	\$ (1,285,200)	\$ 426,884,300	1.35%
2017	\$4,542,400	\$ 5,661,710	\$ (1,119,310)	\$ 426,884,300	1.33%
2018	\$7,369,400	\$ 7,369,400	\$ -	\$ 444,517,100	1.66%
2019	\$7,656,200	\$ 6,650,700	\$ 1,005,500	\$ 444,517,100	1.50%
2020	\$5,704,500	\$ 6,950,743	\$ (1,246,243)	\$ 466,464,228	1.49%
2021	\$5,835,800	\$ 6,160,668	\$ (324,868)	\$ 466,464,228	1.32%
2022	\$5,942,500	\$ 6,864,988	\$ (922,488)	\$ 481,013,873	1.43%
2023	\$7,437,500	\$ 7,514,976	\$ (77,476)	\$ 481,013,873	1.56%

*\*Employer contributions include trust contributions and explicit subsidy payment directly to retirees from the School Board's own resources. They also include estimate subsidy payments for retirees from the School Board's own resources.*

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
OTHER POSTEMPLOYMENT BENEFITS – RETIREE HEALTH  
SCHEDULE OF ANNUAL CONTRIBUTIONS  
LAST TEN FISCAL YEARS  
JUNE 30, 2023**

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**Valuation Timing:**

Actuarial valuations for OPEB funding purposes are performed biennially as of January 1.  
The most recent valuation was performed as of January 1, 2022.

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar, Closed
Amortization Period	23 Years Remaining as of January 1, 2023
Asset Valuation Method	Five-year asset smoothing; Actuarial value of assets will equal market value for applicable year less amounts deferred through the recognition over five years of the annual difference between actual and expected market value of assets.
Inflation	2.50%
Salary Increases	Inflation rate of 2.50%; productivity component 1.00%; and a variable merit component that is dependent on years of service.
Discount Rate	6.50%
Age Related Claims Costs	Age related medical claims cost assumptions for retirees based on recent retiree claims experience. Based on retiree population size and claim patterns during calendar years 2020 through 2021, assigned one third credibility to calendar year 2020 and remaining two thirds to calendar year 2021 retiree and dependent claims.
Healthcare Cost Trend Rates	Assumption changed from 6.70% in 2020, 5.90% in 2021, 5.10% in 2022, then grading to an to an ultimate rate of 4.10% in 2074 to 5.50% in 2022, 5.10% in 2023 and 2024, then grading to an ultimate rate of 4.00% in 2074. These healthcare trend rates are consistent with information from the Getzen Trend Model, Milliman's Health Cost Guidelines and actuarial judgment.
Retirement Age	VRS Plan 1: 65 and VRS Plans2/Hybrid: Normal Social Security Retirement Age
Mortality Rates	Based on the PUB-2010 Employee Mortality Table for Males or Females as appropriate, with adjustments for mortality improvements based on Scale BB
Disability Rates	20% of disabilities are assumed to be service-related.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**OTHER POSTEMPLOYMENT BENEFITS – RETIREE HEALTH**  
**SCHEDULE OF INVESTMENT RETURNS**  
**LAST TEN FISCAL YEARS**  
**JUNE 30, 2023**

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Fiscal Year	Net
Ending	Money-Weighted
June 30	Rate of Return
2017	12.89%
2018	9.56%
2019	4.60%
2020	3.04%
2021	30.08%
2022	-9.23%
2023	7.63%

Notes to Schedule:

This schedule is intended to show information for 10 years. The first year for this presentation is 2017; additional years will be presented as they become available.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**HEALTH INSURANCE CREDIT PROGRAM (HIC) – POLITICAL SUBDIVISION**  
**LAST TEN FISCAL YEARS**  
**JUNE 30, 2023**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>Total HIC OPEB Liability</b>			
Service Cost	\$ 58,118	\$ 63,751	\$ -
Interest on Total OPEB Liability	390,927	354,375	-
Changes of Benefit Terms	-	-	5,249,993
Difference between actual and expected experience	(167,281)	-	-
Change in Assumptions	475,946	149,910	-
Benefit Payments	(169,274)	-	-
<b>Net Change in Total HIC OPEB Liability</b>	<u>588,436</u>	<u>568,036</u>	<u>5,249,993</u>
Total HIC OPEB Liability, Beginning	<u>5,818,029</u>	<u>5,249,993</u>	<u>0</u>
Total HIC OPEB Liability, Ending (a)	<u><u>\$ 6,406,465</u></u>	<u><u>\$ 5,818,029</u></u>	<u><u>\$ 5,249,993</u></u>
<b>Fiduciary Net Position</b>			
Employer Contributions	\$ 430,973	\$ 400,904	\$ -
Net Investment Income	(5,734)	47,594	-
Benefit Payments	(169,274)	-	-
Administrative Expenses	(1,280)	(1,754)	-
Other	4,151	-	-
<b>Net Change in Fiduciary Net Position</b>	<u>258,836</u>	<u>446,744</u>	<u>-</u>
Fiduciary Net Position, Beginning	<u>446,744</u>	<u>-</u>	<u>-</u>
Fiduciary Net Position, Ending (b)	<u><u>\$ 705,580</u></u>	<u><u>\$ 446,744</u></u>	<u><u>\$ -</u></u>
 Net HIC OPEB Liability, Ending (a) - (b)	 <u><u>\$ 5,700,885</u></u>	 <u><u>\$ 5,371,285</u></u>	 <u><u>\$ 5,249,993</u></u>
 Fiduciary Net Position as a % of Total OPEB HIC Liability	 11.01%	 7.68%	 0.00%
 Covered Payroll	 \$ 49,466,229	 \$ 46,018,028	 \$ -
 Net HIC OPEB Liability as a % of Covered Payroll	 11.52%	 11.67%	 N/A

Notes to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required and until a 10-year trend is complied, OPEB plans should present information for those years for which information is available.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY  
HEALTH INSURANCE CREDIT PROGRAM (HIC)  
FOR THE MEASUREMENT DATES OF JUNE 30, 2017 through 2022**

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**Health Insurance Credit Program - Teacher**

	2022	2021	2020	2019	2018	2017
Employer's Proportion of the Net HIC OPEB Liability	4.73288%	4.80573%	4.87922%	4.96761%	5.04954%	5.06312%
Employer's Proportionate Share of the Net HIC OPEB Liability	\$ 59,115,873	\$ 61,684,868	\$ 63,650,230	\$ 65,030,846	\$ 64,113,000	\$ 64,231,000
Employer's Covered Payroll	\$ 441,111,818	\$ 425,016,085	\$ 427,749,309	\$ 416,667,852	\$ 408,375,692	\$399,582,254
Employer's Proportionate Share of the Net HIC OPEB Liability as a Percentage of its Covered Payroll	13.40%	14.51%	14.88%	15.61%	15.70%	16.07%
Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability	15.08%	13.15%	9.95%	8.97%	8.08%	7.04%

**Notes to Schedule:**

This schedule is intended to show information for 10 years. Since 2022 is the sixth year for this presentation, there are only six years available. However, additional years will be included as they become available.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY**  
**GROUP LIFE INSURANCE PROGRAM (GLI)**  
**FOR THE MEASUREMENT DATES OF JUNE 30, 2017 through 2022**

**Group Life Insurance Program - Teachers**

	2022	2021	2020	2019	2018	2017
Employer's Proportion of the Net GLI OPEB Liability	2.03441%	2.06530%	2.08728%	2.13333%	2.15565%	2.17633%
Employer's Proportionate Share of the Net GLI OPEB Liability	\$ 24,496,258	\$ 24,045,696	\$ 34,833,286	\$ 34,714,957	\$ 32,738,000	\$ 32,750,000
Employer's Covered Payroll	\$ 442,535,190	\$ 426,407,218	\$ 429,568,184	\$ 418,203,923	\$ 409,891,865	\$ 401,432,134
Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll	5.54%	5.64%	8.11%	8.30%	7.99%	8.16%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

**Group Life Insurance Program - Political Subdivision**

Employer's Proportion of the Net GLI OPEB Liability	0.22892%	0.22524%	0.23282%	0.23547%	0.23729%	0.24033%
Employer's Proportionate Share of the Net GLI OPEB Liability	\$ 2,756,418	\$ 2,622,404	\$ 3,885,384	\$ 3,831,723	\$ 3,604,000	\$ 3,617,000
Employer's Covered Payroll	\$ 49,796,398	\$ 46,503,477	\$ 47,915,825	\$ 46,160,454	\$ 45,120,109	\$ 44,330,131
Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll	5.54%	5.64%	8.11%	8.30%	7.99%	8.16%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

**Notes to Schedule:**

This schedule is intended to show information for 10 years. Since 2022 is the sixth year for this presentation, there are only six years available. However, additional years will be included as they become available.



**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY**  
**VIRGINIA LOCAL DISABILITY PROGRAM (VLDP)**  
**FOR THE MEASUREMENT DATES OF JUNE 30, 2017 through 2022**

**Virginia Local Disability Program - Teachers**

	2022	2021	2020	2019	2018	2017
Employer's Proportion of the Net VLDP OPEB Liability	17.43607%	17.50814%	17.32958%	16.94127%	16.82241%	16.44512%
Employer's Proportionate Share of the Net VLDP OPEB Liability(Asset)	\$ (19,604)	\$ (123,258)	\$ 139,032	\$ 98,486	\$ 127,000	\$ 98,000
Employer's Covered Payroll	\$140,335,596	\$117,813,537	\$102,504,393	\$ 81,239,317	\$ 62,725,531	\$ 46,408,200
Employer's Proportionate Share of the Net VLDP OPEB Liability as a Percentage of its Covered Payroll	-0.01%	-0.10%	0.14%	0.12%	0.20%	0.21%
Plan Fiduciary Net Position as a Percentage of the Total Teacher VLDP OPEB Liability	101.57%	114.46%	78.28%	74.12%	46.18%	31.96%

**Virginia Local Disability Program - Political Subdivision**

Employer's Proportion of the Net VLDP OPEB Liability	4.44580%	4.35422%	4.54891%	4.62460%	4.93874%	5.20662%
Employer's Proportionate Share of the Net VLDP OPEB Liability(Asset)	\$ (26,139)	\$ (44,077)	\$ 45,409	\$ 93,686	\$ 38,000	\$ 30,000
Employer's Covered Payroll	\$ 20,828,092	\$ 17,491,581	\$ 16,950,791	\$ 14,290,947	\$ 11,991,585	\$ 9,560,850
Employer's Proportionate Share of the Net VLDP OPEB Liability as a Percentage of its Covered Payroll	-0.13%	-0.25%	0.27%	0.66%	0.32%	0.31%
Plan Fiduciary Net Position as a Percentage of the Total Political Subdivision VLDP OPEB Liability	107.99%	229.01%	78.28%	49.19%	51.39%	38.40%

**Notes to Schedule:**

This schedule is intended to show information for 10 years. Since 2022 is the sixth year for this presentation, there are only six years available. However, additional years will be included as they become available.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**OTHER POST EMPLOYMENT BENEFITS (OPEB)**  
**LAST TEN FISCAL YEARS**  
**JUNE 30, 2023**

**Health Insurance Credit Program - Teacher**

Fiscal Year Ending June 30	Contractually Required Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2023	\$5,603,990	\$ 5,603,990	\$ -	\$ 463,002,968	1.21%
2022	\$5,398,393	\$ 5,398,393	\$ -	\$ 441,111,818	1.22%
2021	\$5,143,628	\$ 5,143,628	\$ -	\$ 425,016,085	1.21%
2020	\$5,148,298	\$ 5,148,298	\$ -	\$ 427,749,309	1.20%
2019	\$4,996,970	\$ 4,996,970	\$ -	\$ 416,667,852	1.20%
2018	\$5,023,021	\$ 5,023,021	\$ -	\$ 408,375,692	1.23%
2017	\$4,914,862	\$ 4,435,363	\$ 479,499	\$ 399,582,254	1.11%
2016	\$4,609,056	\$ 4,140,339	\$ 468,717	\$ 390,598,006	1.06%
2015	\$4,556,498	\$ 4,093,125	\$ 463,373	\$ 386,143,862	1.06%
2014	\$4,417,613	\$ 4,191,068	\$ 226,545	\$ 377,573,722	1.11%

**Health Insurance Credit Program - Political Subdivision**

Fiscal Year Ending June 30	Contractually Required Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2023	\$ 588,631	\$ 588,631	\$ -	\$ 57,416,545	1.03%
2022	\$ 430,973	\$ 430,973	\$ -	\$ 49,466,229	0.87%
2021	\$ 400,904	\$ 400,904	\$ -	\$ 46,081,028	0.87%

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POST EMPLOYMENT BENEFITS (OPEB)  
LAST TEN FISCAL YEARS  
JUNE 30, 2023**

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Notes to Schedule:

This schedule is intended to show information for 10 years. Since 2023 is the third year the School Board had employees eligible for HIC – Political Subdivision, there are only three years available. However, additional years will be included as they become available.

**Changes of benefit terms:** There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions:** The actuarial assumptions used in the June 30, 2021, 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

- Updated Mortality Rates 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 Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service
- No change to disability rates
- No change to salary scale
- No change to discount rate

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**OTHER POST EMPLOYMENT BENEFITS (OPEB)**  
**LAST TEN FISCAL YEARS**  
**JUNE 30, 2023**

**Group Life Insurance Program - Teacher**

Fiscal Year Ending June 30	Contractually Required Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2023	\$2,509,214	\$ 2,509,214	\$ -	\$ 464,553,956	0.54%
2022	\$2,368,914	\$ 2,368,914	\$ -	\$ 442,535,190	0.54%
2021	\$2,302,569	\$ 2,302,569	\$ -	\$ 426,407,218	0.54%
2020	\$2,257,910	\$ 2,257,910	\$ -	\$ 429,568,184	0.52%
2019	\$2,189,610	\$ 2,189,610	\$ -	\$ 418,203,923	0.52%
2018	\$2,131,438	\$ 2,131,438	\$ -	\$ 409,891,865	0.52%
2017	\$2,087,447	\$ 2,087,447	\$ -	\$ 401,432,134	0.52%
2016	\$2,079,432	\$ 1,883,259	\$ 196,173	\$ 392,345,632	0.48%
2015	\$2,053,604	\$ 1,859,868	\$ 193,736	\$ 387,472,533	0.48%
2014	\$2,011,839	\$ 1,822,043	\$ 189,796	\$ 379,592,250	0.48%

**Group Life Insurance Program - Political Subdivision**

Fiscal Year Ending June 30	Contractually Required Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2023	\$ 312,721	\$ 312,721	\$ -	\$ 57,910,661	0.54%
2022	\$ 268,726	\$ 268,726	\$ -	\$ 49,796,398	0.54%
2021	\$ 251,112	\$ 251,112	\$ -	\$ 46,503,477	0.54%
2020	\$ 250,065	\$ 250,065	\$ -	\$ 47,915,825	0.52%
2019	\$ 241,899	\$ 241,899	\$ -	\$ 46,160,454	0.52%
2018	\$ 234,625	\$ 234,625	\$ -	\$ 45,120,109	0.52%
2017	\$ 230,517	\$ 230,517	\$ -	\$ 44,330,131	0.52%
2016	\$ 231,831	\$ 209,960	\$ 21,871	\$ 43,741,730	0.48%
2015	\$ 221,058	\$ 200,204	\$ 20,854	\$ 41,709,123	0.48%
2014	\$ 214,578	\$ 194,335	\$ 20,243	\$ 40,486,356	0.48%

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POST EMPLOYMENT BENEFITS (OPEB)  
LAST TEN FISCAL YEARS  
JUNE 30, 2023**

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Notes to Schedule:

**Changes of benefit terms** There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions:** The actuarial assumptions used in the June 30, 2021, 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

- Updated Mortality Rates 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 Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service
- No change to disability rates
- No change to salary scale
- No change to discount rate

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**OTHER POST EMPLOYMENT BENEFITS (OPEB)**  
**FOR THE YEARS ENDED JUNE 30, 2014 THROUGH**  
**JUNE 30, 2023**

**Virginia Local Disability Program - Teacher**

Fiscal Year Ending June 30	Contractually Required Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2023	\$ 778,254	\$ 778,254	\$ -	\$ 165,580,452	0.47%
2022	\$ 659,550	\$ 659,550	\$ -	\$ 140,335,596	0.47%
2021	\$ 553,806	\$ 553,806	\$ -	\$ 117,813,537	0.47%
2020	\$ 423,008	\$ 423,008	\$ -	\$ 102,504,393	0.41%
2019	\$ 333,074	\$ 333,074	\$ -	\$ 81,239,317	0.41%
2018	\$ 194,449	\$ 194,449	\$ -	\$ 62,725,531	0.31%
2017	\$ 143,865	\$ 143,865	\$ -	\$ 46,408,200	0.31%
2016	\$ 80,152	\$ 80,152	\$ -	\$ 27,638,756	0.29%
2015	\$ 44,612	\$ 44,612	\$ -	\$ 15,383,610	0.29%
2014	\$ 2,253	\$ 2,253	\$ -	\$ 776,969	0.29%

**Virginia Local Disability Program - Political Subdivision**

Fiscal Year Ending June 30	Contractually Required Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2023	\$ 240,208	\$ 240,208	\$ -	\$ 28,259,774	0.85%
2022	\$ 172,623	\$ 172,623	\$ -	\$ 20,828,092	0.83%
2021	\$ 145,229	\$ 145,229	\$ -	\$ 17,491,581	0.83%
2020	\$ 122,065	\$ 122,065	\$ -	\$ 16,950,791	0.72%
2019	\$ 102,908	\$ 102,908	\$ -	\$ 14,290,947	0.72%
2018	\$ 71,950	\$ 71,950	\$ -	\$ 11,991,585	0.60%
2017	\$ 57,365	\$ 57,365	\$ -	\$ 9,560,850	0.60%
2016	\$ 40,146	\$ 40,146	\$ -	\$ 6,691,000	0.60%
2015	\$ 18,242	\$ 18,242	\$ -	\$ 3,040,304	0.60%
2014	\$ 1,611	\$ 1,611	\$ -	\$ 268,436	0.60%

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POST EMPLOYMENT BENEFITS (OPEB)  
LAST TEN FISCAL YEARS  
JUNE 30, 2023**

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Notes to Schedule:

**Changes of benefit terms** There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions:** The actuarial assumptions used in the June 30, 2021, 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, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

- Updated Mortality Rates 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 Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service
- No change to disability rates
- No change to salary scale
- No change to discount rate

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**with comparative actual amounts for the year ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance	2022 Actual
<b>REVENUES</b>					
<u>From Use of Money and Property</u>					
Rents	\$ 450,000	\$ 450,000	\$ 332,074	\$ (117,926)	\$ 241,643
<u>Charges for Services</u>					
Tuition and Educational Fees	\$ 1,481,100	\$ 1,481,100	\$ 1,018,801	\$ (462,299)	\$ 685,686
<u>Miscellaneous Revenues</u>					
Sale of Salvage	\$ 12,000	\$ 12,000	\$ 97,244	\$ 85,244	\$ 114,017
Donations	-	-	500	500	3,250
Miscellaneous	224,703	224,703	135,212	(89,491)	147,143
Indirect Costs	600,000	600,000	1,283,330	683,330	1,623,654
Athletics	504,000	504,000	723,074	219,074	489,381
Instructional Technology	-	-	264,081	264,081	76,009
Lost, Damaged, Stolen Technology	-	-	176,262	176,262	181,942
Stop Arm Enforcement	400,000	400,000	1,235,478	835,478	1,059,715
Total Miscellaneous Revenues	\$ 1,740,703	\$ 1,740,703	\$ 3,915,181	\$ 2,174,478	\$ 3,695,111
<u>From Local Government</u>					
City - General Fund	\$ 437,395,022	\$ 436,899,569	\$ 406,510,736	\$ (30,388,833)	\$ 399,688,222
City - School Reserve Fund	667,182	667,182	667,182	-	1,334,364
City for Consolidated Benefits Office	735,538	735,538	735,538	-	735,538
Total From Local Government	\$ 438,797,742	\$ 438,302,289	\$ 407,913,456	\$ (30,388,833)	\$ 401,758,124
<u>From Commonwealth</u>					
Basic Aid	\$ 195,553,686	\$ 201,994,078	\$ 192,465,613	\$ (9,528,465)	\$ 177,729,756
Reimbursement-Social Security	11,331,162	11,406,452	11,413,104	6,652	10,760,982
Reimbursement-Retirement	26,389,185	26,615,056	26,630,576	15,520	25,058,789
Reimbursement-Life Insurance	790,546	790,546	791,007	461	752,516
Remedial Education	4,856,212	4,856,212	4,859,044	2,832	4,515,097
Remedial Education-Summer School	146,415	146,415	259,522	113,107	257,702
Special Education	19,311,914	19,311,914	19,323,176	11,262	19,715,924
Special Education-Regional Program	5,257,273	5,257,273	5,704,041	446,768	4,803,202
Special Education-Homebound	78,046	78,046	57,592	(20,454)	-
Special Education-Foster Children	-	-	246,403	246,403	203,344
Foster Home Children	377,067	377,067	170,417	(206,650)	145,581
Vocational	2,108,123	2,183,413	2,184,687	1,274	1,580,284
Vocational-Occupational/Tech.	398,204	398,204	254,861	(143,343)	252,289
Vocational-Adult Education	-	-	-	-	-
Sales Tax	91,899,883	91,767,957	98,633,260	6,865,303	98,227,243
No Loss Funding	-	-	-	-	-
Class Size Initiative	5,335,108	5,328,516	5,357,991	29,475	4,987,111
At-Risk Initiative	13,365,632	10,107,666	10,113,438	5,772	7,336,146
English as a Second Language	2,348,106	2,134,724	1,954,796	(179,928)	1,604,380
Supplemental Lottery per Pupil Alloc.	15,263,862	15,263,862	15,217,138	(46,724)	15,291,274
Salary Supplement	12,625,328	11,853,631	11,861,546	7,915	11,848,031
Gifted and Talented Aid	2,070,478	2,070,478	2,071,686	1,208	1,956,542
Other State Funds	11,448,246	14,735,444	14,872,924	137,480	8,041,809
Total From Commonwealth	\$ 420,954,476	\$ 426,676,954	\$ 424,442,822	\$ (2,234,132)	\$ 395,068,002
<u>From Federal Government</u>					
Public Law 874	\$ 9,935,191	\$ 9,935,191	\$ 9,523,666	\$ (411,525)	\$ 7,916,771
Public Law 874-Special Education	-	-	1,065,112	1,065,112	965,617
Dept of the Navy-NJROTC	100,000	100,000	286,714	186,714	293,705
Department of Defense	1,500,000	1,500,000	2,857,287	1,357,287	2,876,974
Dept of Defense-Special Education	-	-	2,253,058	2,253,058	2,580,106
Medicaid Reimbursement	1,964,809	1,964,809	2,181,775	216,966	2,379,931

(continued)



**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**with comparative actual amounts for the year ended June 30, 2022**

	(continued)				
	Original Budget	Final Budget	Actual	Variance	2022 Actual
Medicaid Reimbursement-Transportation	\$ -	\$ -	\$ 270,028	\$ 270,028	\$ 102,645
Other Federal Funds	-	-	64	64	129
Total From Federal Government	\$ 13,500,000	\$ 13,500,000	\$ 18,437,704	\$ 4,937,704	\$ 17,115,878
Total Revenues	\$ 876,924,021	\$ 882,151,046	\$ 856,060,038	\$ (26,091,008)	\$ 818,564,444
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Elementary Classroom	\$ 175,728,976	\$ 173,711,858	\$ 170,053,262	\$ 3,658,596	\$ 162,877,717
Middle School Classroom	66,301,736	65,518,417	64,394,374	1,124,043	65,064,823
Senior High Classroom	86,765,071	85,006,662	84,500,905	505,757	83,886,773
Special Education	104,313,994	104,380,294	103,585,217	795,077	99,287,160
Technical and Career Education	20,047,138	19,069,263	18,337,271	731,992	17,539,000
Gifted Education and Academy Programs	16,081,250	16,137,279	16,066,577	70,702	15,535,629
Alternative Education - Renaissance	6,570,830	6,328,208	5,778,415	549,793	5,202,418
Remedial Education	9,736,853	9,936,827	9,902,397	34,430	9,543,455
Summer School	1,868,683	1,869,062	1,177,986	691,076	1,553,014
General Adult Education	2,177,609	2,177,609	2,023,122	154,487	1,907,055
Guidance Services	21,722,963	21,701,463	21,603,020	98,443	20,698,112
Student Services	692,331	781,139	780,122	1,017	-
Social Work Services	4,411,084	5,381,966	5,280,205	101,761	4,809,918
Homebound Services	415,783	305,184	164,761	140,423	137,614
Instructional Support	16,459,906	14,690,331	13,346,561	1,343,770	12,852,585
Instructional Professional Growth & Innovation	1,377,088	1,269,529	1,045,416	224,113	1,219,266
Diversity Equity & Inclusion	552,834	547,834	408,176	139,658	474,895
Student Leadership	1,888,129	2,106,783	2,101,424	5,359	1,658,053
School Leadership	2,255,202	2,362,051	2,278,860	83,191	1,996,254
Student Activities	3,930,630	4,579,850	4,610,247	(30,397)	3,825,149
Student Athletics	5,478,274	6,163,764	6,041,436	122,328	5,811,138
Special Education Support	4,708,603	4,701,175	4,616,884	84,291	4,368,611
Technical and Career Ed. Support	1,101,690	1,131,718	1,129,324	2,394	971,352
Gifted Educ. & Academy Programs Support	2,640,750	2,644,454	2,419,866	224,588	2,395,365
Alternative Education Support	2,837,086	2,839,781	2,763,979	75,802	2,564,047
Media Services Support	14,001,440	14,514,403	14,310,965	203,438	13,880,777
Office/Principal - Elementary	29,133,534	29,982,569	29,791,317	191,252	28,419,596
Office/Principal - Middle Schools	12,405,098	12,505,565	12,430,910	74,655	12,202,895
Office/Principal - Senior High	13,531,540	13,562,980	13,355,597	207,383	12,782,050
Office/Principal - Tech & Career	735,807	765,889	737,185	28,704	691,119
Green Run Collegiate Public Charter	4,002,964	4,003,645	3,821,275	182,370	3,512,380
Total Instruction	\$ 633,874,876	\$ 630,677,552	\$ 618,857,056	\$ 11,820,496	\$ 597,668,220
<b>Admin, Attendance, &amp; Health</b>					
Board & Governmental Services	\$ 446,357	\$ 456,233	\$ 451,188	\$ 5,045	\$ 1,011,821
Legal Services	1,321,500	1,329,300	1,165,137	164,163	-
Office of the Superintendent	1,239,584	1,273,484	1,201,405	72,079	1,124,932
Communications & Community Engagement	2,575,084	2,613,116	2,322,389	290,727	2,039,996
Department of Human Resources	5,984,708	6,155,790	5,555,374	600,416	5,399,116
Professional Growth & Innovation	973,083	1,091,679	1,021,079	70,600	791,552
Consolidated Benefits Office	2,524,207	2,606,985	2,545,323	61,662	2,438,752
Planning Innovation & Accountability	2,621,359	2,621,359	1,968,952	652,407	1,970,197
Department of Budget & Finance	8,585,839	6,712,119	5,581,575	1,130,544	5,083,375
Internal Audit	531,857	535,541	452,683	82,858	509,238
Procurement Services	1,229,990	1,238,065	1,111,364	126,701	1,143,436
Health Services	9,094,760	9,094,760	8,603,916	490,844	8,432,806
Psychological Services	7,341,272	7,086,013	6,756,577	329,436	6,423,445
Audiological Services	550,308	556,913	499,586	57,327	527,138
Total Admin, Attendance, & Health	\$ 45,019,908	\$ 43,371,357	\$ 39,236,548	\$ 4,134,809	\$ 36,895,804
(continued)					

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**with comparative actual amounts for the year ended June 30, 2022**

	(continued)				
	Original Budget	Final Budget	Actual	Variance	2022 Actual
<u>Pupil Transportation</u>					
Transportation Management	\$ 4,179,372	\$ 4,388,986	\$ 3,494,900	\$ 894,086	\$ 2,749,427
Vehicle Operations	25,797,745	34,387,003	30,901,574	3,485,429	32,166,621
Vehicle Operations - Special Education	7,667,644	9,550,119	8,743,208	806,911	10,238,235
Monitoring Services - Special Education	3,719,332	3,719,332	2,842,579	876,753	3,063,414
Vehicle Maintenance	4,171,469	4,352,107	3,869,642	482,465	3,543,709
Green Run Collegiate Public Charter	321,578	321,578	297,128	24,450	256,228
Total Pupil Transportation	<u>\$ 45,857,140</u>	<u>\$ 56,719,125</u>	<u>\$ 50,149,031</u>	<u>\$ 6,570,094</u>	<u>\$ 52,017,634</u>
<u>Operations and Maintenance</u>					
School Division Services	\$ 353,252	\$ 338,255	\$ 337,381	\$ 874	\$ 320,136
Facilities and Maintenance Services	49,980,346	62,841,917	55,366,137	7,475,780	49,740,697
Custodial Services	31,795,936	31,228,283	29,442,110	1,786,173	29,100,528
Grounds Services	4,929,962	4,929,962	4,929,962	-	4,618,699
Vehicle Services	1,750,999	4,282,205	3,479,045	803,160	2,788,308
Security & Emergency Management	10,694,439	10,716,654	10,711,367	5,287	8,557,406
Distribution Services	2,163,297	2,165,341	1,987,776	177,565	2,037,859
Telecommunications	833,420	1,202,895	1,187,811	15,084	1,131,549
Student Athletics	-	-	17,867	(17,867)	-
Total Operations & Maintenance	<u>\$ 102,501,651</u>	<u>\$ 117,705,512</u>	<u>\$ 107,459,456</u>	<u>\$ 10,246,056</u>	<u>\$ 98,295,182</u>
<u>Technology</u>					
Instruction	\$ 18,115,078	\$ 24,067,096	\$ 22,965,893	\$ 1,101,203	\$ 16,350,230
Admin, Attendance & Health	3,375,954	4,032,380	3,651,636	380,744	2,912,628
Pupil Transportation	478,328	600,815	519,804	81,011	794,479
Operations and Maintenance	17,901,382	21,862,287	19,834,874	2,027,413	17,723,149
Green Run Collegiate Public Charter	39,387	40,127	14,878	25,249	24,640
Total Technology	<u>\$ 39,910,129</u>	<u>\$ 50,602,705</u>	<u>\$ 46,987,085</u>	<u>\$ 3,615,620</u>	<u>\$ 37,805,126</u>
Total Expenditures	<u>\$ 867,163,704</u>	<u>\$ 899,076,251</u>	<u>\$ 862,689,176</u>	<u>\$ 36,387,075</u>	<u>\$ 822,681,966</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>					
<u>OVER (UNDER) EXPENDITURES</u>	<u>\$ 9,760,317</u>	<u>\$ (16,925,205)</u>	<u>\$ (6,629,138)</u>	<u>\$ 10,296,067</u>	<u>\$ (4,117,522)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers Out	\$ (10,336,157)	\$ (9,979,435)	\$ (5,140,987)	\$ 4,838,448	\$ (4,869,945)
Sale of Capital Assets	15,000	15,000	607,655	592,655	627,668
Total Other Financing Sources (Uses), net	<u>\$ (10,321,157)</u>	<u>\$ (9,964,435)</u>	<u>\$ (4,533,332)</u>	<u>\$ 5,431,103</u>	<u>\$ (4,242,277)</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>\$ (560,840)</u>	<u>\$ (26,889,640)</u>	<u>\$ (11,162,470)</u>	<u>\$ 15,727,170</u>	<u>\$ (8,359,799)</u>
<u>FUND BALANCE - JULY 1</u>	<u>29,037,389</u>	<u>29,037,389</u>	<u>29,037,389</u>	<u>-</u>	<u>37,397,188</u>
<u>FUND BALANCE - JUNE 30</u>	<u>\$ 28,476,549</u>	<u>\$ 2,147,749</u>	<u>\$ 17,874,919</u>	<u>\$ 15,727,170</u>	<u>\$ 29,037,389</u>

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL GRANTS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**with comparative actual amounts for the year ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance	2022 Actual
<b>REVENUES</b>					
Miscellaneous	\$ 402,630	\$ 741,407	\$ 290,159	\$ (451,248)	\$ 422,362
From Commonwealth	21,664,476	21,124,669	12,991,741	(8,132,928)	11,908,631
From Federal Government	150,922,056	152,207,040	87,365,261	(64,841,779)	85,424,665
Contingency	1,207,127	3,972,099	-	(3,972,099)	-
Total Revenues	\$ 174,196,289	\$ 178,045,215	\$ 100,647,161	\$ (77,398,054)	\$ 97,755,658
<b>EXPENDITURES</b>					
<b>Instruction</b>					
2 Revolutions	\$ -	\$ 1,421	\$ -	\$ 1,421	\$ 457
AASA CZI Sel Impact Project FY21	-	-	-	-	4,000
Adult Education & Family Literacy Act FY21	-	-	-	-	15,550
Adult Education & Family Literacy Act FY22	-	-	-	-	291,910
Adult Education & Family Literacy Act FY23	329,331	347,147	347,147	-	-
Advancing Computer Science Education FY21	-	-	-	-	97,728
Algebra Readiness FY20	-	-	-	-	136,034
Algebra Readiness FY21	259,627	404,625	340,398	64,227	457,761
Algebra Readiness FY22	1,001,820	998,221	275,959	722,262	-
Algebra Readiness FY23	1,024,400	1,001,458	42,489	958,969	-
ARP Before & After School FY22	331,755	395,040	130,436	264,604	-
ARP Homeless II FY22	184,947	333,312	174,757	158,555	-
ARP Homess I FY22	30,000	50,000	34,890	15,110	-
ARP Mentor Teacher FY22	-	39,258	39,258	-	-
ARP Summer Learning FY22	234,895	234,895	-	234,895	-
ARP Unfinished Learning FY22	1,747,783	1,647,033	319,239	1,327,794	-
ARPA Bonus Payments FY23	-	6,374,894	6,374,894	-	-
ARPA ESSER III FY21	27,461,809	35,511,114	17,810,051	17,701,063	3,060,440
Asia Society Confucius Classrooms Network FY13	-	991	-	991	-
Bayport Foundation FY23	-	248,506	-	248,506	-
C. Perkins Career & Tech. Act FY21	-	-	-	-	106,843
C. Perkins Career & Tech. Act FY22	-	54,098	54,098	-	436,403
C. Perkins Career & Tech. Act FY23	543,813	751,514	664,693	86,821	-
Career Switcher Program Mentor FY22	-	-	-	-	17,747
Career Switcher Program Mentor FY23	28,200	13,400	11,440	1,960	-
CARES Act Corona Virus Relief Fund (CRF) FY21	-	-	-	-	23,058
CARES Act ESSER FY21	469,389	131,470	126,391	5,079	191,769
CARES ESSER Facilities And PPE FY21	-	49	-	49	-
CARES ESSER Instrucional Delivery Support FY21	4,633	4,179	4,179	-	455
CARES ESSER SPED Services Support FY21	180,792	115,465	114,471	994	65,733
CARES ESSER Universal Screener FY21	312	674	674	-	5,000
CARES GEER Vision FY21	1,500	-	-	-	-
Corrections Ed & Other Institutionalized FY22	-	-	-	-	1,098
Corrections Ed & Other Institutionalized FY23	-	1,098	1,098	-	-
CRRSA Act ESSER II FY21	259,948	591,146	591,025	121	19,520,429
DodEA Spanish Immersion FY22	257,124	21,125	21,125	-	50,189
DodEA Spanish Immersion FY23	303,845	295,097	213,111	81,986	-
Early Reading Intervention FY21	-	-	-	-	1,503,263
Early Reading Intervention FY22	1,342,518	3,043,511	1,954,913	1,088,598	341,739
Early Reading Intervention FY23	5,739,197	2,611,760	-	2,611,760	-
ECSE Teacher Incentive FY22	-	-	-	-	14,960
ECSE Teacher Incentive FY23	-	30,000	23,715	6,285	-
General Adult Education FY22	-	-	-	-	30,993
General Adult Education FY23	30,993	30,993	30,993	-	-
Green Run Collegiate Charter School Support FY20	-	-	-	-	7,662
Hampton Roads Community Foundation FY23	-	47,495	47,495	-	-
Hampton Roads Workforce Council - Stem (OSY) FY22	-	-	-	-	80,716
Hampton Roads Workforce Council - Stem (OSY) FY23	159,500	148,150	100,679	47,471	-
Hampton Roads Workforce Council ALC FY22	-	-	-	-	102,535
Hampton Roads Workforce Council ALC FY23	142,630	150,000	124,403	25,597	-
Hampton Roads Workforce Council Stem (ISY) FY22	-	-	-	-	57,068

(continued)

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL GRANTS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**with comparative actual amounts for the year ended June 30, 2022**

(continued)

	Original Budget	Final Budget	Actual	Variance	2022 Actual
Hampton Roads Workforce Council Stem (ISY) FY23	\$ 100,000	\$ -	\$ -	\$ -	\$ -
IPOP Intensive TA FY22	-	-	-	-	342
ISAEF FY22	-	-	-	-	53,428
ISAEF FY23	52,403	54,455	54,455	-	-
Jail Education Program FY21	-	-	-	-	112,195
Jail Education Program FY22	107,096	127,391	111,743	15,648	36,070
Jail Education Program FY23	159,026	159,026	37,224	121,802	-
Juvenile Detention Center FY21	-	-	-	-	877,629
Juvenile Detention Center FY22	846,486	922,329	802,491	119,838	320,344
Juvenile Detention Center FY23	876,471	876,471	292,034	584,437	-
Learning Loss Instructional Supports FY21	-	76,812	76,812	-	1,676,452
McKinney Homeless FY21	-	14,366	14,366	-	38,586
McKinney Homeless FY22	40,071	72,302	72,302	-	5,398
McKinney Homeless FY23	77,584	77,400	69,360	8,040	-
MyCAA-ALC Program FY23	-	2,298	2,298	-	-
MyCAA-LPN Program FY22	-	-	-	-	1,000
MyCAA-LPN Program FY23	-	1,000	1,000	-	-
National Board Certified Teachers Stipend FY22	-	-	-	-	395,000
National Board Certified Teachers Stipend FY23	328,334	352,500	352,500	-	-
National Math & Science Initiative (NMSI) FY21	-	-	-	-	22,577
Network Improvement Community (NIC)	-	-	-	-	1,380
New Teacher Mentor FY22	-	-	-	-	39,258
New Teacher Mentor FY23	34,768	41,731	41,731	-	-
NJROTC FY22	-	-	-	-	70,435
NJROTC FY23	-	109,744	109,744	-	-
Post 9-11 GI Bill FY22	-	-	-	-	147
Post 9-11 GI Bill FY23	-	4,720	4,720	-	-
Post Secondary SPED Services Support ESSER II FY22	-	-	-	-	164,704
Pre-K - Grade 2 Active Learning FY23	-	24,209	10,748	13,461	-
Preschool - IDEA Section 619 FY21	-	-	-	-	323,157
Preschool - IDEA Section 619 FY22	374,862	361,902	361,902	-	142,153
Preschool - IDEA Section 619 FY23	506,711	525,403	59,642	465,761	-
Project Graduation FY19	-	-	-	-	608
Project Graduation FY20	4,355	50	50	-	3,074
Project Graduation FY21	5,383	22,993	17,610	5,383	-
Project Graduation FY22	4,355	5,348	-	5,348	35
Project Graduation FY23	5,383	5,383	-	5,383	-
Project Hope City Wide SCA FY14	-	2,454	-	2,454	-
Race To GED FY22	-	-	-	-	58,691
Race To GED FY23	58,691	65,191	65,191	-	-
Startalk FY20	-	-	-	-	53,421
Startalk FY22	-	104,230	15,276	88,954	-
STEM Competition Team Initiative FY21	-	-	-	-	6,899
STEM Teacher Recruitment & Retention FY23	-	5,000	5,000	-	-
Stopping The Push Out Of Black Girls FY21	-	-	-	-	7,741
Title I Part A FY19	-	-	-	-	29,409
Title I Part A FY20	-	437,703	437,663	40	1,121,558
Title I Part A FY21	-	49,276	49,276	-	1,805,567
Title I Part A FY22	2,157,123	2,330,754	1,368,913	961,841	8,704,026
Title I Part A FY23	15,014,474	11,873,815	9,941,227	1,932,588	-
Title I Part D Subpart 1 FY20	-	191	191	-	814
Title I Part D Subpart 1 FY21	27,071	59	59	-	16,149
Title I Part D Subpart 1 FY22	40,000	62,000	12,313	49,687	-
Title I Part D Subpart 1 FY23	41,200	41,200	-	41,200	-
Title I Part D Subpart 2 FY20	-	44,287	44,287	-	49,358
Title I Part D Subpart 2 FY21	45,732	108,156	106,881	1,275	137,114
Title I Part D Subpart 2 FY22	141,622	129,162	74,963	54,199	-
Title I Part D Subpart 2 FY23	141,622	175,438	-	175,438	-
Title II Part A FY19	-	-	-	-	4,328
Title II Part A FY20	-	10,244	10,244	-	76,615

(continued)

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL GRANTS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**with comparative actual amounts for the year ended June 30, 2022**

(continued)

	Original Budget	Final Budget	Actual	Variance	2022 Actual
Title II Part A FY21	\$ 20,958	\$ 76,150	\$ 71,901	\$ 4,249	\$ 329,910
Title II Part A FY22	376,158	669,081	595,383	73,698	-
Title II Part A FY23	1,670,750	2,051,958	1,000,970	1,050,988	1,028,733
Title III Part A Language Acquisition FY20	-	27	-	27	1,878
Title III Part A Language Acquisition FY21	4,711	114	114	-	87,705
Title III Part A Language Acquisition FY22	68,093	137,123	132,068	5,055	47,748
Title III Part A Language Acquisition FY23	173,964	197,536	31,346	166,190	-
Title IV Part A FY19	-	-	-	-	10,121
Title IV Part A FY20	-	94,796	94,796	-	61,362
Title IV Part A FY21	2,671	54,950	29,296	25,654	595,415
Title IV Part A FY22	131,786	754,680	557,135	197,545	8,666
Title IV Part A FY23	900,015	812,850	3,659	809,191	-
Title IV Pell FY22	-	-	-	-	55,074
Title IV Pell FY23	50,060	51,155	51,155	-	-
Title VI-B IDEA Section 611 FY21	-	6	6	-	-
Title VI-B IDEA Section 611 FY22	5,165,958	5,338,028	5,174,517	163,511	4,749,406
Title VI-B IDEA Section 611 FY23	14,986,324	15,683,780	10,266,576	5,417,204	9,626,340
Title VI-B IDEA Section 611 ARP FY22	3,393,734	3,396,179	1,759,981	1,636,198	-
Title VI-B IDEA Section 619 ARP FY22	253,775	253,775	194,083	59,692	-
United Way - Summer Enrichment FY23	-	111,074	16,707	94,367	-
VA Humanities Beneath the Surface FY21	-	4,905	-	4,905	5,060
VA Initiative At Risk Four Year Olds FY21	-	-	-	-	660,800
VA Initiative At Risk Four Year Olds FY22	458,678	1,157,819	1,157,819	-	5,162,536
VA Initiative At Risk Four Year Olds FY23	6,545,592	7,280,689	5,301,378	1,979,311	-
VBEF Sunshine Snacks FY22	-	-	-	-	2,000
Verizon Innovative Learning Lab FY22	-	-	-	-	15,000
Contingency	1,207,127	3,972,099	-	3,972,099	-
Total Instruction	\$ 98,671,938	\$ 117,004,906	\$ 71,037,127	\$ 45,967,779	\$ 65,424,956
<b>Admin, Attendance &amp; Health</b>					
2 Revolutions	\$ -	\$ 10,039	\$ -	\$ 10,039	\$ 69,976
ARPA ESSER III FY21	18,358,350	5,529,605	1,882,772	3,646,833	683,611
CARES Act Corona Virus Relief Fund (CRF) FY21	-	-	-	-	1,607
CARES Act ESSER FY21	6,855	19,349	18,749	600	84,913
CARES ESSER Facilities And PPE FY21	717	-	-	-	596
CARES ESSER Instructional Delivery Support FY21	98	87	79	8	10
CARES ESSER SPED Services Support FY21	4,462	2,492	2,285	207	1,446
CARES GEER Vision FY21	-	-	-	-	37,343
CDC VA DEPARTMENT OF HEALTH-OEPI FY23	-	30,482	30,482	-	-
CRRSA Act ESSER II FY21	6,812,139	38,836	38,792	44	1,336,878
Jail Education Program FY21	-	-	-	-	2,455
Jail Education Program FY22	7,043	2,519	2,519	-	258
Jail Education Program FY23	8,415	8,415	129	8,286	-
Learning Loss Instructional Supports FY21	-	-	-	-	40,304
Positive Behavior Interventions & Support FY21	-	-	-	-	16,184
Positive Behavior Interventions & Support FY22	10,980	16,270	5,523	10,747	12,131
Positive Behavior Interventions & Support FY23	31,000	26,402	14,554	11,848	-
Recruitment & Retention Support FY23	-	30,000	29,066	934	-
Recruitment & Retention - ARP FY23	-	48,500	-	48,500	-
Recruitment Incentive-RIPE ESSER III FY22	-	-	-	-	350,000
Recruitment Incentive-RIPE ESSER III FY23	-	392,500	287,581	104,919	-
Startalk FY20	-	-	-	-	933
School-Based Health Workforce FY23	-	151,014	99,467	51,547	-
Title I Part A FY22	126,116	26,407	26,399	8	322,378
Title I Part A FY23	444,728	415,406	351,662	63,744	-
Title VI B IDEA Section 611 FY21	-	-	-	-	102,616
Title VI B IDEA Section 611 FY22	84,872	89,194	89,194	-	183,362
Title VI B IDEA Section 611 FY23	255,142	267,583	214,690	52,893	-
United Way - Summer Enrichment FY23	-	2,239	-	2,239	-
VISSTA FY22	-	648,833	-	648,833	65,167
Total Admin, Attendance & Health	\$ 26,150,917	\$ 7,756,172	\$ 3,093,943	\$ 4,662,229	\$ 3,312,168

(continued)

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL GRANTS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**with comparative actual amounts for the year ended June 30, 2022**

(continued)

	Original Budget	Final Budget	Actual	Variance	2022 Actual
<b><u>Pupil Transportation</u></b>					
2 Revolutions FY20	\$ -	\$ -	\$ -	\$ -	\$ 816
ARP Before & After School FY22	92,781	3,576	-	3,576	-
ARP Homeless II FY22	110,000	-	-	-	-
ARPA ESSER III FY21	1,307,375	3,172,320	2,579,112	593,208	-
Bus Driver Incentive FY22	-	27,365	27,365	-	-
C. Perkins Career & Tech. Act FY22	-	-	-	-	3,411
C. Perkins Career & Tech. Act FY23	4,000	9,284	9,284	-	-
CARES Act ESSER FY21	-	-	-	-	7,120
CRRSA Act ESSER II FY21	-	475,563	475,995	(432)	1,325,477
Learning Loss Instructional Supports FY21	-	-	-	-	18,491
Post Secondary SPED Services Support ESSER II FY22	-	-	-	-	32,823
Startalk FY22	-	7,341	-	7,341	-
Title I Part A FY20	-	-	-	-	7,583
Title I Part A FY22	30,097	62,602	55,540	7,062	13,473
Title I Part A FY23	80,393	66,683	51,953	14,730	-
Title IV Part A FY21	3,692	-	-	-	-
Title IV Part A FY22	1,085	-	-	-	-
Title IV Part A FY23	7,230	6,768	-	6,768	-
United Way - Summer Enrichment FY23	-	3,000	-	3,000	-
Total Pupil Transportation	\$ 1,636,653	\$ 3,834,502	\$ 3,199,249	\$ 635,253	\$ 1,409,194
<b><u>Operations and Maintenance</u></b>					
ARPA ESSER III FY21	\$ 11,864,604	\$ 17,225,567	\$ 9,185,516	\$ 8,040,051	\$ 2,334,647
CARES Act ESSER FY21	426,717	758,915	758,389	526	2,769,557
CARES ESSER Cleaning Supplies FY21	1,682	1,536	1,519	17	145
CARES ESSER Facilities And PPE FY21	250	276	-	276	45
CARES GEER Vision FY21	-	66,131	66,131	-	330,238
CDC Va Dept of Health - OEPI FY23	-	2,539,018	2,539,018	-	-
Cops School Violence Prevention FY23	-	129,675	-	129,675	-
CRRSA Act ESSER II FY21	938,250	315,469	265,044	50,425	3,808,455
HVAC CSLFRF FY22	13,016,072	13,016,072	202,350	12,813,722	-
Jail Education Program FY21	-	-	-	-	9,689
Jail Education Program FY22	16,547	13,149	9,904	3,245	2,745
Jail Education Program FY23	28,877	28,877	4,575	24,302	-
Learning Loss Instructional Supports FY21	-	-	-	-	31,145
School Security Equipment FY20	-	-	-	-	2,934
School Security Equipment FY21	-	-	-	-	17,234
School Security Equipment FY22	-	3,812	-	3,812	-
School Security Equipment FY23	30,647	75,939	75,939	-	-
School Security Officer Program FY23	-	562,485	152,956	409,529	-
Startalk FY22	-	749	-	749	-
Title I Part A FY21	-	-	-	-	12,593
Title I Part A FY22	1,615	387	387	-	-
Title I Part A FY23	8,074	10,765	-	10,765	-
United Way - Summer Enrichment FY23	-	587	-	587	-
Total Operations and Maintenance	\$ 26,333,335	\$ 34,749,409	\$ 13,261,728	\$ 21,487,681	\$ 9,319,427
<b><u>Technology</u></b>					
2 Revolutions	\$ -	\$ 6,257	\$ -	\$ 6,257	\$ -
Adult Education & Family Literacy Act FY22	-	-	-	-	70,212
Adult Education & Family Literacy Act FY23	32,519	16,448	16,448	-	-
Advancing Computer Science Education FY21	-	-	-	-	43,815
Algebra Readiness FY20	-	-	-	-	125,275
Algebra Readiness FY21	19,516	243,032	243,032	-	-
Algebra Readiness FY22	140,000	140,000	89,406	50,594	-
Algebra Readiness FY23	140,000	140,000	-	140,000	-
ARP Before & After School FY22	-	25,920	-	25,920	-
ARP Homeless II FY22	40,669	32,846	-	32,846	-
ARP Unfinished Learning FY22	-	100,750	-	100,750	-
ARPA Bonus Payments FY23	-	97,961	97,961	-	-
ARPA ESSER III FY21	14,880,850	5,039,660	1,741,889	3,297,771	3,628,985
Bayport Foundation FY23	-	1,494	-	1,494	-
C. Perkins Career & Tech. Act FY22	-	-	-	-	449,312

(continued)

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL GRANTS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**with comparative actual amounts for the year ended June 30, 2022**

(continued)

	Original Budget	Final Budget	Actual	Variance	2022 Actual
C. Perkins Career & Tech. Act FY23	\$ 319,662	\$ 376,468	\$ 376,468	\$ -	\$ -
C. Perkins Reserve Fund FY22	-	-	-	-	28,638
C. Perkins Reserve Fund FY23	-	13,000	-	13,000	-
Career & Tech Ed. Special Equip Allocation FY22	-	-	-	-	54,374
Career & Tech Ed. Special Equip Allocation FY23	57,113	60,498	60,498	-	-
Career & Tech Ed. State Equip Allocation FY22	-	-	-	-	69,452
Career & Tech Ed. State Equip Allocation FY23	69,452	77,278	77,278	-	-
CARES Act Corona Virus Relief Fund (CRF) FY21	-	-	-	-	95
CARES Act ESSER FY21	19,123	948,003	946,652	1,351	1,224,404
CARES ESSER SPED Services Support FY21	-	59	-	59	59
CARES ESSER Universal Screener FY21	362	-	-	-	-
CARES GEER Vision FY21	1,175,895	22,513	22,513	-	1,700,591
Cops School Violence Prevention FY23	-	389,025	140,467	248,558	-
CRRSA Act ESSER II FY21	1,500,000	1,230,027	1,230,027	-	6,997,202
DODEA Spanish Immersion FY22	-	6,667	6,667	-	827
DODEA Spanish Immersion FY23	-	7,338	6,338	1,000	-
Early Reading Intervention FY21	0	0	-	-	33,405
Early Reading Intervention FY22	66,566	94,895	1,343	93,552	200
Early Reading Intervention FY23	150,000	75,000	-	75,000	-
Hampton Roads Workforce Council - Stem (OSY) FY22	-	-	-	-	371
Hampton Roads Workforce Council - Stem (OSY) FY23	500	1,850	875	975	-
Hampton Roads Workforce Council ALC FY22	-	-	-	-	156
Industry Certification Examinations FY22	-	-	-	-	60,847
Industry Certification Examinations FY23	60,847	67,631	67,631	-	-
Industry Certification Examinations STEM H FY22	-	-	-	-	22,849
Industry Certification Examinations STEM H FY23	22,849	25,397	25,397	-	-
ISAEP FY22	-	-	-	-	12,435
ISAEP FY23	12,960	11,168	11,168	-	-
Jail Education Program FY21	-	-	-	-	730
Jail Education Program FY22	1,209	587	-	587	1,009
Jail Education Program FY23	1,962	1,962	60	1,902	-
Juvenile Detention Center FY21	-	-	-	-	23,082
Juvenile Detention Center FY22	17,500	18,483	6,888	11,595	461
Juvenile Detention Center FY23	17,500	17,500	240	17,260	-
McKinney Homeless FY21	-	-	-	-	1,886
McKinney Homeless FY22	-	-	-	-	300
McKinney Homeless FY23	416	600	600	-	-
Positive Behavior Interventions & Support FY21	-	-	-	-	6,390
Positive Behavior Interventions & Support FY22	-	2,598	-	2,598	-
Positive Behavior Interventions & Support FY23	-	2,598	2,598	-	-
Pre-K - Grade 2 Active Learning FY23	-	5,963	5,963	-	-
Preschool - IDEA Section 619 FY22	-	840	840	-	12,816
Preschool - IDEA Section 619 FY23	11,000	11,972	11,132	840	-
Project Graduation FY19	-	-	-	-	16,723
Project Graduation FY20	20,000	37,271	37,271	-	(2,895)
Project Graduation FY21	32,117	14,507	12,648	1,859	-
Project Graduation FY22	20,000	32,117	-	32,117	-
Project Graduation FY23	32,117	32,117	-	32,117	-
Race To GED FY22	-	-	-	-	6,500
Race To GED FY23	6,500	-	-	-	-
School Security Equipment FY22	-	174,949	163,513	11,436	31,720
School Security Equipment FY23	69,594	-	-	-	-
School-Based Health Workforce FY23	-	171,955	157,638	14,317	-
Startalk FY20	-	-	-	-	222
Startalk FY22	-	328	164	164	-
STEM Competition Team Initiative FY21	-	-	-	-	2,497
Technology Initiative FY19	-	50,951	50,951	-	502,190
Technology Initiative FY20	109,100	109,100	71,806	37,294	2,509,300
Technology Initiative FY21	2,618,400	2,587,077	2,477,967	109,110	31,324
Technology Initiative FY22	2,618,400	2,618,400	2,509,267	109,133	-
Technology Initiative FY23	2,618,400	2,618,400	-	2,618,400	-
Title I Part A FY20	-	-	-	-	175,634

(continued)

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL GRANTS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**with comparative actual amounts for the year ended June 30, 2022**

(continued)

	Original Budget	Final Budget	Actual	Variance	2022 Actual
Title I Part A FY21	\$ -	\$ -	\$ -	\$ -	\$ 656,041
Title I Part A FY22	114,786	583,376	583,376	-	83,665
Title I Part A FY23	508,507	632,662	58,448	574,214	-
Title I Part D Subpart 1 FY21	-	6,540	6,540	-	32,349
Title I Part D Subpart 2 FY20	-	5,117	5,117	-	13,766
Title I Part D Subpart 2 FY21	24,572	3,000	3,000	-	16,391
Title I Part D Subpart 2 FY22	500	13,000	-	13,000	-
Title I Part D Subpart 2 FY23	500	8,000	-	8,000	-
Title III Part A Language Acquisition FY20	-	-	-	-	30,404
Title III Part A Language Acquisition FY21	-	-	-	-	23,894
Title III Part A Language Acquisition FY22	30,000	25,795	25,795	-	-
Title III Part A Language Acquisition FY23	36,525	33,750	-	33,750	-
Title IV Part A FY20	-	39,900	39,900	-	84,443
Title IV Part A FY21	2,349	3,076	3,076	-	209,141
Title IV Part A FY22	6,749	51,647	52,490	(843)	18,067
Title IV Part A FY23	45,000	77,629	3,960	73,669	-
Title VI-B IDEA Section 611 FY22	-	4,542	4,542	-	-
Title VI-B IDEA Section 611 ARP FY22	77,062	74,617	52,281	22,336	-
VA Humanities Beneath the Surface FY21	-	-	-	-	486
United Way - Summer Enrichment FY23	-	3,100	-	3,100	-
Workplace Readiness Skills Comm Exam FY22	-	-	-	-	14,105
Workplace Readiness Skills Comm Exam FY23	14,836	15,678	15,678	-	-
Total Technology	\$ 27,764,484	\$ 19,342,889	\$ 11,525,807	\$ 7,817,082	\$ 19,026,145
<u>Food Services</u>					
ARPA ESSER III FY21	\$ 1,143	\$ 4,239,549	\$ 2,744,185	\$ 1,495,364	\$ 2,076,695
CARES Act ESSER FY21	11,843	-	-	-	-
CRRSA Act ESSER II FY21	-	20,630	20,630	-	1,049,086
No Kid Hungry FY21	-	-	-	-	62,200
NSLP Equipment Assistance FY23	-	95,111	-	95,111	-
Total Food Services	\$ 12,986	\$ 4,355,290	\$ 2,764,815	\$ 1,590,475	\$ 3,187,981
Total Expenditures	\$ 180,570,313	\$ 187,043,168	\$ 104,882,669	\$ 82,160,499	\$ 101,679,871
<u>EXCESS (DEFICIENCY) OF REVENUES</u>					
<u>OVER (UNDER) EXPENDITURES</u>	\$ (6,374,024)	\$ (8,997,953)	\$ (4,235,508)	\$ 4,762,445	\$ (3,924,213)
<u>OTHER FINANCING SOURCES</u>					
Transfers In	6,374,024	8,997,953	5,140,987	(3,856,966)	4,869,945
<u>NET CHANGE IN FUND BALANCE</u>	\$ -	\$ -	\$ 905,479	\$ 905,479	\$ 945,732
<u>FUND BALANCE - JULY 1</u>	3,856,966	3,856,966	3,856,966	-	2,911,234
<u>FUND BALANCE - JUNE 30</u>	\$ 3,856,966	\$ 3,856,966	\$ 4,762,445	\$ 905,479	\$ 3,856,966



**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL CAFETERIAS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**with comparative actual amounts for the year ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance	2022 Actual
<b>REVENUES</b>					
From Use of Money and Property	\$ 75,000	\$ 75,000	\$ 253,620	\$ 178,620	\$ 42,682
Charges for Services	11,864,445	11,864,445	8,569,073	(3,295,372)	678,179
Miscellaneous	600,000	600,000	794,588	194,588	884,412
From Commonwealth	550,000	550,000	1,002,667	452,667	636,965
From Federal Government	23,923,701	23,923,701	26,791,956	2,868,255	42,436,114
Total Revenues	<u>\$ 37,013,146</u>	<u>\$ 37,013,146</u>	<u>\$ 37,411,904</u>	<u>\$ 398,758</u>	<u>\$ 44,678,352</u>
<b>EXPENDITURES</b>					
<u>Cafeterias</u>					
Personnel Services	\$ 13,612,194	\$ 13,612,194	\$ 11,524,134	\$ 2,088,060	\$ 11,245,953
Fringe Benefits	5,559,441	5,559,441	4,374,538	1,184,903	4,102,231
Purchased Services	428,460	473,714	555,048	(81,334)	276,243
Other Charges	50,698	50,698	47,008	3,690	15,318
Materials and Supplies	17,634,994	17,855,751	18,432,825	(577,074)	18,196,415
Capital Outlay	1,222,300	1,447,054	737,722	709,332	406,795
Total Cafeterias	<u>\$ 38,508,087</u>	<u>\$ 38,998,852</u>	<u>\$ 35,671,275</u>	<u>\$ 3,327,577</u>	<u>\$ 34,242,955</u>
<u>Technology</u>					
Purchased Services	\$ 105,037	\$ 105,037	\$ 72,152	\$ 32,885	\$ 72,152
Materials and Supplies	146,531	146,531	123,060	23,471	76,704
Total Technology	<u>\$ 251,568</u>	<u>\$ 251,568</u>	<u>\$ 195,212</u>	<u>\$ 56,356</u>	<u>\$ 148,856</u>
Total Expenditures	<u>\$ 38,759,655</u>	<u>\$ 39,250,420</u>	<u>\$ 35,866,487</u>	<u>\$ 3,383,933</u>	<u>\$ 34,391,811</u>
<b>EXCESS (DEFICIENCY) OF</b>					
<u>REVENUES OVER (UNDER)</u>					
<u>EXPENDITURES</u>	<u>\$ (1,746,509)</u>	<u>\$ (2,237,274)</u>	<u>\$ 1,545,417</u>	<u>\$ 3,782,691</u>	<u>\$ 10,286,541</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,746,509)</u>	<u>\$ (2,237,274)</u>	<u>\$ 1,545,417</u>	<u>\$ 3,782,691</u>	<u>\$ 10,286,541</u>
<b>FUND BALANCE - JULY 1</b>	<u>19,990,022</u>	<u>19,990,022</u>	<u>19,990,022</u>	<u>-</u>	<u>9,703,481</u>
<b>FUND BALANCE - JUNE 30</b>	<u>\$ 18,243,513</u>	<u>\$ 17,752,748</u>	<u>\$ 21,535,439</u>	<u>\$ 3,782,691</u>	<u>\$ 19,990,022</u>

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2023**

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**A. Budget Information**

The following presents the procedures followed by the School Board in establishing the budgetary data reflected in the financial statements and other budget information:

1. The Superintendent is required by Section 22.1-92 of the *Code of Virginia*, as amended, to prepare and submit to the City Council, with the approval of the School Board, the estimate of the amount of money deemed to be needed during the next fiscal year for the support of the public schools of the school division. Before the School Board gives final approval to its operating and capital improvement program budgets, the School Board is required to hold at least one public hearing.
2. The City Manager is required by the City Charter to present a proposed operating budget to the City Council, which includes the School Board's operating budget, at least 90 days before the beginning of each fiscal year, which begins July 1. The proposed operating budget must be balanced with projected expenditures equal to estimated revenues and/or the required financing from the proper fund balances. The necessary budget ordinances are also submitted at this time.
3. The City Council is required by the City Charter to hold a public hearing on the budget at which time all interested persons are given an opportunity to comment.
4. If the proposed operating budget is not legally adopted by the City Council upon one reading of the budget ordinances by June 1, the operating budget is automatically adopted as proposed.
5. Annual budgets are legally adopted for the General and Special Revenue funds. The budgets for these funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The legal level of budgetary control (that is, the level at which appropriated budget expenditures cannot exceed the appropriated amount) for the General Fund and Special Revenue funds is established at the individual fund level. Transactions for capital leases, when initiated, are not budgeted as offsetting expenditures and other financing sources.
6. Additional appropriations require one reading of the ordinance for approval by the School Board and the City Council, and must be offset by additional estimated revenues and/or a transfer from the proper undesignated fund balances. Additional appropriations, which exceed 1% of the total estimated revenues shown in the adopted City budget, require one reading by City Council for approval after a public hearing.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2023**

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7. The Superintendent is authorized to transfer appropriations up to a maximum of \$250,000 between cost centers or within cost centers. Transfers in excess of \$250,000 require one reading by the School Board for approval.
8. The accounting system is employed as a budgetary management control device to monitor the individual schools and departments. In addition, certain controls are exercised administratively on the General Fund (e.g., cost centers, personnel positions, and certain line-items; and the appropriations related thereto). A cost center is an activity (e.g., Elementary Classroom, Gifted Education and Academy Programs) of a category (e.g., Instruction). In addition, certain controls are exercised on the Special Revenue Funds (e.g., federal and state grants; and the appropriations related thereto).
9. Unexpended appropriations lapse (except for the School Capital Projects Fund) and are closed to the proper fund balances at the end of each fiscal year (June 30). However, the General Fund's fund balance (i.e., total assets (e.g., cash) less liabilities (e.g., salaries payable), outstanding encumbrances and prepaid items) is paid back (i.e., reverts) to the City (\$30,388,833 Fiscal Year 2023) before the aforementioned closing process. Appropriations for the subsequent fiscal year are increased in the amount necessary to satisfy the outstanding encumbrances at June 30.
10. Capital Projects for the School Board and City are budgeted separately from the Operating Budget. Since the School Board and City have hundreds of projects in its Capital Improvement Program and the City has an annual limitation (without a referendum) on the amount of bonds that may be issued, allocations for capital projects represent funding by phases of a number of projects based upon their anticipated execution of contractual obligations. The appropriations for Capital Projects do not parallel the School Board's fiscal year. Upon approval by the School Board, the School Board's Capital Improvement Program appropriation requests are submitted to the City Council. The appropriations require one reading of the ordinance for approval after public hearings on the Capital Improvement Program. The accounting, encumbering, and controlling of the funds are based upon the project length of each individual project which may be over several years. Therefore, budgetary comparisons are not presented for Capital Projects in this report. Appropriations reallocated to new or existing capital projects require one reading of the ordinance by City Council for approval.

**B. Budget Amendments**

There was a supplemental budget amendment, other than for encumbrances, for \$5,227,025 for the General Fund during fiscal year 2023. The General Fund budget amendment was funded through an increase in revenue from the state government of \$5,722,478 for additional 1.0% cost of living adjustment for all employees and a decrease in revenue from the local government of \$495,453 due to business license tax.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2023**

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**C. Pension and Other Employee Benefits**

Multiple year trend information for the VRS Teacher Retirement Plan, the VRS Political Subdivision Retirement Plan, Other Postemployment Benefit (OPEB) Trust Fund, VRS Teacher Employee Health Insurance Credit Program (HIC), VRS Political Subdivision Health Insurance Credit Program (HIC), VRS Group Life Insurance Program (GLI), VRS Teacher Employee Virginia Local Disability Program (VLDP), and VRS Political Subdivision Employee Virginia Local Disability Program (VLDP) is presented as required supplementary information. This information is intended to help users assess the funding status on a going concern basis, and the progress made in accumulating assets to pay benefits when due.

Additional information pertaining to the Pension and OPEB plans presented are located in note 8 of the Notes to the Basic Financial Statements.

**D. VRS OPEB Plan Changes of Benefits and Funding Terms**

There have been no actuarially material changes to the VRS benefit provisions since the prior actuarial valuation. A hybrid plan with changes to the defined benefit plan structure and a new defined contribution component was adopted in 2012. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits.

**E. VRS OPEB Methods and Assumptions Used in Calculations of Actuarially Determined Contributions**

The actuarially determined contribution rates are determined every two years. The last determination of the actuarial contribution rates was as of June 30, 2021 payable for the fiscal years 2022 and 2023. For the non-Political Subdivision plans the amortization period of the unfunded liability less the deferred contribution begins at 30 years on June 30, 2013 and will decrease by one each year until reaching zero years. Each subsequent year, a new base will be added to the unfunded liability and will be amortized over a closed 20 year period. For the Political Subdivision plans the amortization period of the unfunded begins at 30 years on June 30, 2013 and will decrease by one each year until reaching zero years. Each subsequent year, a new base will be added to the unfunded liability and will be amortized over a closed 20 year period.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2023**

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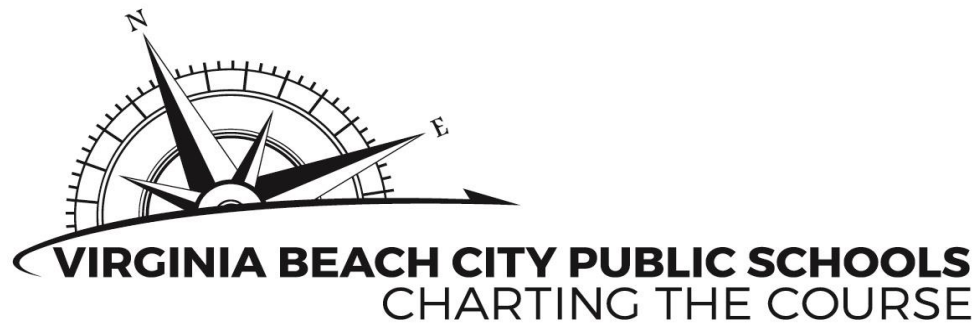
**F. VRS OPEB Plan Changes of Assumptions**

There have been no changes to the actuarial assumptions since the prior measurement date. The updated assumptions adopted based on the experience study for the period July 1, 2016 to June 30, 2020 were reflected for the June 30, 2021 measurement date.

The System is funded with fixed contribution rates for the state and with varying contributions for employees based on their job and personal elections. The Actuarially Determined Contributions in the *Schedule of Employer Contributions* are calculated as of the beginning of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine Contribution rates as of June 30, 2021 actuarial valuations:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years – 24 years
Asset valuation method	5-year moving average
Price Inflation	2.50 percent
Salary increases, including price Inflation	Teachers: 3.50 to 5.95 percent Political Subdivisions: General Employees: 3.50 to 5.35 percent
Long-term Rate of Return net of Investment expense, including Price inflation	6.75 percent
Healthcare Cost Trend Rate	N/A



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## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted or dedicated to be expended for specified purposes. The School Board has the following Special Revenue Funds:

*School Textbooks* – accounts for the financing (e.g., Commonwealth of Virginia) and acquisition of textbooks and related materials used in the school division.

*School Communication Towers/Technology* – accounts for the rent receipts (long-term contracts with telecommunication companies) relating to the communication towers constructed on School Board property and technology related expenditures.

*School Vending Operations* – accounts for the receipts (long-term exclusive contract with a vending company) relating to the bottled drinks vending operations of the school division and expenditures (including school-level allocations).

*School Equipment Replacement* – accounts for the financing (e.g., local government) and acquisition of various replacement equipment.

*School Activity* – accounts for receipts and expenditures relating to activities conducted at individual school sites in connection with student athletics, classes, clubs, and various fundraising and private donor activities.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**JUNE 30, 2023**  
**with comparative totals for June 30, 2022**

	School Textbooks	School Communication Towers/ Technology	School Vending Operations	School Equipment Replacement	School Activity	Totals	
						2023	2022
<b>ASSETS</b>							
Cash and Investments	\$ 5,991,247	\$ 5,122,825	\$ 222,245	\$ 615,499	\$ 5,227,536	\$ 17,179,352	\$ 15,865,007
Accounts Receivable	196	-	40,589	-	-	40,785	-
Lease Receivable	-	1,968,773	-	-	-	1,968,773	2,824,391
Prepaid Items	573,736	-	-	-	-	573,736	1,691,640
<b>TOTAL ASSETS</b>	<b>\$ 6,565,179</b>	<b>\$ 7,091,598</b>	<b>\$ 262,834</b>	<b>\$ 615,499</b>	<b>\$ 5,227,536</b>	<b>\$ 19,762,646</b>	<b>\$ 20,381,038</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>							
Liabilities:							
Vouchers and							
Accounts Payable	\$ -	\$ 10,203	\$ -	\$ 2,252	\$ -	\$ 12,455	\$ 38,214
Deposits Payable	-	75,000	-	-	-	75,000	75,000
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ 85,203</b>	<b>\$ -</b>	<b>\$ 2,252</b>	<b>\$ -</b>	<b>\$ 87,455</b>	<b>\$ 113,214</b>
Deferred Inflows of							
of Resources - Leases	\$ -	\$ 1,902,638	\$ -	\$ -	\$ -	\$ 1,902,638	\$ 2,801,912
Fund Balances:							
Nonspendable	\$ 573,736	\$ 66,135	\$ -	\$ -	\$ -	\$ 639,871	\$ 1,714,119
Restricted	5,991,443	-	-	-	5,227,536	11,218,979	10,492,258
Committed	-	5,037,622	262,834	613,247	-	5,913,703	5,259,535
<b>TOTAL FUND BALANCES</b>	<b>\$ 6,565,179</b>	<b>\$ 5,103,757</b>	<b>\$ 262,834</b>	<b>\$ 613,247</b>	<b>\$ 5,227,536</b>	<b>\$ 17,772,553</b>	<b>\$ 17,465,912</b>
<b>TOTAL LIABILITIES , DEFERRED INFOLWS AND FUND BALANCES</b>	<b>\$ 6,565,179</b>	<b>\$ 7,091,598</b>	<b>\$ 262,834</b>	<b>\$ 615,499</b>	<b>\$ 5,227,536</b>	<b>\$ 19,762,646</b>	<b>\$ 20,381,038</b>



**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**with comparative totals for the fiscal year ended June 30, 2022**

	School Textbooks	School Communication Towers/ Technology	School Vending Operations	School Equipment Replacement	School Activity	Totals	
						2023	2022
<b>REVENUES</b>							
From Use of Money and Property	\$ 60,311	\$ 715,636	\$ 1,545	\$ 8,438	\$ 5,563	\$ 791,493	\$ 726,606
Charges for Services	-	-	155,672	-	-	155,672	122,436
Miscellaneous	6,337	-	-	-	7,779,632	7,785,969	6,081,505
From Commonwealth	4,986,359	-	-	-	-	4,986,359	4,043,646
Total Revenues	<u>\$ 5,053,007</u>	<u>\$ 715,636</u>	<u>\$ 157,217</u>	<u>\$ 8,438</u>	<u>\$ 7,785,195</u>	<u>\$ 13,719,493</u>	<u>\$ 10,974,193</u>
<b>EXPENDITURES</b>							
Current:							
Instruction	\$ 966,519	\$ -	\$ 64,198	\$ 490	\$ 7,540,864	\$ 8,572,071	\$ 7,034,739
Technology	4,463,421	-	-	94,652	-	4,558,073	3,996,703
Debt Service:							
Principal - SBITA	258,581	-	-	-	-	258,581	-
Total Expenditures	<u>\$ 5,688,521</u>	<u>\$ -</u>	<u>\$ 64,198</u>	<u>\$ 95,142</u>	<u>\$ 7,540,864</u>	<u>\$ 13,388,725</u>	<u>\$ 11,031,442</u>
<b>EXCESS (DEFICIENCY) OF</b>							
<b>REVENUES OVER (UNDER)</b>							
<b>EXPENDITURES</b>	<u>\$ (635,514)</u>	<u>\$ 715,636</u>	<u>\$ 93,019</u>	<u>\$ (86,704)</u>	<u>\$ 244,331</u>	<u>\$ 330,768</u>	<u>\$ (57,249)</u>
<b>OTHER FINANCING USES</b>							
Loss on Lease	<u>\$ -</u>	<u>\$ (24,127)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,127)</u>	<u>\$ -</u>
<b>NET CHANGES IN</b>							
<b>FUND BALANCES</b>	<u>\$ (635,514)</u>	<u>\$ 691,509</u>	<u>\$ 93,019</u>	<u>\$ (86,704)</u>	<u>\$ 244,331</u>	<u>\$ 306,641</u>	<u>\$ (57,249)</u>
<b>FUND BALANCES - JULY 1</b>	<u>7,200,693</u>	<u>4,412,248</u>	<u>169,815</u>	<u>699,951</u>	<u>4,983,205</u>	<u>17,465,912</u>	<u>17,523,161</u>
<b>FUND BALANCES - JUNE 30</b>	<u>\$ 6,565,179</u>	<u>\$ 5,103,757</u>	<u>\$ 262,834</u>	<u>\$ 613,247</u>	<u>\$ 5,227,536</u>	<u>\$ 17,772,553</u>	<u>\$ 17,465,912</u>

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL TEXTBOOKS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**with comparative actual amounts for the year ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance	2022 Actual
<b>REVENUES</b>					
From Use of Money					
and Property	\$ 29,483	\$ 29,483	\$ 60,311	\$ 30,828	\$ 23,898
Miscellaneous	27,000	27,000	6,337	(20,663)	29,905
From Commonwealth	4,983,453	4,983,453	4,986,359	2,906	4,043,646
Total Revenues	<u>\$ 5,039,936</u>	<u>\$ 5,039,936</u>	<u>\$ 5,053,007</u>	<u>\$ 13,071</u>	<u>\$ 4,097,449</u>
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Personnel Services	\$ 93,997	\$ 93,997	\$ 99,250	\$ (5,253)	\$ 95,006
Fringe Benefits	36,102	36,102	37,281	(1,179)	34,792
Materials and Supplies	5,848,948	5,849,198	829,988	5,019,210	1,318,272
Total Instruction	<u>\$ 5,979,047</u>	<u>\$ 5,979,297</u>	<u>\$ 966,519</u>	<u>\$ 5,012,778</u>	<u>\$ 1,448,070</u>
<b>Technology</b>					
Purchased Services	\$ -	\$ -	\$ -	\$ -	\$ -
Materials and Supplies	920,185	1,067,685	4,722,002	(3,654,317)	3,740,279
Total Technology	<u>\$ 920,185</u>	<u>\$ 1,067,685</u>	<u>\$ 4,722,002</u>	<u>\$ (3,654,317)</u>	<u>\$ 3,740,279</u>
Total Expenditures	<u>\$ 6,899,232</u>	<u>\$ 7,046,982</u>	<u>\$ 5,688,521</u>	<u>\$ 1,358,461</u>	<u>\$ 5,188,349</u>
<b>EXCESS (DEFICIENCY) OF</b>					
<b>REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES</b>	<u>\$ (1,859,296)</u>	<u>\$ (2,007,046)</u>	<u>\$ (635,514)</u>	<u>\$ 1,371,532</u>	<u>\$ (1,090,900)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,859,296)</u>	<u>\$ (2,007,046)</u>	<u>\$ (635,514)</u>	<u>\$ 1,371,532</u>	<u>\$ (1,090,900)</u>
<b>FUND BALANCE - JULY 1</b>	<u>7,200,693</u>	<u>7,200,693</u>	<u>7,200,693</u>	<u>-</u>	<u>8,291,593</u>
<b>FUND BALANCE - JUNE 30</b>	<u><u>\$ 5,341,397</u></u>	<u><u>\$ 5,193,647</u></u>	<u><u>\$ 6,565,179</u></u>	<u><u>\$ 1,371,532</u></u>	<u><u>\$ 7,200,693</u></u>

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL COMMUNICATION TOWERS/TECHNOLOGY SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**with comparative actual amounts for the year ended June 30, 2022**

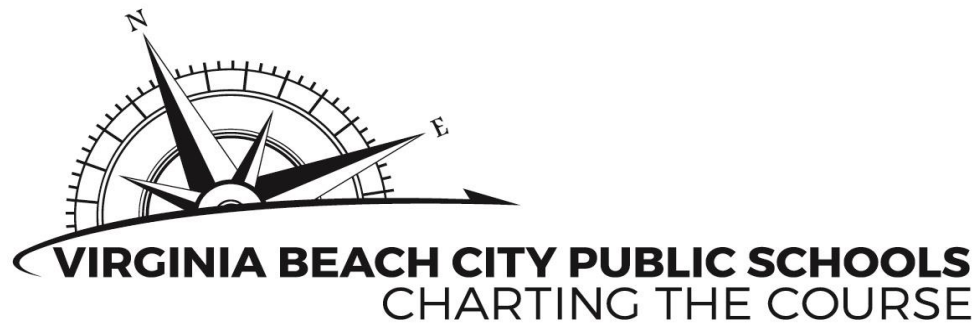
	Original Budget	Final Budget	Actual	Variance	2022 Actual
<u>REVENUES</u>					
From Use of Money and Property	\$ 516,000	\$ 516,000	\$ 715,636	\$ 199,636	\$ 695,802
<u>EXPENDITURES</u>					
<u>Technology</u>					
Materials and Supplies	\$ 800,000	\$ 800,000	\$ -	\$ 800,000	\$ -
Total Expenditures	\$ 800,000	\$ 800,000	\$ -	\$ 800,000	\$ -
<u>EXCESS (DEFICIENCY) OF</u>					
<u>REVENUES OVER (UNDER)</u>					
<u>EXPENDITURES</u>	\$ (284,000)	\$ (284,000)	\$ 715,636	\$ 999,636	\$ 695,802
<u>OTHER FINANCING USES</u>					
Loss on Lease	\$ -	\$ -	\$ (24,127)	\$ (24,127)	\$ -
<u>NET CHANGE IN FUND BALANCE</u>	\$ (284,000)	\$ (284,000)	\$ 691,509	\$ 975,509	\$ 695,802
<u>FUND BALANCE - JULY 1</u>	4,412,248	4,412,248	4,412,248	-	3,716,446
<u>FUND BALANCE - JUNE 30</u>	\$ 4,128,248	\$ 4,128,248	\$ 5,103,757	\$ 975,509	\$ 4,412,248

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL VENDING OPERATIONS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**with comparative actual amounts for the year ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance	2022 Actual
<b>REVENUES</b>					
From Use of Money and Property	\$ -	\$ -	\$ 1,545	\$ 1,545	\$ 2,032
Charges for Services	63,000	63,000	155,672	92,672	122,436
Total Revenues	<u>\$ 63,000</u>	<u>\$ 63,000</u>	<u>\$ 157,217</u>	<u>\$ 94,217</u>	<u>\$ 124,468</u>
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Purchased Services	\$ 200	\$ 200	\$ -	\$ 200	\$ -
Other Charges	58,280	58,280	64,210	(5,930)	58,835
Materials and Supplies	10,520	10,520	(12)	10,532	(175)
Total Expenditures	<u>\$ 69,000</u>	<u>\$ 69,000</u>	<u>\$ 64,198</u>	<u>\$ 4,802</u>	<u>\$ 58,660</u>
<b>EXCESS (DEFICIENCY) OF</b>					
<b>REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES</b>	<u>\$ (6,000)</u>	<u>\$ (6,000)</u>	<u>\$ 93,019</u>	<u>\$ 99,019</u>	<u>\$ 65,808</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (6,000)</u>	<u>\$ (6,000)</u>	<u>\$ 93,019</u>	<u>\$ 99,019</u>	<u>\$ 65,808</u>
<b>FUND BALANCE - JULY 1</b>	<u>169,815</u>	<u>169,815</u>	<u>169,815</u>	<u>-</u>	<u>104,007</u>
<b>FUND BALANCE - JUNE 30</b>	<u><u>\$ 163,815</u></u>	<u><u>\$ 163,815</u></u>	<u><u>\$ 262,834</u></u>	<u><u>\$ 99,019</u></u>	<u><u>\$ 169,815</u></u>

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL EQUIPMENT REPLACEMENT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**with comparative actual amounts for the year ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance	2022 Actual
<b>REVENUES</b>					
From Use of Money and Property	\$ -	\$ -	\$ 8,438	\$ 8,438	\$ 3,882
<b>EXPENDITURES</b>					
<u>Instruction</u>					
Purchased Services	\$ -	\$ -	\$ 100	\$ (100)	\$ -
Other Charges	-	-	88	(88)	-
Materials and Supplies	-	-	302	(302)	-
Total Expenditures	\$ -	\$ -	\$ 490	\$ (490)	\$ -
<u>Technology</u>					
Purchased Services	\$ -	\$ 1,213	\$ 51,384	\$ (50,171)	\$ 3,348
Materials and Supplies	372,300	394,224	37,806	356,418	190,247
Capital Outlay	-	5,462	5,462	-	62,829
Total Technology	\$ 372,300	\$ 400,899	\$ 94,652	\$ 306,247	\$ 256,424
Total Expenditures	\$ 372,300	\$ 400,899	\$ 95,142	\$ 305,757	\$ 256,424
<b>EXCESS (DEFICIENCY) OF</b>					
<u>REVENUES OVER (UNDER)</u>					
<u>EXPENDITURES</u>	\$ (372,300)	\$ (400,899)	\$ (86,704)	\$ 314,195	\$ (252,542)
<b>NET CHANGE IN FUND BALANCE</b>	\$ (372,300)	\$ (400,899)	\$ (86,704)	\$ 314,195	\$ (252,542)
<b>FUND BALANCE - JULY 1</b>	699,951	699,951	699,951	-	952,493
<b>FUND BALANCE - JUNE 30</b>	\$ 327,651	\$ 299,052	\$ 613,247	\$ 314,195	\$ 699,951



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## **INTERNAL SERVICE FUNDS**

The Internal Service Funds are used to account for the financing of goods and/or services provided by one department or agency to other departments or agencies of the governmental unit (and to other governmental units), on a cost reimbursement basis. The School Board has established Internal Service Funds for the following activities:

*School Risk Management* - provides insurance and the administration thereof for the School Board.

*School Health Insurance* - provides health insurance and the administration thereof for the School Board and City employees.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2023**  
**with comparative totals for June 30, 2022**

	School Risk Management	School Health Insurance	Totals	
			2023	2022
<u>ASSETS</u>				
Current Assets:				
Cash and Investments	\$ 19,640,267	\$ 90,348,523	\$ 109,988,790	\$ 101,665,486
Accounts Receivable	-	4,519,933	4,519,933	3,575,467
Prepaid Items	269,929	-	269,929	271,901
	<u>269,929</u>	<u>-</u>	<u>269,929</u>	<u>271,901</u>
TOTAL ASSETS	<u>\$ 19,910,196</u>	<u>\$ 94,868,456</u>	<u>\$ 114,778,652</u>	<u>\$ 105,512,854</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Salaries Payable	\$ 1,138	\$ 3	\$ 1,141	\$ 1,109
Vouchers and				
Accounts Payable	287,276	3,987,003	4,274,279	914,410
Unearned Revenues	-	8,465,005	8,465,005	8,291,591
Estimated Claims and				
Judgments (due within				
one year)	6,824,465	6,743,250	13,567,715	14,050,214
Total Current Liabilities	<u>\$ 7,112,879</u>	<u>\$ 19,195,261</u>	<u>\$ 26,308,140</u>	<u>\$ 23,257,324</u>
Noncurrent Liabilities:				
Estimated Claims and				
Judgments (due in more				
than one year)	2,274,821	2,247,750	4,522,571	4,683,405
	<u>2,274,821</u>	<u>2,247,750</u>	<u>4,522,571</u>	<u>4,683,405</u>
TOTAL LIABILITIES	<u>\$ 9,387,700</u>	<u>\$ 21,443,011</u>	<u>\$ 30,830,711</u>	<u>\$ 27,940,729</u>
<u>NET POSITION</u>				
Unrestricted	<u>\$ 10,522,496</u>	<u>\$ 73,425,445</u>	<u>\$ 83,947,941</u>	<u>\$ 77,572,125</u>
TOTAL NET POSITION	<u><u>\$ 10,522,496</u></u>	<u><u>\$ 73,425,445</u></u>	<u><u>\$ 83,947,941</u></u>	<u><u>\$ 77,572,125</u></u>



**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**with comparative totals for the year ended June 30, 2022**

	School Risk Management	School Health Insurance	Totals	
			2023	2022
<b><u>OPERATING REVENUES</u></b>				
Charges for Services	\$ 8,995,919	\$ 154,289,877	\$ 163,285,796	\$ 160,500,557
Miscellaneous Revenue	2,688,897	-	2,688,897	644,530
Total Operating Revenues	<u>\$ 11,684,816</u>	<u>\$ 154,289,877</u>	<u>\$ 165,974,693</u>	<u>\$ 161,145,087</u>
<b><u>OPERATING EXPENSES</u></b>				
Personnel Services	\$ 407,990	\$ 557,018	\$ 965,008	\$ 909,460
Fringe Benefits	142,391	222,883	365,274	332,462
Purchased Services	1,085,649	1,664,718	2,750,367	3,591,864
Other Charges	6,123,274	152,680,096	158,803,370	160,739,158
Total Operating Expenses	<u>\$ 7,759,304</u>	<u>\$ 155,124,715</u>	<u>\$ 162,884,019</u>	<u>\$ 165,572,944</u>
<b><u>OPERATING INCOME (LOSS)</u></b>	<u>\$ 3,925,512</u>	<u>\$ (834,838)</u>	<u>\$ 3,090,674</u>	<u>\$ (4,427,857)</u>
<b><u>NONOPERATING REVENUES</u></b>				
From Local Government	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -
Interest Income	241,199	1,043,943	1,285,142	407,657
Total Nonoperating Revenues	<u>\$ 2,241,199</u>	<u>\$ 1,043,943</u>	<u>\$ 3,285,142</u>	<u>\$ 407,657</u>
<b><u>CHANGES IN NET POSITION</u></b>	<u>\$ 6,166,711</u>	<u>\$ 209,105</u>	<u>\$ 6,375,816</u>	<u>\$ (4,020,200)</u>
<b><u>TOTAL NET POSITION - JULY 1</u></b>	<u>4,355,785</u>	<u>73,216,340</u>	<u>77,572,125</u>	<u>81,592,325</u>
<b><u>TOTAL NET POSITION - JUNE 30</u></b>	<u><u>\$ 10,522,496</u></u>	<u><u>\$ 73,425,445</u></u>	<u><u>\$ 83,947,941</u></u>	<u><u>\$ 77,572,125</u></u>

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**with comparative totals for the year ended June 30, 2022**

	School Risk Management	School Health Insurance	Totals	
			2023	2022
<b><u>CASH FLOWS FROM OPERATING</u></b>				
<b><u>ACTIVITIES:</u></b>				
Receipts from Customers and Users	\$ 11,690,543	\$ 153,513,098	\$ 165,203,641	\$ 159,603,512
Payments to Vendors for Goods/Services	(9,600,747)	(149,234,482)	(158,835,229)	(165,846,988)
Payments to Employees for Services	(550,352)	(779,898)	(1,330,250)	(1,246,130)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,539,444</u>	<u>\$ 3,498,718</u>	<u>\$ 5,038,162</u>	<u>\$ (7,489,606)</u>
<b><u>CASH FLOWS FROM NONCAPITAL</u></b>				
<b><u>FINANCING ACTIVITIES:</u></b>				
Intragovernmental Receipts	2,000,000	-	2,000,000	-
<b><u>CASH FLOWS FROM INVESTING</u></b>				
<b><u>ACTIVITIES:</u></b>				
Interest Received on Investments	<u>241,199</u>	<u>1,043,943</u>	<u>1,285,142</u>	<u>407,657</u>
<b><u>NET INCREASE (DECREASE) IN</u></b>				
<b><u>CASH AND INVESTMENTS</u></b>				
	\$ 3,780,643	\$ 4,542,661	\$ 8,323,304	\$ (7,081,949)
<b><u>CASH AND INVESTMENTS,</u></b>				
<b><u>BEGINNING OF YEAR</u></b>				
	<u>15,859,624</u>	<u>85,805,862</u>	<u>101,665,486</u>	<u>108,747,435</u>
<b><u>CASH AND INVESTMENTS,</u></b>				
<b><u>END OF YEAR</u></b>				
	<u>\$ 19,640,267</u>	<u>\$ 90,348,523</u>	<u>\$ 109,988,790</u>	<u>\$ 101,665,486</u>
<b><u>RECONCILIATION OF OPERATING INCOME</u></b>				
<b><u>(LOSS) TO NET CASH PROVIDED BY</u></b>				
<b><u>(USED IN) OPERATING ACTIVITIES:</u></b>				
Operating Income (Loss)	\$ 3,925,512	\$ (834,838)	\$ 3,090,674	\$ (4,427,857)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities				
(Increase) Decrease in Assets				
Accounts Receivable	\$ 5,727	\$ (950,193)	\$ (944,466)	\$ (1,568,455)
Prepaid Items	1,972	-	1,972	(6,803)
Increase (Decrease) in Liabilities				
Salaries Payable	29	3	32	(4,208)
Vouchers and Accounts Payable	(372,463)	3,732,332	3,359,869	(1,647,689)
Unearned Revenue	-	173,414	173,414	26,879
Estimated Claims and Judgments	(2,021,333)	1,378,000	(643,333)	138,527
Total Adjustments	<u>\$ (2,386,068)</u>	<u>\$ 4,333,556</u>	<u>\$ 1,947,488</u>	<u>\$ (3,061,749)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,539,444</u>	<u>\$ 3,498,718</u>	<u>\$ 5,038,162</u>	<u>\$ (7,489,606)</u>

## STATISTICAL SECTION

This part of the School Board of the City of Virginia Beach Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School Board's financial health. These tables are unaudited.

<u>Contents</u>	<u>Tables</u>
<b>Financial Trends</b>	<b>1 – 10</b>
These tables contain trend information to help the reader understand how the School Board's financial performance and well-being have changed over time.	
<b>Operating Information</b>	<b>11 – 24</b>
These tables contain service and infrastructure data to help the reader understand how the information in the School Board's financial report relates to the services the School Board provides and the activities it performs.	
<b>Demographic and Economic Information</b>	<b>25 – 29</b>
These tables offer demographic and economic indicators to help the reader understand the environment within which the School Board's financial activities take place.	
<b>Revenue Capacity</b>	<b>30 – 33</b>
These tables contain information to help the reader assess the factors affecting the City's ability to generate property taxes. Additional information can be found in the City of Virginia Beach Annual Comprehensive Financial Report.	
<b>Debt Capacity</b>	<b>34 – 35</b>
These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. Additional information can be found in the City of Virginia Beach Annual Comprehensive Financial Report.	

**Sources:** Unless otherwise noted, the information in these tables is derived from the Annual Comprehensive Financial Report for the relevant year.

Table 1

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**GOVERNMENT-WIDE NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years (unaudited)**

	Fiscal Year			
	2014	2015	2016	2017
<b><u>NET POSITION (DEFICIT)</u></b>				
Investment in Capital Assets	\$ 492,959,880	\$ 501,205,889	\$ 503,106,097	\$ 532,437,468
Restricted for:				
Capital Projects	15,947,262	13,318,732	20,731,125	-
Grants	1,058,973	456,630	759,498	954,050
Cafeterias	4,556,868	4,469,528	7,029,421	9,290,189
Textbooks	16,247,585	11,688,657	8,447,356	7,120,780
School Activities	-	-	-	-
Net Pension/OPEB Asset	-	-	-	-
Unrestricted (Deficit)	<u>(703,842,498)</u>	<u>(692,029,291)</u>	<u>(658,386,368)</u>	<u>(793,944,228)</u>
<b>TOTAL NET POSITION (DEFICIT)</b>	<b><u>\$ (173,071,930)</u></b>	<b><u>\$ (160,889,855)</u></b>	<b><u>\$ (118,312,871)</u></b>	<b><u>\$ (244,141,741)</u></b>

Note: Governmental Accounting Standards Board Statement Number 68 "Accounting and Financial Reporting for Pensions" was implemented in fiscal year 2015. The July 1, 2014 Net Position amount was restated, as financial information for fiscal years prior to 2014 is not available.

Governmental Accounting Standards Board Statement Number 75 "Accounting and Financial Reporting for Postemployment Benefits other than Pensions" was implemented in fiscal year 2018. The July 1, 2017 Net Position amount was restated, as financial information for fiscal years prior to 2017 is not available.

Table 1

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
GOVERNMENT-WIDE NET POSITION BY COMPONENT  
Last Ten Fiscal Years (unaudited)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 535,329,375	\$ 593,456,835	\$ 551,914,392	\$ 598,165,240	\$ 564,465,917	\$ 557,050,053
6,661,276	-	32,377,544	-	-	-
1,431,040	1,693,515	2,352,340	2,911,234	3,856,966	4,762,445
11,657,774	13,099,712	9,787,357	8,899,538	19,014,788	20,802,112
8,013,741	6,929,607	7,873,370	8,291,593	5,509,053	5,991,443
-	-	-	4,458,622	4,983,205	5,227,536
-	-	-	-	-	45,743
(758,447,740)	(751,880,933)	(689,768,867)	(674,674,445)	(510,601,277)	(406,482,434)
<u>\$ (195,354,534)</u>	<u>\$ (136,701,264)</u>	<u>\$ (85,463,864)</u>	<u>\$ (51,948,218)</u>	<u>\$ 87,228,652</u>	<u>\$ 187,396,898</u>

Table 2

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**GOVERNMENT-WIDE CHANGES IN NET POSITION**  
**Last Ten Fiscal Years (unaudited)**

	Fiscal Year			
	2014	2015	2016	2017
<b>Expenses:</b>				
Governmental Activities:				
Instruction	\$ 587,975,312	\$ 573,574,157	\$ 568,912,291	\$ 556,632,508
Admin, Attendance, & Health	20,499,059	20,641,696	20,989,423	22,840,163
Pupil Transportation	33,585,459	33,364,815	30,739,249	32,950,076
Operations and Maintenance	88,060,958	88,194,131	86,966,670	91,477,591
Cafeterias	28,720,848	27,720,826	26,288,628	27,285,112
Technology	36,119,783	38,168,996	38,714,083	43,036,289
Total Expenses	<u>\$ 794,961,419</u>	<u>\$ 781,664,621</u>	<u>\$ 772,610,344</u>	<u>\$ 774,221,739</u>
<b>Program Revenues:</b>				
Governmental Activities:				
Charges for Services:				
Instruction	\$ 2,841,159	\$ 2,735,642	\$ 2,696,121	\$ 1,814,028
Admin, Attendance, & Health	-	-	-	-
Pupil Transportation	-	-	-	-
Operations and Maintenance	456,559	597,144	628,300	452,171
Cafeterias	12,047,776	10,591,205	11,266,046	10,911,183
Technology	620,441	625,937	485,887	1,240,136
Operating Grants and Contributions	143,414,642	141,961,728	142,463,184	146,611,635
Capital Grants and Contributions	-	-	-	-
Total Program Revenues	<u>\$ 159,380,577</u>	<u>\$ 156,511,656</u>	<u>\$ 157,539,538</u>	<u>\$ 161,029,153</u>
Net Expenses	<u>\$ (635,580,842)</u>	<u>\$ (625,152,965)</u>	<u>\$ (615,070,806)</u>	<u>\$ (613,192,586)</u>
<b>General Revenues:</b>				
Local Sources:				
Local Government	\$ 392,169,735	\$ 378,687,744	\$ 403,461,767	\$ 369,406,287
Miscellaneous	530,505	842,365	399,783	450,772
Federal and State Aid not Restricted to Specific Purposes:				
State Basic Aid	167,421,241	175,008,994	172,363,914	178,909,703
State Sales Tax	67,915,112	70,376,559	72,382,607	73,084,563
Federal Impact Aid	10,145,630	12,314,580	8,886,385	11,264,563
Interest Earnings	145,635	104,798	153,334	245,828
Total General Revenues	<u>\$ 638,327,858</u>	<u>\$ 637,335,040</u>	<u>\$ 657,647,790</u>	<u>\$ 633,361,716</u>
Change in Net Position	<u>\$ 2,747,016</u>	<u>\$ 12,182,075</u>	<u>\$ 42,576,984</u>	<u>\$ 20,169,130</u>

**Note:** Governmental Accounting Standards Board Statement Number 68 "Accounting and Financial Reporting for Pensions" was implemented in fiscal year 2015. The Change in Net Position for fiscal year 2015 reflects this implementation (net of the allocation of pension expense to the various governmental activities), as financial information for fiscal years prior to 2015 is not available.

Governmental Accounting Standards Board Statement Number 75 "Accounting and Financial Reporting for Postemployment Benefits other than Pensions" was implemented in fiscal year 2018. The Change in Net Position for fiscal year 2018 reflects this implementation (net of the allocation of OPEB expense to the various governmental activities), as financial information for fiscal years prior to 2018 is not available.

Table 2

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
GOVERNMENT-WIDE CHANGES IN NET POSITION  
Last Ten Fiscal Years (unaudited)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 606,761,992	\$ 566,224,421	\$ 703,745,203	\$ 614,301,579	\$ 662,288,101	\$ 661,318,464
22,901,450	23,307,229	24,107,377	39,059,615	37,088,876	36,864,956
35,690,694	37,344,627	36,973,229	38,763,178	45,739,040	53,277,359
91,293,238	95,683,167	92,626,699	105,015,813	109,185,578	121,182,598
27,773,627	28,573,857	29,492,968	29,494,063	36,566,426	37,165,648
45,753,930	47,195,554	47,543,325	54,919,511	61,418,845	62,660,454
<u>\$ 830,174,931</u>	<u>\$ 798,328,855</u>	<u>\$ 934,488,801</u>	<u>\$ 881,553,759</u>	<u>\$ 952,286,866</u>	<u>\$ 972,469,479</u>
\$ 2,062,220	\$ 1,983,371	\$ 1,540,097	\$ 1,320,810	\$ 2,724,249	\$ 2,850,609
-	-	-	-	3,880	500
-	214,355	634,957	422,965	1,059,715	1,235,478
499,341	432,731	281,549	167,000	241,643	332,074
10,620,849	10,406,240	7,371,901	632,945	1,491,699	9,298,152
1,142,166	1,498,880	1,593,780	864,394	1,028,278	1,062,803
164,134,388	164,873,615	173,532,323	201,162,593	266,759,796	269,510,671
-	-	-	-	-	15,823,813
<u>\$ 178,458,964</u>	<u>\$ 179,409,192</u>	<u>\$ 184,954,607</u>	<u>\$ 204,570,707</u>	<u>\$ 273,309,260</u>	<u>\$ 300,114,100</u>
<u>\$ (651,715,967)</u>	<u>\$ (618,919,663)</u>	<u>\$ (749,534,194)</u>	<u>\$ (676,983,052)</u>	<u>\$ (678,977,606)</u>	<u>\$ (672,355,379)</u>
\$ 437,309,444	\$ 402,681,270	\$ 528,069,094	\$ 416,765,494	\$ 520,622,167	\$ 456,010,900
649,331	5,784,893	1,005,987	3,141,506	7,015,951	8,736,741
178,412,666	178,656,354	176,893,073	183,758,757	177,729,756	192,465,613
74,264,875	76,320,888	79,610,836	87,120,778	98,227,243	98,633,260
9,452,678	13,180,576	13,724,963	14,948,341	14,339,468	15,699,124
414,180	948,952	1,467,641	313,213	219,891	977,987
<u>\$ 700,503,174</u>	<u>\$ 677,572,933</u>	<u>\$ 800,771,594</u>	<u>\$ 706,048,089</u>	<u>\$ 818,154,476</u>	<u>\$ 772,523,625</u>
<u>\$ 48,787,207</u>	<u>\$ 58,653,270</u>	<u>\$ 51,237,400</u>	<u>\$ 29,065,037</u>	<u>\$ 139,176,870</u>	<u>\$ 100,168,246</u>

Table 3

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**GOVERNMENT-WIDE EXPENSES BY FUNCTION**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	Total Expenses	Instruction		Administration, Attendance & Health		Pupil Transportation		Operations and Maintenance		Cafeterias		Technology	
			%		%		%		%		%		%
2014	\$794,961,419	\$587,975,312	74.0	\$20,499,059	2.6	\$33,585,459	4.2	\$88,060,958	11.1	\$28,720,848	3.6	\$36,119,783	4.5
2015	781,664,621	573,574,157	73.4	20,641,696	2.6	33,364,815	4.3	88,194,131	11.3	27,720,826	3.5	38,168,996	4.9
2016	772,610,344	568,912,291	73.6	20,989,423	2.7	30,739,249	4.0	86,966,670	11.3	26,288,628	3.4	38,714,083	5.0
2017	774,221,739	556,632,508	71.9	22,840,163	3.0	32,950,076	4.3	91,477,591	11.8	27,285,112	3.5	43,036,289	5.5
2018	830,174,931	606,761,992	73.1	22,901,450	2.8	35,690,694	4.3	91,293,238	11.0	27,773,627	3.3	45,753,930	5.5
2019	798,328,855	566,224,421	70.9	23,307,229	2.9	37,344,627	4.7	95,683,167	12.0	28,573,857	3.6	47,195,554	5.9
2020	934,488,801	703,745,203	75.3	24,107,377	2.6	36,973,229	4.0	92,626,699	9.9	29,492,968	3.2	47,543,325	5.0
2021	881,553,759	614,301,579	69.7	39,059,615	4.4	38,763,178	4.4	105,015,813	11.9	29,494,063	3.3	54,919,511	6.3
2022	952,286,866	662,288,101	69.5	37,088,876	3.9	45,739,040	4.8	109,185,578	11.5	36,566,426	3.8	61,418,845	6.5
2023	972,469,479	661,318,464	68.0	36,864,956	3.8	53,277,359	5.5	121,182,598	12.5	37,165,648	3.8	62,660,454	6.4

**Note:** Governmental Accounting Standards Board Statement Number 68 "Accounting and Financial Reporting for Pensions" was implemented in fiscal year 2015. The Total Expenses for fiscal year 2015 reflects this implementation (net of the allocation of pension expense to the various governmental activities), as financial information for fiscal years prior to 2015 is not available.

Governmental Accounting Standards Board Statement Number 75 "Accounting and Financial Reporting for Postemployment Benefits other than Pensions" was implemented in fiscal year 2018. The Change in Net Position for fiscal year 2018 reflects this implementation (net of the allocation of OPEB expense to the various governmental activities), as financial information for fiscal years prior to 2018 is not available.



Table 4

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**GOVERNMENT-WIDE REVENUES**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	Total Revenues	Program Revenues				General Revenues					
		Charges for Services*		Operating and Capital Grants and Contributions		Local Sources	%	Federal and State Aid**	%	Interest Earnings	%
2014	\$797,708,435	\$15,965,935	2.0	\$143,414,642	18.0	\$392,700,240	49.2	\$245,481,983	30.8	145,635	0.0
2015	793,846,696	14,549,928	1.8	141,961,728	17.9	379,530,109	47.8	257,700,133	32.5	104,798	0.0
2016	815,187,328	15,076,354	1.8	142,463,184	17.5	403,861,550	49.5	253,632,906	31.1	153,334	0.1
2017	794,390,869	14,417,518	1.8	146,611,635	18.5	369,857,059	46.6	263,258,829	33.1	245,828	0.0
2018	878,962,138	14,324,576	1.6	164,134,388	18.7	437,958,775	49.8	262,130,219	29.8	414,180	0.1
2019	856,982,125	14,535,577	1.7	164,873,615	19.2	408,466,163	47.7	268,157,818	31.3	948,952	0.1
2020	985,726,201	11,422,284	1.2	173,532,323	17.6	529,075,081	53.7	270,228,872	27.4	1,467,641	0.1
2021	910,618,796	3,408,114	0.4	201,162,593	22.1	419,907,000	46.1	285,827,876	31.4	313,213	0.0
2022	1,091,463,736	6,549,464	0.6	266,759,796	24.4	527,638,118	48.3	290,296,467	26.6	219,891	0.1
2023	1,072,637,725	14,779,616	1.4	285,334,484	26.6	464,747,641	43.3	306,797,997	28.6	977,987	0.1

\* See Table 2 for Charges for Services categories

\*\* Not restricted to specific programs

Table 5

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
FUND BALANCES OF GOVERNMENTAL FUNDS  
Last Ten Fiscal Years (unaudited)

	Fiscal Year			
	2014	2015	2016	2017
<b>General Fund:</b>				
<i>Nonspendable</i>	\$ 761,330	\$ 1,095,915	\$ 844,003	\$ 1,078,381
<i>Assigned</i>	6,588,302	9,667,446	8,392,352	8,735,155
<b>Total Fund Balance - General Fund</b>	<b>\$ 7,349,632</b>	<b>\$ 10,763,361</b>	<b>\$ 9,236,355</b>	<b>\$ 9,813,536</b>
<b>All Other Governmental Funds:</b>				
<i>Nonspendable</i>				
<i>Special Revenue Funds</i>	\$ 777,040	\$ 489,714	\$ 1,734,207	\$ 638,339
<i>Restricted:</i>				
<i>Special Revenue Funds</i>	21,863,426	16,614,815	16,236,275	17,365,019
<i>Capital Projects Funds</i>	15,947,262	13,318,732	20,731,125	-
<i>Committed:</i>				
<i>Special Revenue Funds</i>	4,527,805	4,177,903	4,295,854	4,029,283
<i>Capital Projects Funds</i>	3,298,600	437,953	528,628	-
<i>Unassigned</i>				
<i>Capital Projects Funds</i>	-	-	-	(2,469,152)
<b>Total Fund Balance - Other Governmental Funds</b>	<b>\$ 46,414,133</b>	<b>\$ 35,039,117</b>	<b>\$ 43,526,089</b>	<b>\$ 19,563,489</b>

Table 5

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
FUND BALANCES OF GOVERNMENTAL FUNDS  
Last Ten Fiscal Years (unaudited)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 645,312	\$ 661,659	\$ 614,133	\$ 396,015	\$ 1,424,158	\$ 309,327
7,873,059	11,144,533	14,496,327	37,001,173	27,613,231	17,565,592
<u>\$ 8,518,371</u>	<u>\$ 11,806,192</u>	<u>\$ 15,110,460</u>	<u>\$ 37,397,188</u>	<u>\$ 29,037,389</u>	<u>\$ 17,874,919</u>
\$ 633,098	\$ 614,895	\$ 789,416	\$ 803,943	\$ 2,689,353	\$ 1,373,198
21,102,555	21,722,834	20,013,067	24,560,987	33,364,012	36,783,536
6,661,276	-	32,377,544	-	-	-
3,791,806	3,919,462	4,245,222	4,772,946	5,259,535	5,913,703
5,204,160	-	8,332,161	14,827,424	106,654,155	119,214,125
-	(32,003,760)	-	-	-	-
<u>\$ 37,392,895</u>	<u>\$ (5,746,569)</u>	<u>\$ 65,757,410</u>	<u>\$ 44,965,300</u>	<u>\$ 147,967,055</u>	<u>\$ 163,284,562</u>

Table 6

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years (unaudited)**

	Fiscal Year			
	2014	2015	2016	2017
<b><u>REVENUES</u></b>				
From Use of Money and Property	\$ 990,556	\$ 1,112,326	\$ 1,187,026	\$ 1,093,227
Charges for Services	13,586,261	11,921,719	12,273,570	11,541,968
Miscellaneous	2,411,989	2,717,149	2,366,701	2,637,731
From Local Government	392,169,735	378,687,744	403,461,767	365,906,287
From Commonwealth	326,629,536	334,562,449	335,531,412	345,823,565
From Federal Government	61,914,947	64,845,309	60,351,137	63,760,864
Total Revenues	<u>\$ 797,703,024</u>	<u>\$ 793,846,696</u>	<u>\$ 815,171,613</u>	<u>\$ 790,763,642</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Instruction	\$ 549,280,427	\$ 571,442,017	\$ 566,161,730	\$ 574,348,290
Admin, Attendance, & Health	20,265,565	21,039,188	21,867,909	23,250,610
Pupil Transportation	31,613,426	29,783,772	30,772,076	35,791,636
Operations and Maintenance	87,673,842	89,729,140	91,231,416	93,264,383
Cafeterias	28,369,866	28,051,308	27,118,359	27,623,959
Technology	35,732,637	35,714,932	37,060,489	41,769,006
Capital Outlay	27,507,153	26,047,626	34,015,383	21,728,403
Debt Service:				
Principal-Subscription Liability	-	-	-	-
Total Expenditures	<u>\$ 780,442,916</u>	<u>\$ 801,807,983</u>	<u>\$ 808,227,362</u>	<u>\$ 817,776,287</u>
<b><u>EXCESS (DEFICIENCY) OF</u></b>				
<b><u>REVENUES OVER (UNDER)</u></b>				
<b><u>EXPENDITURES</u></b>	<u>\$ 17,260,108</u>	<u>\$ (7,961,287)</u>	<u>\$ 6,944,251</u>	<u>\$ (27,012,645)</u>
<b><u>OTHER FINANCING SOURCES</u></b>				
<b><u>(USES)</u></b>				
Transfers In	\$ 3,185,724	\$ 3,146,753	\$ 3,213,930	\$ 3,323,272
Transfers Out	(3,185,724)	(3,146,753)	(3,213,930)	(3,323,272)
Sale of Capital Assets	5,411	-	15,715	3,627,226
Subscription Liability	-	-	-	-
Loss on Lease	-	-	-	-
Total Other Financing Sources (Uses), net	<u>\$ 5,411</u>	<u>\$ -</u>	<u>\$ 15,715</u>	<u>\$ 3,627,226</u>
<b><u>NET CHANGE IN</u></b>				
<b><u>FUND BALANCES</u></b>	<u>\$ 17,265,519</u>	<u>\$ (7,961,287)</u>	<u>\$ 6,959,966</u>	<u>\$ (23,385,419)</u>

Note: Governmental Accounting Standards Board Statement Number 96 "Subscription-Based Information Technology Arrangements" was implemented in fiscal year 2023. The subscriptions are recorded as a liability at the present value of the term payments and then amortization of the remaining subscription term is recognized as an outflow of resources.

Table 6

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
Last Ten Fiscal Years (unaudited)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 1,238,870	\$ 1,614,614	\$ 1,909,409	\$ 966,954	\$ 1,010,931	\$ 1,641,104
11,462,227	11,315,564	8,101,947	785,386	1,486,301	9,743,546
2,863,240	3,931,864	4,083,737	5,222,803	11,083,390	12,785,897
437,309,444	402,681,269	528,069,094	416,765,494	520,621,545	456,017,199
362,609,420	365,166,526	378,703,344	396,103,494	411,657,244	459,247,402
63,260,548	67,416,059	64,681,005	90,425,362	144,976,657	132,594,921
<u>\$ 878,743,749</u>	<u>\$ 852,125,896</u>	<u>\$ 985,548,536</u>	<u>\$ 910,269,493</u>	<u>\$1,090,836,068</u>	<u>\$1,072,030,069</u>
\$ 592,155,106	\$ 604,306,042	\$ 614,838,147	\$ 616,937,934	\$ 672,368,027	\$ 701,933,891
23,789,953	24,321,706	24,526,915	37,440,277	40,207,972	42,330,491
46,032,851	40,296,039	37,039,105	35,517,280	53,426,828	53,348,280
94,283,880	98,804,758	92,837,418	100,127,252	113,317,602	129,126,572
28,378,336	29,159,727	29,191,803	27,853,960	37,430,936	38,436,090
45,954,174	46,793,397	46,306,027	52,889,114	61,293,474	62,768,391
31,833,597	51,152,099	66,178,539	40,808,970	18,776,941	40,445,228
-	-	-	-	-	892,307
<u>\$ 862,427,897</u>	<u>\$ 894,833,768</u>	<u>\$ 910,917,954</u>	<u>\$ 911,574,787</u>	<u>\$ 996,821,780</u>	<u>\$1,069,281,250</u>
\$ 16,315,852	\$ (42,707,872)	\$ 74,630,582	\$ (1,305,294)	\$ 94,014,288	\$ 2,748,819
\$ 3,653,090	\$ 3,798,609	\$ 4,001,247	\$ 3,994,446	\$ 4,869,945	\$ 5,140,987
(3,653,090)	(5,798,609)	(4,001,247)	(5,994,446)	(4,869,945)	(5,140,987)
218,389	4,856,229	177,665	349,303	627,668	607,655
-	-	-	-	-	822,690
-	-	-	-	-	(24,127)
<u>\$ 218,389</u>	<u>\$ 2,856,229</u>	<u>\$ 177,665</u>	<u>\$ (1,650,697)</u>	<u>\$ 627,668</u>	<u>\$ 1,406,218</u>
<u>\$ 16,534,241</u>	<u>\$ (39,851,643)</u>	<u>\$ 74,808,247</u>	<u>\$ (2,955,991)</u>	<u>\$ 94,641,956</u>	<u>\$ 4,155,037</u>

Table 7

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**GENERAL FUND EXPENDITURES AND OTHER FINANCING USES BY FUNCTION**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	Total Expenditures and Other Financing Uses	Instruction		Administration, Attendance, & Health		Pupil Transportation		Operations and Maintenance		Technology		Transfers	
			%		%		%		%		%		%
2014	\$667,719,887	\$501,762,265	75.1	\$20,265,565	3.0	\$31,613,426	4.7	\$84,881,195	12.7	\$26,011,712	3.9	\$3,185,724	0.6
2015	687,695,797	521,306,637	75.8	21,039,188	3.1	29,783,772	4.3	85,027,241	12.4	27,392,206	4.0	3,146,753	0.4
2016	693,674,811	522,827,006	75.4	21,867,909	3.2	30,772,076	4.4	85,640,251	12.3	29,353,639	4.2	3,213,930	0.5
2017	710,946,618	531,207,956	74.7	23,250,610	3.3	35,791,636	5.0	85,737,273	12.1	31,635,871	4.4	3,323,272	0.5
2018	748,530,406	551,099,344	73.6	23,789,953	3.2	46,032,851	6.1	86,706,179	11.6	37,248,989	5.0	3,653,090	0.5
2019	757,385,699	561,124,557	74.1	24,321,706	3.2	40,296,039	5.3	88,042,622	11.6	37,802,166	5.0	5,798,609	0.8
2020	766,633,124	573,394,750	74.8	24,526,915	3.2	37,039,105	4.8	87,816,421	11.5	39,854,686	5.2	4,001,247	0.5
2021	771,310,406	570,086,492	73.9	35,037,931	4.5	35,476,247	4.6	87,876,518	11.4	36,838,772	4.8	5,994,446	0.8
2022	827,551,911	597,668,220	72.2	36,895,804	4.5	52,017,634	6.3	98,295,182	11.9	37,805,126	4.6	4,869,945	0.5
2023	868,652,853	618,857,056	71.2	39,236,548	4.5	50,149,031	5.8	107,459,456	12.4	47,809,775	5.5	5,140,987	0.6

Note: This table represents financial data of the School Operating Fund.

Table 8

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**GENERAL FUND REVENUES BY SOURCE**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	Total Revenues	City of Virginia Beach	%	Common-wealth of Virginia	%	State Sales Tax	%	Federal Government	%	Other Revenues	%
2014	\$668,901,002	\$341,558,045	51.1	\$243,244,523	36.4	\$67,915,112	10.2	\$12,316,895	1.8	\$3,866,427	0.5
2015	691,109,526	352,191,199	51.0	250,173,015	36.2	70,376,559	10.2	14,290,941	2.1	4,077,812	0.5
2016	692,132,090	355,706,910	51.4	249,585,001	36.1	72,382,607	10.5	10,984,116	1.6	3,473,456	0.4
2017	711,396,573	361,314,303	50.8	260,283,753	36.6	73,084,563	10.3	13,464,377	1.9	3,249,577	0.4
2018	747,016,852	383,296,606	51.3	273,210,535	36.6	74,264,875	9.9	12,614,392	1.7	3,630,444	0.5
2019	760,448,528	388,810,269	51.1	274,756,360	36.1	76,320,888	10.0	15,961,332	2.1	4,599,679	0.7
2020	769,759,727	383,837,199	49.9	285,102,568	37.0	79,610,836	10.3	16,671,591	2.2	4,537,533	0.6
2021	793,249,279	389,560,485	49.1	295,922,939	37.3	87,120,778	11.0	18,243,225	2.3	2,401,852	0.3
2022	818,564,444	401,758,124	49.1	296,840,759	36.3	98,227,243	12.0	17,115,878	2.1	4,622,440	0.5
2023	856,060,038	407,913,456	47.7	325,809,562	38.1	98,633,260	11.5	18,437,704	2.2	5,266,056	0.5

Note: This table represents financial data of the School Operating Fund.

Other Financial Data			
Fiscal Year	June 30 Reversion to City	June 30 Fund Balance	Debt Service
2014	\$15,554,787	\$7,349,632	\$42,537,774
2015	12,316,533	10,763,361	44,986,273
2016	15,583,197	9,236,355	44,115,909
2017	17,063,890	9,813,536	45,704,383
2018	22,881,964	8,518,371	42,173,255
2019	26,824,198	11,806,192	41,768,217
2020	39,027,626	15,110,460	42,933,085
2021	25,708,678	37,397,188	45,227,006
2022	21,071,766	29,037,389	45,696,046
2023	30,388,833	17,874,919	46,171,521

Note: The above Other Financial Data presents the amount of cash that was necessary to revert to the City to yield a fund balance equal to the outstanding encumbrances and prepaid items at June 30 of each fiscal year.

Table 9

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**PER PUPIL FINANCIAL SUPPORT FOR EXPENDITURES BY MAJOR REVENUE SOURCE**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	Local Revenues		State Revenues		State Sales Tax Revenues	
	Per Pupil	Per Pupil	Per Pupil	Per Pupil	Per Pupil	Per Pupil
		<i>State Average</i>		<i>State Average</i>		<i>State Average</i>
2014	\$5,277	\$5,823	\$3,705	\$3,676	\$978	\$959
2015	5,392	5,949	3,828	3,798	1,016	1,004
2016	5,450	6,084	3,835	3,813	1,051	1,036
2017	5,563	6,249	3,986	3,997	1,063	1,055
2018	5,848	6,462	4,219	4,166	1,079	1,052
2019	5,920	6,642	4,235	4,280	1,115	1,108
2020	5,813	6,770	4,387	4,438	1,161	1,165
2021	5,783	6,669	4,787	4,858	1,341	1,327
2022	6,307	7,150	4,818	4,938	1,504	1,516
2023	-	-	-	-	-	-

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

**Note:** This table represents the per pupil cost of operations of the Virginia Beach City Public Schools broken down by source of support. The per pupil amount for the Total Expenditures for Operations is the total expenditures of the Local Educational Agency (LEA) minus the amount for the Facilities Function (e.g., Capital Improvement Program), Debt Service, Non LEA Programs, and Capital Outlay Additions to yield Total Expenditures for Operations. The Total Expenditures for Operations include regular day school, school food services, summer school, adult education, athletics, textbooks, and other educational functions.

The aforementioned methodology and computations were developed by the Commonwealth of Virginia Department of Education (DOE). The assumption taken by the DOE is that the LEA would spend all of its State money received, all of the Sales Tax money received, and all of its Federal money received, before spending any of the local appropriations and other local receipts. Therefore, the Total Expenditures for Operations is the sum of the State portion, the Sales Tax portion, and the Federal portion, with the local portion (City appropriations and other local receipts) being the remainder after the others have been deducted.

The State amount includes all the monies sent to the LEA by the DOE minus an amount sent by the DOE for the running of the Hospital, Clinics, and Detention Home project and an amount sent by the DOE for vocational equipment. The State Sales Tax is the 1 cent tax on goods and services allocated to a particular LEA (plus a 1/8 of one percent increase allocation). The Federal portion includes all federal funds sent to the LEA directly from the Federal Government or through the State to the LEA minus an amount for additional capital outlay paid for by Federal funds. The local funds portion is equal to the Total Expenditures for Operations minus the amounts for State funds, State Sales Tax, and Federal funds.

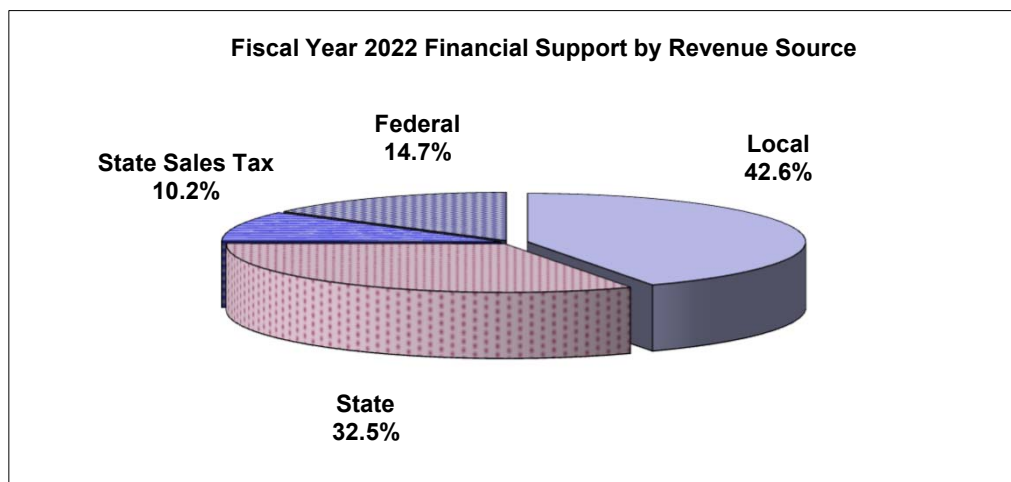
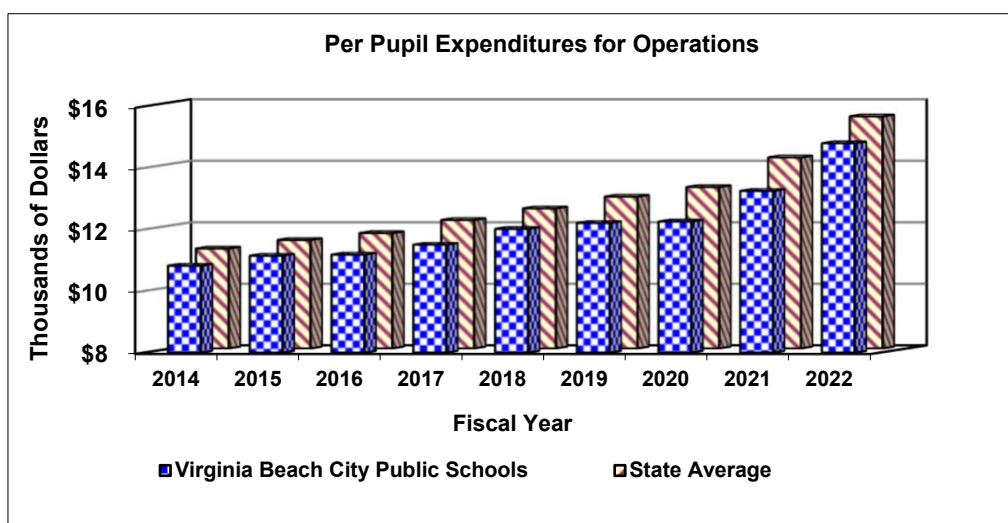
Source: Commonwealth of Virginia, Superintendent's Annual Report for Virginia



**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**PER PUPIL FINANCIAL SUPPORT FOR EXPENDITURES BY MAJOR REVENUE SOURCE**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	Federal Revenues		Total Expenditures for Operations		ADM for Determining Cost Per Pupil
	Per Pupil	Per Pupil	Per Pupil	Per Pupil	
		State Average		State Average	
2014	\$865	\$784	\$10,825	\$11,242	69,441
2015	914	772	11,150	11,523	69,242
2016	849	812	11,185	11,745	68,880
2017	895	871	11,507	12,172	68,738
2018	876	867	12,022	12,548	68,808
2019	943	901	12,213	12,931	68,436
2020	899	867	12,260	13,241	68,588
2021	1,343	1,352	13,254	14,206	64,951
2022	2,175	1,936	14,804	15,541	65,326
2023	-	-	-	-	-

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)



**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**COMPOSITE INDEX OF LOCAL ABILITY-TO-PAY COSTS OF STANDARDS OF QUALITY**  
**Last Ten Fiscal Years (unaudited)**

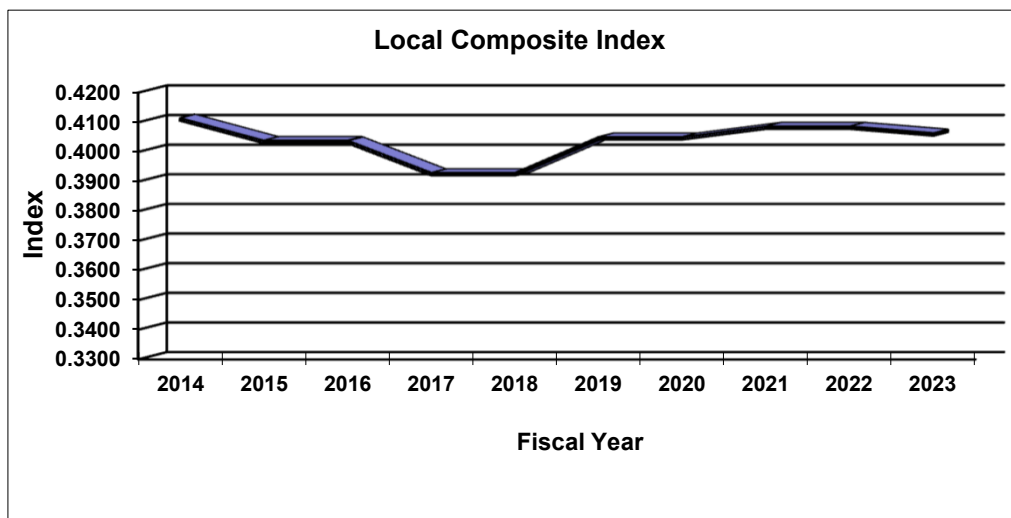
Fiscal Year	Indicators of Ability Base Year	Local Composite Index	Local Share of SOQ Factor
2014	2009	.4110	.4500
2015	2011	.4034	.4500
2016	2011	.4034	.4500
2017	2013	.3925	.4500
2018	2013	.3925	.4500
2019	2015	.4046	.4500
2020	2015	.4046	.4500
2021	2017	.4082	.4500
2022	2017	.4082	.4500
2023	2019	.4059	.4500

**Note:** The components used in the formula for calculating the school divisions' composite index (used to distribute basic aid, standards of quality, and various other state payments) are:

True Value of Real Property  
Adjusted Gross Income  
Taxable Retail Sales  
March 31 ADM (year after base year)  
Total Population

The Local Share of Standards of Quality (SOQ) Factor is multiplied by the original calculated local composite index of each school division. This factor provides the apportioned cost of the SOQ between the State and school divisions of average ability to pay as established by the Appropriations Act.

Source: Commonwealth of Virginia, Superintendent's Annual Report for Virginia



**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STUDENTS PROMOTED**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	End-of-Year Membership	Number Promoted	Percent Promoted	Percent Promoted <i>State Average</i>
2014	69,385	68,160	98.2%	98.1%
2015	68,934	67,914	98.5%	98.2%
2016	68,568	67,616	98.6%	98.2%
2017	67,868	66,983	98.7%	98.3%
2018	67,620	66,775	98.8%	98.4%
2019	67,181	66,349	98.8%	98.4%
2020	67,262	66,309	98.6%	98.5%
2021	64,289	63,561	98.9%	98.9%
2022	64,120	62,962	98.2%	97.9%
2023	64,050	63,250	98.8%	98.5%

**Note:** This table represents the number of pupils promoted as a percentage of end of the year membership. Beginning in fiscal year 2014, the calculation was updated which employs the Virginia Department of Education longitudinal database. This calculation counts the students in the current fiscal year's fall enrollment that were in the same grade for the previous fiscal year's fall enrollment, instead of the students who were identified as retained by the school division on the last day of school. The data is reported to the Commonwealth of Virginia Department of Education by the school divisions.

**Source:** Commonwealth of Virginia, Superintendent's Annual Report for Virginia

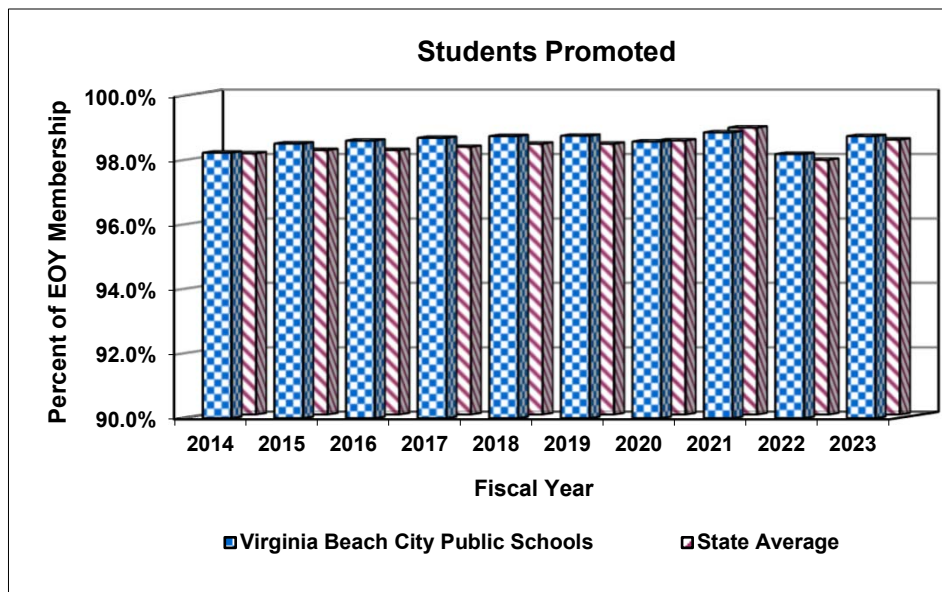


Table 12

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STUDENT ATTENDANCE**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	Number of Days Taught	Average Daily Membership			Average Daily Attendance			Fiscal Year
		Elementary	Secondary	Total	Elementary	Secondary	Total	
2014	183	42,405	26,513	68,918	40,743	25,063	65,806	2014
2015	183	42,122	26,564	68,686	40,512	25,224	65,736	2015
2016	183	41,909	26,335	68,244	40,180	24,877	65,057	2016
2017	180	41,430	26,072	67,502	39,617	24,625	64,242	2017
2018	176	41,331	26,062	67,393	39,587	24,770	64,357	2018
2019	177	41,157	25,787	66,944	39,344	24,419	63,763	2019
2020	121	41,224	25,948	67,172	39,281	24,544	63,825	2020
2021	183	38,313	25,334	63,647	36,700	24,179	60,879	2021
2022	179	38,416	25,493	63,909	36,136	23,614	59,750	2022
2023	180	38,359	25,303	63,662	35,979	23,589	59,568	2023

**Note:** This table represents the average daily membership and the average daily attendance along with the percentage of attendance to membership. Average Daily Membership (ADM) is the average number of students belonging each day in a school system for the period of report. ADM is determined by dividing the sum of the days present and absent of all students when school is in session during a given period by the number of days school is in session during this period.

Due to COVID-19 in fiscal year 2020, schools were closed in March of 2020 and moved to all virtual learning resulting in a decrease in number of days taught.

**Source:** Commonwealth of Virginia, Superintendent's Annual Report for Virginia

Table 12

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STUDENT ATTENDANCE**  
**Last Ten Fiscal Years (unaudited)**

Student Attendance Percent			Student Attendance Percent <i>State Average</i>		
Elementary	Secondary	Local Average	Elementary	Secondary	<i>State Average</i>
96.1%	94.5%	95.5%	95.7%	94.4%	95.2%
96.2%	95.0%	95.7%	96.1%	94.6%	95.5%
95.9%	94.5%	95.3%	95.9%	94.5%	95.4%
95.6%	94.4%	95.2%	95.8%	94.4%	95.2%
95.8%	95.0%	95.5%	95.4%	94.0%	94.9%
95.6%	94.7%	95.2%	95.5%	94.2%	95.0%
95.3%	94.6%	95.0%	95.4%	94.4%	95.0%
95.8%	95.4%	95.7%	95.9%	95.9%	95.9%
94.1%	92.6%	93.5%	93.8%	92.3%	93.2%
93.8%	93.2%	93.6%	93.7%	92.6%	93.2%

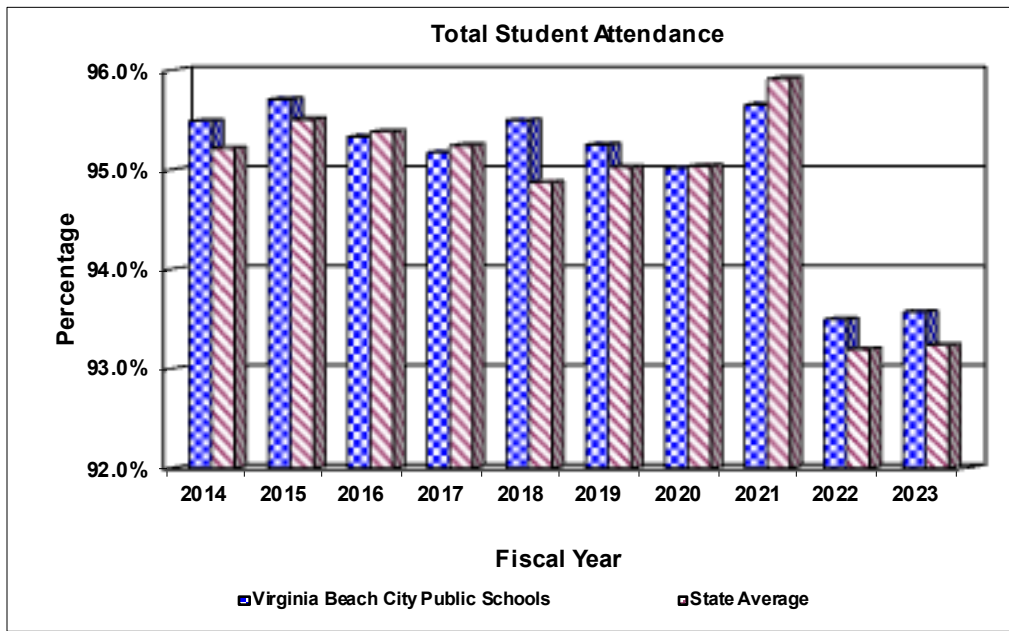


Table 13

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STUDENT DROPOUTS**  
 Last Ten Fiscal Years (unaudited)

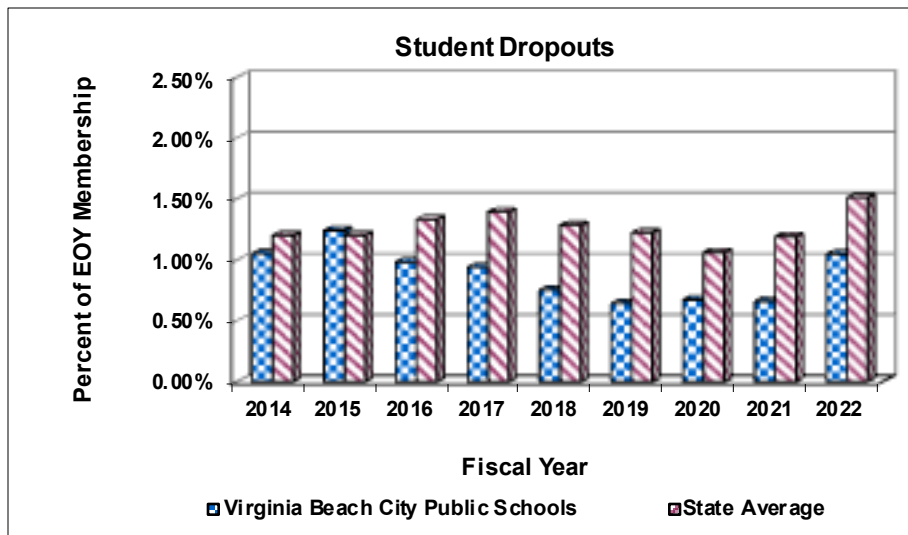
Fiscal Year	September 30 Membership (Grades 7-12)	Number of Dropouts	Percent	Percent State Average
2014	32,213	337	1.05%	1.20%
2015	32,056	396	1.24%	1.20%
2016	31,839	313	0.98%	1.33%
2017	31,614	296	0.94%	1.39%
2018	31,630	237	0.75%	1.28%
2019	31,443	201	0.64%	1.22%
2020	31,298	210	0.67%	1.06%
2021	30,973	204	0.66%	1.19%
2022	30,765	322	1.05%	1.51%
2023	-	-	-	-

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

**Note:** This table represents a percentage of dropouts compared to membership in grades 7-12 and ungraded pupils ages 12 and older as reported to the Commonwealth of Virginia Department of Education by the school divisions. Dropouts are defined as pupils who withdraw from school for reasons other than promotion, transfer, death, or graduation, and do not enter another school during the school year. Also included are pupils who are in attendance on the last day of the school year who fail to return to school by October 31 of the following school year.

The dropout percentage is calculated as the number of dropouts divided by the membership on September 30th of that school year. A dropout is an individual in grades 7-12 or ungraded (UG) (due to not successfully completing the Literacy Testing Program (LTP)) who was enrolled in school at some time during the previous school year and was not enrolled on October 1 of the current school year, or was not enrolled following exclusionary conditions: transfer to another public school district, private school, or state- or district-approved education program, temporary school-recognized absence due to suspension, illness, or death.

Source: Commonwealth of Virginia, Superintendent's Annual Report for Virginia



**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOLASTIC APTITUDE TEST (SAT) - MEAN SCORES**  
**Last Ten Fiscal Years (unaudited)**

	Mathematics - Mean Scores			Evidence-Based Reading and Writing (ERW) - Mean Scores **			Writing - Mean Scores *		
Fiscal Year	Virginia Beach	Virginia	National***	Virginia Beach	Virginia	National ***	Virginia Beach	Virginia	National
2014	505	515	513	508	518	497	483	497	487
2015	504	516	511	507	518	495	484	499	484
2016	511	517	508	514	520	494	490	498	482
2017*	534	541	527	557	561	533	-	-	-
2018	545	547	520	563	563	529	-	-	-
2019	542	548	515	561	564	524	-	-	-
2020	539	546	523	562	564	528	-	-	-
2021	551	566	528	573	582	533	-	-	-
2022	537	550	521	568	569	529	-	-	-
2023	538	541	508	575	565	520	-	-	-

Source: The College Board and the Department of Research, Evaluation, and Assessment (SAT I: Reasoning Test)

\* In January 2016 the format of the SAT changed from a 3-section (Mathematics, Critical Reading, and Writing) to a 2-section (Mathematics and Evidence-based Reading and Writing (ERW)). The data for 2017 graduates was based on the newer 2-section format only and isn't comparable to previous years.

\*\* Evidence-Based Reading and Writing (ERW) replaced Critical Reading in 2017. Stats prior to 2017 are for Critical Reading and Stats for 2017 and after are for ERW.

\*\*\* 2020 National Scores for Math and Evidence-Based Reading and Writing (ERW) are calculated on the Total Group, which includes all test takers regardless of school type. Prior years were calculated for public schools only. This was due to COVID-19.

Table 15

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**GRADUATES AS PERCENT OF NINTH GRADE MEMBERSHIP FOUR YEARS EARLIER**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	Membership Ninth Grade Four Years Earlier	Standard Diploma	Advanced Studies Diploma	Modified/ Special/Other Diploma	Certificate of Program Completion/ GAD/GED/ ISAP	Total Graduates and Completers	Percentage	Percentage State Average
2014	6,079	1,852	2,830	194	133	5,009	82.4%	86.2%
2015	5,939	1,806	2,903	186	93	4,988	84.0%	86.3%
2016	5,815	1,831	2,857	186	113	4,987	85.8%	88.7%
2017	5,825	1,793	2,947	181	91	5,012	86.0%	87.8%
2018	5,887	1,884	3,066	203	94	5,247	89.1%	87.9%
2019	5,718	1,870	2,880	236	97	5,083	88.9%	86.9%
2020	5,528	1,899	2,875	191	51	5,016	90.7%	89.9%
2021	5,507	1,933	2,849	170	19	4,971	90.3%	88.8%
2022	5,468	1,841	2,849	178	55	4,923	90.0%	89.2%
2023	5,485	1,976	2,910	142	61	5,089	92.8%	86.2%

**Note:** This table represents the number of graduates (includes the following summer) as a percentage of ninth grade membership four years earlier and the type of diploma awarded. No adjustments have been made to reflect the mobility of the population. This data is reported to the Commonwealth of Virginia Department of Education by the school divisions.

**Source:** Commonwealth of Virginia, Superintendent's Annual Report for Virginia

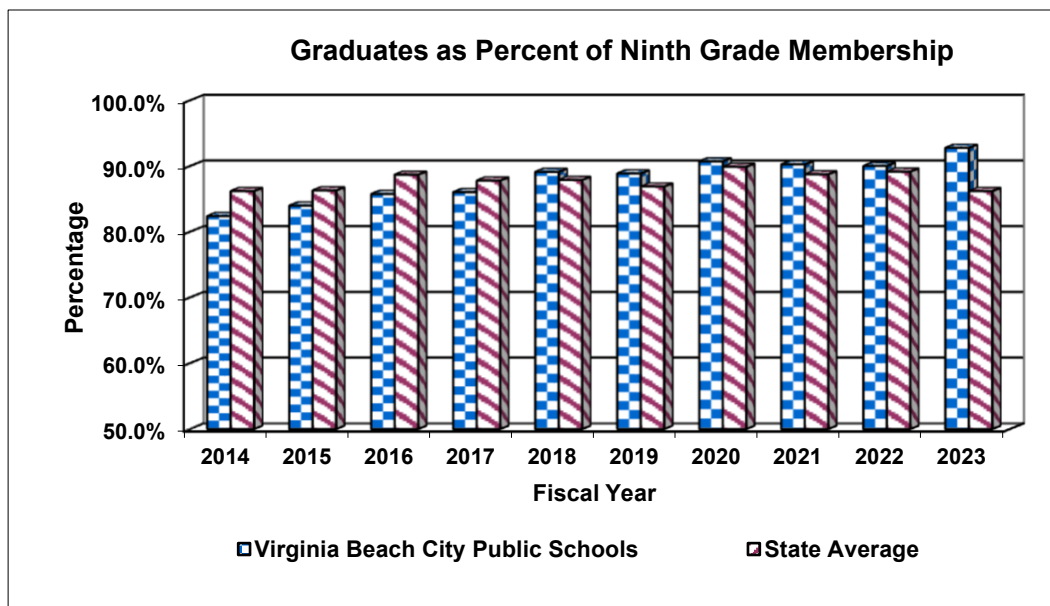




Table 16

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**GRADUATES CONTINUING EDUCATION**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	Attending Two-year Colleges Percent	Attending Two-year Colleges Percent <i>State Average</i>	Attending Four-year Colleges Percent	Attending Four-year Colleges Percent <i>State Average</i>	Other Continuing Education Percent	Other Continuing Education Percent <i>State Average</i>	Total Continuing Education Percent	Total Continuing Education Percent <i>State Average</i>
2014	29.2%	31.2%	52.8%	47.3%	4.1%	4.2%	86.1%	82.7%
2015	30.2%	30.5%	51.0%	48.6%	4.5%	4.0%	85.7%	83.1%
2016	33.3%	29.8%	48.4%	48.4%	4.7%	4.1%	86.4%	82.3%
2017	27.6%	28.7%	55.6%	49.4%	4.1%	4.0%	87.3%	82.1%
2018	27.0%	28.7%	55.8%	49.2%	4.2%	4.2%	87.0%	82.1%
2019	25.0%	26.8%	53.9%	48.8%	4.5%	4.5%	83.4%	80.1%
2020	26.2%	25.2%	55.3%	47.8%	4.4%	4.5%	86.0%	77.5%
2021	25.7%	22.8%	56.2%	47.9%	4.4%	4.8%	86.3%	75.5%
2022	20.6%	23.1%	54.5%	48.9%	5.5%	5.2%	80.6%	77.2%
2023	21.0%	22.4%	56.6%	49.3%	5.8%	5.8%	83.4%	77.4%

**Note:** This table represents the percentage of graduates (includes the following summer) that pursued continuing education and the type of education pursued. Data is reported to the Commonwealth of Virginia Department of Education by the school divisions.

**Source:** Commonwealth of Virginia, Superintendent's Annual Report for Virginia

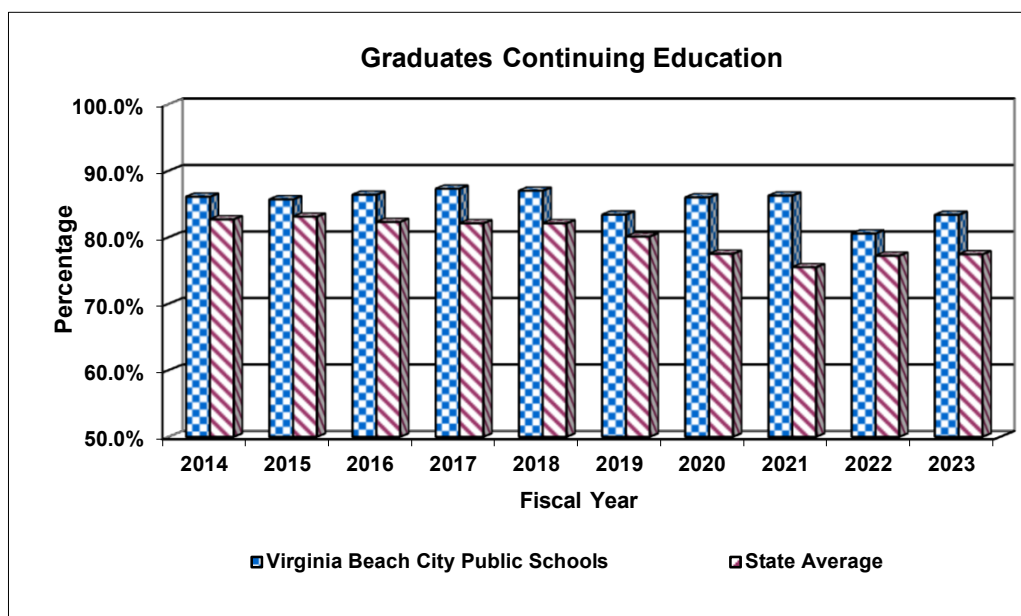


Table 17

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**RATIO OF STUDENTS TO TEACHING/INSTRUCTIONAL PERSONNEL**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	Elementary			Elementary Student/Teacher Ratio <i>State Average</i>	Secondary		
	Teaching Positions	End-of-Year Membership K-7	Student/Teacher Ratio		Secondary Teaching Positions	End-of-Year Membership 8-12	Secondary Student/Teacher Ratio
2014	2,714	42,156	15.5	13.2	1,924	26,088	13.6
2015	2,789	41,896	15.0	13.2	1,942	26,141	13.5
2016	2,897	41,668	14.4	13.1	2,003	25,926	12.9
2017	2,910	41,191	14.2	13.1	1,997	25,684	12.9
2018	2,963	41,106	13.9	13.1	1,988	25,700	12.9
2019	3,019	40,904	13.6	13.0	1,874	25,411	13.6
2020	2,998	40,952	13.7	13.0	1,862	25,565	13.7
2021	2,995	38,053	12.7	12.2	1,856	24,990	13.5
2022	2,949	37,533	12.7	12.3	1,817	24,717	13.6
2023	-	-	-	-	-	-	-

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

**Note:** This table represents student teacher ratios based on End-of-Year Average Daily Membership to full-time equivalent teaching positions, excluding special education teachers, principals, assistant principals, guidance counselors, and librarians.

**Source:** Commonwealth of Virginia, Superintendent's Annual Report for Virginia

Table 17

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**RATIO OF STUDENTS TO TEACHING/INSTRUCTIONAL PERSONNEL**  
**Last Ten Fiscal Years (unaudited)**

<b>Fiscal Year</b>	<b>Secondary Student/Teacher Ratio State Average</b>	<b>Total Student/Teacher Ratio</b>	<b>Total Student/Teacher Ratio State Average</b>
2014	12.4	14.71	12.90
2015	12.5	14.38	12.97
2016	12.5	13.79	12.83
2017	12.3	13.63	12.78
2018	12.4	13.49	12.80
2019	12.5	13.55	12.81
2020	12.7	13.69	12.85
2021	12.5	12.99	12.30
2022	12.6	13.06	12.43
2023	-	-	-

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

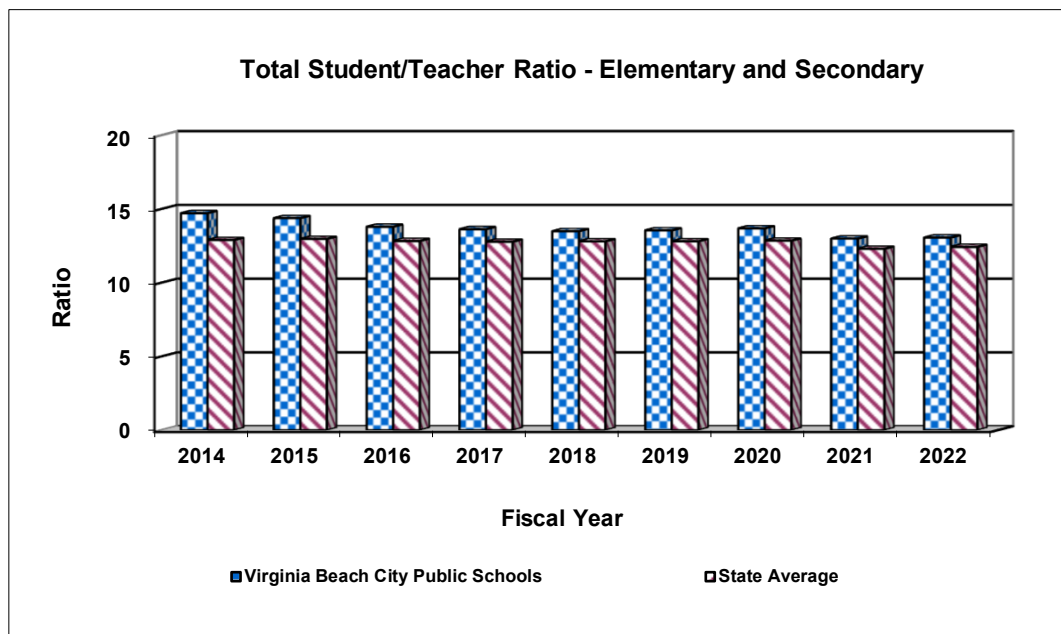


Table 18

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**PERSONNEL POSITIONS**  
**Last Ten Fiscal Years (unaudited)**

	Fiscal Year			
	2014	2015	2016	2017
<b><u>Full-Time Staff</u></b>				
Office/Admin/Managers	43	44	47	47
Principals	87	86	87	87
Assistant Principals	153	152	157	156
Elementary Classroom Teachers	2,108	2,059	2,096	2,073
Secondary Classroom Teachers	2,359	2,304	2,298	2,301
Other Classroom Teachers	318	302	297	358
Guidance	174	171	176	179
Psychological	75	77	76	85
Librarians/AV	106	105	106	106
Supervisory	90	84	86	93
Other Professionals	378	371	380	379
Teacher Aides	1,113	1,100	1,127	1,160
Technicians	111	197	203	197
Clerical/Secretarial	596	534	530	527
Service Workers	1,058	1,058	1,061	1,060
Skilled Crafts	234	229	232	227
Total Full-Time Staff	<u>9,003</u>	<u>8,873</u>	<u>8,959</u>	<u>9,035</u>
<b><u>Part-Time Staff</u></b>				
Professional/Instructional	153	138	142	135
Other	1,095	1,079	1,050	1,030
Total Part-Time Staff	<u>1,248</u>	<u>1,217</u>	<u>1,192</u>	<u>1,165</u>

Source: Department of Human Resources (EEO-5 Report)

Table 18

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
PERSONNEL POSITIONS  
Last Ten Fiscal Years (unaudited)

Fiscal Year					
2018	2019	2020	2021	2022	2023
45	46	45	46	45	46
87	86	87	88	87	86
158	158	161	167	176	177
2,113	2,146	2,186	2,162	2,117	2,143
2,340	2,325	2,350	2,322	2,255	2,266
361	350	302	317	310	342
188	199	197	209	220	225
85	101	105	109	108	109
106	106	103	105	105	104
93	97	96	95	94	95
381	386	385	401	404	415
1,188	1,236	1,243	1,243	1,258	1,286
210	207	210	212	203	214
524	525	521	523	526	527
1,042	1,031	981	1,002	1,025	1,025
220	228	235	230	231	225
<u>9,141</u>	<u>9,227</u>	<u>9,207</u>	<u>9,231</u>	<u>9,164</u>	<u>9,285</u>
120	114	107	101	102	120
997	1,047	989	924	925	969
<u>1,117</u>	<u>1,161</u>	<u>1,096</u>	<u>1,025</u>	<u>1,027</u>	<u>1,089</u>

Table 19

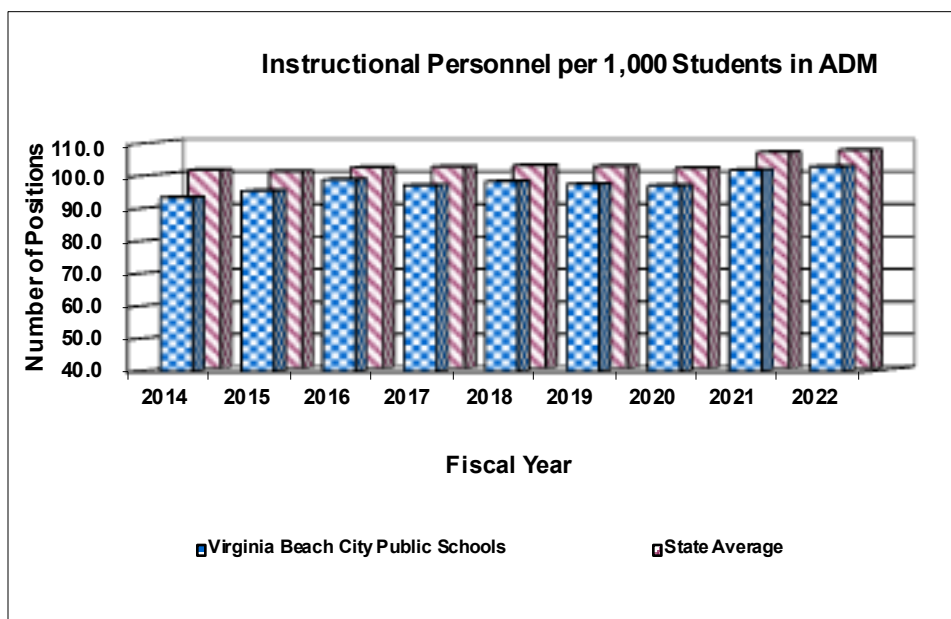
**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**INSTRUCTIONAL PERSONNEL POSITIONS PER 1,000 STUDENTS IN ADM**  
**Last Ten Fiscal Years (unaudited)**

<b>Fiscal Year</b>	<b>Number of Instructional Personnel Positions (End of Year)</b>	<b>Student Average Daily Membership (End of Year)</b>	<b>Instructional Personnel Per 1,000 Students</b>	<b>Instructional Personnel Per 1,000 Students State Average</b>
2014	6,433	68,806	93.5	101.1
2015	6,551	68,614	95.5	100.7
2016	6,758	68,265	99.0	101.8
2017	6,627	68,137	97.3	102.1
2018	6,716	68,271	98.4	102.5
2019	6,628	67,893	97.6	102.3
2020	6,614	68,037	97.2	101.7
2021	6,573	64,457	102.0	106.6
2022	6,572	63,772	103.1	107.2
2023	-	-	-	-

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

**Note:** The number of Instructional Personnel includes all teachers, teacher assistants, guidance counselors, librarians, principals, assistant principals, and divisionwide instructors based on positions reported by the school division. Divisionwide positions include Summer School, Adult Education, Pre-Kindergarten, and other non-regular day and non-LEA instructional positions. The Student Average Daily Membership is the end-of-year unadjusted average daily membership as reported to the Commonwealth of Virginia Department of Education by the school divisions (includes Pre-K through Post-graduate).

Source: Commonwealth of Virginia, Superintendent's Annual Report for Virginia



**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**INSTRUCTIONAL PERSONNEL SALARIES**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	Minimum Salary	Maximum Salary	Average Salary	State Average
2014	\$40,624	\$69,835	\$56,018	\$53,767
2015	41,916	71,930	56,096	54,486
2016	43,559	75,294	54,342	54,910
2017	44,796	77,809	54,541	56,362
2018	45,759	69,703	55,147	57,261
2019	47,017	70,646	56,766	59,301
2020	47,017	69,496	58,242	61,457
2021	49,256	72,126	59,779	61,595
2022	51,965	90,473	64,012	64,557
2023*	51,965	100,051	-	-

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

**Note:** Instructional Personnel includes teachers, guidance counselors, librarians, and technology instructors.

\* The Instructional Pay Scale ended at 37+ years in 2014, ended at 30+ years in 2018, ended at 43+ years in 2022 and ends at 44 years in 2023.

Source: Department of Human Resources and Commonwealth of Virginia, Superintendent's Annual Report for Virginia

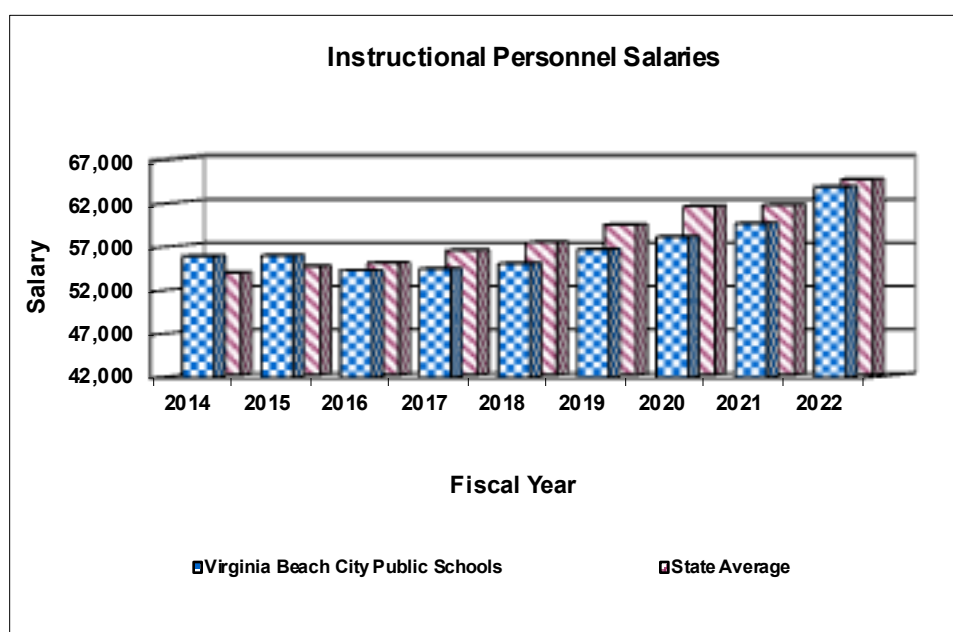


Table 21

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**TEACHERS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	Number of Teachers				Average Teacher Age				Bachelors			
	Elem	Middle	High	Other	Elem	Middle	High	Other	Elem	Middle	High	Other
2014	2,398	1,138	1,414	299	44.2	45.0	45.6	46.3	1,061	524	692	133
2015	2,395	1,170	1,409	310	43.9	45.1	45.4	46.0	1,047	531	685	134
2016	2,334	1,140	1,354	305	43.8	44.9	45.5	45.5	1,015	528	650	133
2017	2,351	1,148	1,345	318	43.4	44.2	45.4	45.4	1,029	522	635	124
2018	2,328	1,152	1,350	320	43.3	44.0	45.5	45.9	1,017	528	639	121
2019	2,354	1,166	1,381	322	42.9	43.9	44.9	45.8	999	537	634	101
2020	2,397	1,149	1,385	312	42.7	43.7	45.3	45.3	1,010	530	622	98
2021	2,313	1,094	1,284	317	42.2	43.6	45.0	45.4	1,016	531	610	98
2022	2,288	1,083	1,273	319	42.1	43.2	45.0	45.4	1,045	529	609	100
2023	2,247	1,034	1,246	316	42.2	43.7	45.1	45.2	1,026	525	595	98

Source: Department of Human Resources



Table 21

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**TEACHERS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	Masters				Certificate Advance Studies				Doctorate			
	Elem	Middle	High	Other	Elem	Middle	High	Other	Elem	Middle	High	Other
2014	1,211	565	648	149	116	54	59	15	10	2	19	2
2015	1,230	570	647	157	109	62	59	16	9	7	18	3
2016	1,203	551	631	151	107	53	53	17	9	8	20	4
2017	1,205	566	631	172	105	52	58	17	12	8	21	5
2018	1,194	557	636	173	104	58	52	19	13	9	23	7
2019	1,207	552	657	178	115	61	59	20	14	10	24	6
2020	1,242	546	656	173	110	54	75	19	15	12	21	6
2021	1,159	500	576	183	100	38	59	15	12	14	20	6
2022	1,138	499	580	184	85	37	56	16	12	13	18	6
2023	1,106	465	570	185	80	33	52	14	13	8	17	5

Table 22

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL CAFETERIAS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

	Fiscal Year			
	2014	2015	2016	2017
<b>Student Enrollment (October)</b>				
<b>in Meal Programs:</b>				
Reduced	5,193	5,496	5,407	5,281
Free	20,307	21,022	20,534	20,374
<b>Lunch Meals:</b>				
Full	2,308,524	2,404,313	2,321,870	2,319,592
Reduced	648,134	684,986	697,649	649,776
Free	2,831,723	2,803,646	2,893,495	2,816,749
<b>Breakfast Meals:</b>				
Full	482,588	508,932	545,907	610,096
Reduced	250,159	274,032	305,573	291,426
Free	1,584,832	1,556,228	1,745,450	1,762,591
<b>Lunch Price:</b>				
Full:				
Elementary	\$2.40	\$2.50	\$2.75	\$2.75
Middle	\$2.40	\$2.50	\$2.75	\$2.75
High	\$2.40	\$2.50	\$2.75	\$2.75
Adult	\$3.75	\$3.75	\$3.75	\$3.75
Reduced	\$0.40	\$0.40	\$0.40	\$0.40
<b>Seamless Summer Option (SSO)</b>				
Breakfast Meals	-	-	-	-
Lunch Meals	-	-	-	-
<b>Summer Food Service Program (SFSP)</b>				
Breakfast Meals	-	-	1,866	21,455
Lunch Meals	-	-	2,163	17,316
<b>Child and Adult Care Food Program (CACFP)</b>				
Lunch Meals	-	-	-	-
Snacks	-	-	-	-
Supper Meals	-	-	-	104,699

**Note:** Due to the COVID-19 pandemic federal waivers, meals were provided at no cost to all VBCPS students as follows:

2021 - Meals administered via SFSP and CACFP Federal programs

2022 - Meals administered via SSO Federal program for all sites and via SFSP and CACFP federal programs for eligible/approved sites

\* NSLP numbers reflect June 2022 academic summer program meals. Student portion of paid and reduced meals were covered by ESSER II grant funding

**Source:** The Department of Administrative Support Services/Food Services

Table 22

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL CAFETERIAS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year					
2018	2019	2020	2021	2022	2023
5,047	5,328	5,675	4,529	3,947	2,803
22,134	22,005	21,513	24,619	25,043	27,213
2,166,088	2,055,684	1,437,723	-	412 *	2,200,647
601,089	615,137	433,869	-	76 *	325,304
2,891,490	2,820,115	1,876,434	-	659 *	2,978,308
673,682	699,278	495,568	-	97 *	816,104
311,455	343,302	240,098	-	28 *	164,593
1,958,080	1,939,371	1,295,018	-	232 *	1,870,227
\$2.75	\$2.85	\$2.85	\$2.85	\$2.85	\$2.85
\$2.75	\$2.85	\$2.85	\$2.85	\$2.85	\$2.85
\$2.75	\$2.85	\$2.85	\$2.85	\$2.85	\$2.85
\$3.75	\$3.85	\$3.85	\$3.85	\$3.85	\$3.85
\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
-	-	-	-	3,277,062	-
-	-	-	-	6,434,922	-
37,358	30,537	579,517	2,562,848	96,842	26,428
22,853	25,666	583,590	3,265,709	121,526	37,551
-	-	-	-	-	312
-	-	-	-	-	123
113,801	109,188	192,558	1,006,353	70,738	86,590

Table 23

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
CAPITAL ASSETS INFORMATION BY GOVERNMENTAL ACTIVITY  
Last Ten Fiscal Years (unaudited)**

	Fiscal Year			
	2014	2015	2016	2017
<b><u>Instruction:</u></b>				
Elementary Schools	55	55	55	55
Middle Schools *	13	14	14	14
High Schools	11	11	11	11
Auxiliary Schools/Centers **	7	7	7	6
Public Charter School	1	1	1	1
Portables	221	209	149	132
<b><u>Operations and Maintenance</u></b>				
Vehicles	276	276	272	291
<b><u>Pupil Transportation:</u></b>				
Buses	786	785	791	802
Other Vehicles	53	57	60	39

Source: School Board Capital Assets Inventory Record:

\* Note: In FY15 Bayside Middle School took the 6th graders out of that location and put them into the Bayside Middle 6th Grade Campus, creating another Middle School. FY15 number for Middle Schools has been adjusted.

\*\* Note: In FY17 Old Donation Center and Kemps Landing Magnet were combined into one Auxiliary Center and renamed Old Donation School to house Grades 2-8 Gifted Students.

Table 23

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
CAPITAL ASSETS INFORMATION BY GOVERNMENTAL ACTIVITY  
Last Ten Fiscal Years (unaudited)**

Fiscal Year					
2018	2019	2020	2021	2022	2023
55	55	55	55	55	55
14	14	14	14	14	14
11	11	11	11	11	11
6	6	6	6	6	6
1	1	1	1	1	1
114	114	57	57	54	54
291	308	321	325	342	340
817	809	805	790	821	830
51	51	53	45	39	42

Table 24

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL BUILDINGS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b><u>Elementary Schools</u></b>										
<b>Alanton Elementary (Opened Sept 1966; Addition Sept 1995; Sept 2006)</b>										
Square Feet	74,049	74,049	74,049	74,049	74,049	74,049	74,049	74,049	74,049	74,049
Program Capacity	681	681	764	702	702	693	698	720	666	653
Enrollment	642	659	662	650	608	636	647	662	593	628
<b>Arrowhead Elementary (Opened Sept 1964; Replaced Sept 2003)</b>										
Square Feet	79,480	79,480	79,480	79,480	79,480	79,480	79,480	79,480	79,480	79,480
Program Capacity	547	547	597	486	486	491	487	541	524	510
Enrollment	497	490	451	447	435	463	466	530	519	523
<b>Bayside Elementary (Opened Sept 1941; Replaced Dec 2000)</b>										
Square Feet	77,428	77,428	77,428	77,428	77,428	77,428	77,428	77,428	77,428	77,428
Program Capacity	547	547	599	585	527	509	515	540	509	491
Enrollment	501	534	518	472	471	461	502	491	484	476
<b>Birdneck Elementary (Opened Sept 1986)</b>										
Square Feet	137,250	137,250	137,250	137,250	137,250	137,250	137,250	137,250	137,250	137,250
Program Capacity	818	818	732	787	755	696	741	818	784	723
Enrollment	665	631	634	568	539	540	519	622	623	647
<b>Brookwood Elementary (Opened Sept 1967; Replaced Sept 2007)</b>										
Square Feet	80,065	80,065	80,065	80,065	80,065	80,065	80,065	80,065	80,065	80,065
Program Capacity	626	631	586	617	590	590	556	619	563	539
Enrollment	701	746	720	641	644	625	580	562	557	560
<b>Centerville Elementary (Opened Sept 1984)</b>										
Square Feet	67,082	67,082	67,082	67,082	67,082	67,082	67,082	67,082	67,082	67,082
Program Capacity	639	678	602	669	650	633	652	607	581	572
Enrollment	720	704	739	732	713	667	699	662	617	616
<b>Christopher Farms Elementary (Opened Sept 1997)</b>										
Square Feet	78,740	78,740	78,740	78,740	78,740	78,740	78,740	78,740	78,740	78,740
Program Capacity	724	724	701	738	738	729	680	695	669	714
Enrollment	678	642	636	677	687	658	657	608	651	631
<b>College Park Elementary (Opened Sept 1973; Gym Added Sept 1982; Replaced Sept 2011)</b>										
Square Feet	94,861	94,861	94,861	94,861	94,861	94,861	94,861	94,861	94,861	94,861
Program Capacity	438	438	500	506	506	506	506	538	530	544
Enrollment	428	471	502	469	489	497	492	488	495	484
<b>W. T. Cooke Elementary (Opened Sept 1913; Replaced Sept 1962; Gym Added Sept 1991; Replaced Sept 1999)</b>										
Square Feet	92,256	92,256	92,256	92,256	92,256	92,256	92,256	92,256	92,256	92,256
Program Capacity	536	536	673	570	545	540	540	552	553	558
Enrollment	586	558	501	513	510	504	488	482	523	520
<b>Corporate Landing Elementary (Opened Sept 1993)</b>										
Square Feet	96,620	96,620	96,620	96,620	96,620	96,620	96,620	96,620	96,620	96,620
Program Capacity	642	642	598	585	590	558	549	576	550	480
Enrollment	523	452	437	426	411	416	412	442	413	388
<b>Creeds Elementary (Opened Sept 1939; Gym Added Sept 1949; Modernized Sept 1969; Modernized Sept 2001)</b>										
Square Feet	69,285	69,285	69,285	69,285	69,285	69,285	69,285	69,285	69,285	69,285
Program Capacity	360	360	395	432	387	410	410	387	374	387
Enrollment	297	301	315	306	306	329	327	278	305	313

Table 24

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL BUILDINGS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
John B. Dey Elementary (Opened Sept 1956; Addition Sept 1959; Gym Addition Sept 1978; Addition Sept 1995; Gym Demolition and Modernization Addition July 2019)										
Square Feet	76,641	76,641	76,641	76,641	76,641	76,641	107,210	107,210	107,210	107,210
Program Capacity	860	860	756	815	815	815	828	797	797	788
Enrollment	868	826	834	815	812	783	778	731	741	772
Diamond Springs Elementary (Opened Sept 2007)										
Square Feet	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000
Program Capacity	519	519	537	581	527	515	508	596	542	523
Enrollment	558	566	587	535	522	487	490	570	524	483
Fairfield Elementary (Opened Sept 1976)										
Square Feet	58,280	58,280	58,280	58,280	58,280	58,280	58,280	58,280	58,280	58,280
Program Capacity	526	526	561	558	594	594	581	612	559	572
Enrollment	506	520	513	517	548	547	578	489	510	475
Glenwood Elementary (Opened Sept 1990)										
Square Feet	139,600	139,600	139,600	139,600	139,600	139,600	139,600	139,600	139,600	139,600
Program Capacity	1,001	1,001	945	1,053	1,004	891	972	1,122	1,073	1,037
Enrollment	877	884	898	896	920	937	919	1,017	989	1,012
Green Run Elementary (Opened Sept 1976; Addition Sept 2005)										
Square Feet	58,275	58,275	58,275	58,275	58,275	58,275	58,275	58,275	58,275	58,275
Program Capacity	420	420	446	432	392	392	375	413	412	376
Enrollment	491	427	403	397	359	347	354	333	314	319
Hermitage Elementary (Opened Nov 1964; Addition Sept 1974; Gym Added Sept 1995; Replaced Mar 2005)										
Square Feet	94,018	94,018	94,018	94,018	94,018	94,018	94,018	94,018	94,018	94,018
Program Capacity	640	640	641	698	698	693	662	661	612	603
Enrollment	656	635	645	678	651	638	619	529	488	502
Holland Elementary (Opened Sept 1967; Addition Sept 1995)										
Square Feet	73,956	73,956	73,956	73,956	73,956	73,956	73,956	73,956	73,956	73,956
Program Capacity	503	503	558	596	635	635	581	602	547	515
Enrollment	532	536	524	523	581	556	547	535	458	459
Indian Lakes Elementary (Opened Sept 1979)										
Square Feet	66,816	66,816	66,816	66,816	66,816	66,816	66,816	66,816	66,816	66,816
Program Capacity	526	526	546	563	644	621	657	622	595	586
Enrollment	527	534	539	577	571	599	599	561	549	532
Kempsville Elementary (Opened Sept 1961; Addition Sept 1963; Gym Added Sept 1990; Modernized Sept 2003)										
Square Feet	78,146	78,146	78,146	78,146	78,146	78,146	78,146	78,146	78,146	78,146
Program Capacity	586	586	513	482	486	509	464	558	522	507
Enrollment	455	472	454	429	428	440	427	441	436	467
Kempsville Meadows Elementary (Opened Sept 1959; Gym Added Sept 1990; Replaced Sept 2002)										
Square Feet	77,239	77,239	77,239	77,239	77,239	77,239	77,239	77,239	77,239	77,239
Program Capacity	512	512	509	527	527	459	485	480	503	498
Enrollment	470	528	506	488	471	438	452	479	468	465
Kings Grant Elementary (Opened Sept 1960; Replaced Sept 1969; Addition Sept 1995)										
Square Feet	72,043	72,043	72,043	72,043	72,043	72,043	72,043	72,043	72,043	72,043
Program Capacity	648	648	666	716	617	591	596	564	569	525
Enrollment	598	632	641	608	566	545	561	483	503	505

Table 24

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL BUILDINGS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Kingston Elementary (Opened Sept 1965; Gym Added Sept 1989; Addition Sept 1997)</b>										
Square Feet	65,223	65,223	65,223	65,223	65,223	65,223	65,223	65,223	65,223	65,223
Program Capacity	641	641	624	648	648	608	563	526	549	558
Enrollment	574	551	531	517	520	538	530	383	490	504
<b>Landstown Elementary (Opened Sept 1993)</b>										
Square Feet	81,634	81,634	81,634	81,634	81,634	81,634	81,634	81,634	81,634	81,634
Program Capacity	868	868	816	797	774	837	824	739	695	776
Enrollment	788	751	760	736	756	767	813	810	707	669
<b>Linkhorn Park Elementary (Opened Sept 1955; Addition Sept 1967; Replaced Sept 1998; former bldg. used for administrative offices)</b>										
Square Feet	76,285	76,285	76,285	76,285	76,285	76,285	76,285	76,285	76,285	76,285
Program Capacity	728	728	689	682	662	662	576	575	598	508
Enrollment	753	732	685	634	607	530	551	525	506	512
<b>Luxford Elementary (Opened Sept 1961; Gym Added Sept 1990; Replaced Sept 2002; former bldg. used for instructional purposes)</b>										
Square Feet	82,242	82,242	82,242	82,242	82,242	82,242	82,242	82,242	82,242	82,242
Program Capacity	506	506	567	548	548	548	544	547	516	512
Enrollment	524	531	537	516	514	492	490	491	456	500
<b>Lynnhaven Elementary (Opened Sept 1963; Addition Sept 1968; Gym Added Sept 1990; Modernized Nov 2004)</b>										
Square Feet	80,670	80,670	80,670	80,670	80,670	80,670	80,670	80,670	80,670	80,670
Program Capacity	494	494	489	403	426	426	401	419	391	422
Enrollment	471	441	407	405	370	369	375	383	358	357
<b>Malibu Elementary (Opened Sept 1962; Addition Sept 1968; Gym Added Sept 1989; Replaced Nov 2003)</b>										
Square Feet	73,182	73,182	73,182	73,182	73,182	73,182	73,182	73,182	73,182	73,182
Program Capacity	437	437	414	396	419	423	423	424	386	456
Enrollment	366	380	374	375	369	375	330	369	353	403
<b>New Castle Elementary (Opened Sept 1999)</b>										
Square Feet	87,060	87,060	87,060	87,060	87,060	87,060	87,060	87,060	87,060	87,060
Program Capacity	853	853	824	869	869	801	779	801	729	729
Enrollment	771	796	763	784	777	735	789	711	693	706
<b>Newtown Road Elementary (Opened Sept 1970; Addition Sept 1988; Replaced Sept 2007)</b>										
Square Feet	88,711	88,711	88,711	88,711	88,711	88,711	88,711	88,711	88,711	88,711
Program Capacity	482	482	497	514	483	483	511	468	445	421
Enrollment	517	524	511	554	509	514	461	423	425	438
<b>North Landing Elementary (Opened Mar 1975; Gym Added Sept 1990)</b>										
Square Feet	60,280	60,280	60,280	60,280	60,280	60,280	60,280	60,280	60,280	60,280
Program Capacity	455	455	443	423	491	536	500	481	482	495
Enrollment	482	462	464	448	456	441	459	439	449	451
<b>Ocean Lakes Elementary (Opened Sept 1989)</b>										
Square Feet	69,917	69,917	69,917	69,917	69,917	69,917	69,917	69,917	69,917	69,917
Program Capacity	649	649	626	657	680	626	626	633	670	593
Enrollment	568	552	533	538	526	555	564	572	575	558
<b>Old Donation Center (Opened Sept. 1974; Addition Sept. 1995; Relocated to former Princess Anne MS Bldg with Kemps Landing Sept 2014; Relocated to new Building on Honeygrove Rd, Apr. 2017)</b>										
Square Feet	59,827	57,774	57,774	57,774	52,881	52,881	52,881	52,881	52,881	52,881
Program Capacity	393	495	512	378	485	491	477	546	551	551
Enrollment	495	503	482	459	461	495	519	516	516	518



Table 24

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL BUILDINGS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Parkway Elementary (Opened Sept 1987)</b>										
Square Feet	67,840	67,840	67,840	67,840	67,840	67,840	67,840	67,840	67,840	67,840
Program Capacity	514	514	473	467	466	460	465	507	470	505
Enrollment	561	527	475	426	438	428	419	464	459	462
<b>Pembroke Elementary (Opened Dec 1962; Addition Sept 1968; Addition Sept 1988; Modernized May 2005)</b>										
Square Feet	108,773	108,773	108,773	108,773	108,773	108,773	108,773	108,773	108,773	108,773
Program Capacity	617	617	534	567	612	648	621	690	614	623
Enrollment	486	476	477	494	497	494	474	560	500	539
<b>Pembroke Meadows Elementary (Opened Sept 1969; Modernized Oct 2006)</b>										
Square Feet	75,926	75,926	75,926	75,926	75,926	75,926	75,926	75,926	75,926	75,926
Program Capacity	430	430	539	495	473	509	504	542	525	531
Enrollment	447	453	434	443	479	513	505	489	479	489
<b>Point O'View Elementary (Opened Sept 1969; Addition Sept 1999)</b>										
Square Feet	75,219	75,219	75,219	75,219	75,219	75,219	75,219	75,219	75,219	75,219
Program Capacity	772	772	765	680	707	693	693	630	686	653
Enrollment	631	666	717	670	702	717	736	689	743	719
<b>Princess Anne Elementary (Opened Sept 1956; Addition Sept 1969; Gym Added Sept 1990; Addition Sept 1996)</b>										
Square Feet	77,953	77,953	77,953	77,953	77,953	77,953	77,953	77,953	77,953	77,953
Program Capacity	586	586	563	612	657	657	707	734	734	703
Enrollment	502	519	531	569	573	621	658	610	635	675
<b>Providence Elementary (Opened Sept 1981)</b>										
Square Feet	61,831	61,831	61,831	61,831	61,831	61,831	61,831	61,831	61,831	61,831
Program Capacity	617	617	648	576	608	576	576	614	606	561
Enrollment	585	559	551	552	550	539	561	521	529	530
<b>Red Mill Elementary (Opened Sept 1989; Addition Sept 2006)</b>										
Square Feet	69,788	69,788	69,788	69,788	69,788	69,788	69,788	69,788	69,788	69,788
Program Capacity	694	694	734	734	747	725	689	653	631	608
Enrollment	676	676	679	662	624	637	624	563	590	563
<b>Rosemont Elementary (Opened Sept 1981)</b>										
Square Feet	63,667	63,667	63,667	63,667	63,667	63,667	63,667	63,667	63,667	63,667
Program Capacity	423	423	433	458	438	458	441	469	482	473
Enrollment	403	414	409	411	397	394	375	432	425	430
<b>Rosemont Forest Elementary (Opened Jan 1987)</b>										
Square Feet	69,788	69,788	69,788	69,788	69,788	69,788	69,788	69,788	69,788	69,788
Program Capacity	583	583	562	635	635	635	545	559	605	551
Enrollment	513	509	523	502	495	519	508	456	529	520
<b>Salem Elementary (Opened Sept 1988)</b>										
Square Feet	66,890	66,890	66,890	66,890	66,890	66,890	66,890	66,890	66,890	66,890
Program Capacity	559	559	514	491	491	509	545	551	574	574
Enrollment	453	467	435	463	470	472	471	468	529	550
<b>Seatack Elementary (Opened Mar 1952; Addition Sept 1955; Addition Sept 1959; Gym Added Sept 1968; Replaced Mar 2000)</b>										
Square Feet	74,375	74,375	74,375	74,375	74,375	74,375	74,375	74,375	74,375	74,375
Program Capacity	410	410	425	382	436	436	432	445	419	378
Enrollment	381	387	383	398	391	356	446	383	366	379

Table 24

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL BUILDINGS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Shelton Park Elementary (Opened Sept 1954; Addition Sept 1961; Gym Added Sept 1977; Modernized Jan 2001)</b>										
Square Feet	81,576	81,576	81,576	81,576	81,576	81,576	81,576	81,576	81,576	81,576
Program Capacity	410	410	428	414	482	468	437	497	505	468
Enrollment	399	373	372	355	349	356	360	398	420	424
<b>Strawbridge Elementary (Opened Sept 1991)</b>										
Square Feet	84,948	84,948	84,948	84,948	84,948	84,948	84,948	84,948	84,948	84,948
Program Capacity	716	716	692	734	743	765	788	765	635	639
Enrollment	697	678	694	665	666	652	672	558	586	614
<b>Tallwood Elementary (Opened Sept 1989; Addition Jan 2006)</b>										
Square Feet	69,988	69,988	69,988	69,988	69,988	69,988	69,988	69,988	69,988	69,988
Program Capacity	620	620	590	657	657	644	644	639	603	585
Enrollment	546	527	558	565	581	592	607	585	562	592
<b>Thalia Elementary (Opened Sept 1956; Addition Sept 1963; Gym Added Sept 1989; Modernized Sept 2001)</b>										
Square Feet	91,550	91,550	91,550	91,550	91,550	91,550	91,550	91,550	91,550	91,550
Program Capacity	779	779	728	662	617	576	536	602	549	592
Enrollment	595	585	625	611	604	579	562	551	559	601
<b>Thoroughgood Elementary (Opened Sept 1958; Gym Added Sept 1990; Modernized Sept 1995; Demolished Sept 2018; Portables used in FY19,FY20; New Building opened Sept 2020)</b>										
Square Feet	66,259	66,259	66,259	66,259	66,259	40,032	40,032	91,913	91,913	91,913
Program Capacity	613	713	627	666	648	680	747	706	707	783
Enrollment	710	734	708	700	677	618	681	551	723	746
<b>Three Oaks Elementary (Opened Sept 2005)</b>										
Square Feet	92,210	92,210	92,210	92,210	92,210	92,210	92,210	92,210	92,210	92,210
Program Capacity	842	842	716	761	810	810	752	718	687	718
Enrollment	768	746	759	733	729	735	695	635	648	654
<b>Trantwood Elementary (Opened Sept 1963; Addition Sept 1969; Gym Added Sept 1990; Modernized Sept 2003)</b>										
Square Feet	81,040	81,040	81,040	81,040	81,040	81,040	81,040	81,040	81,040	81,040
Program Capacity	556	556	533	545	576	594	572	554	573	551
Enrollment	504	487	461	466	477	458	471	447	503	498
<b>White Oaks Elementary (Opened Sept 1978)</b>										
Square Feet	77,333	77,333	77,333	77,333	77,333	77,333	77,333	77,333	77,333	77,333
Program Capacity	648	648	688	626	617	621	639	684	667	653
Enrollment	683	673	651	608	563	600	603	647	628	674
<b>Bettie F. Williams Elementary (Opened Sept 1961; Addition Sept 1963; Gym Added Sept 1990; Addition Sept 1995)</b>										
Square Feet	77,656	77,656	77,656	77,656	77,656	77,656	77,656	77,656	77,656	77,656
Program Capacity	518	518	487	531	531	531	572	580	527	511
Enrollment	431	418	463	476	476	525	466	493	430	407
<b>Windsor Oaks Elementary (Opened Jul 1968; Replaced Sept 2009)</b>										
Square Feet	88,340	88,340	88,340	88,340	88,340	88,340	88,340	88,340	88,340	88,340
Program Capacity	601	601	591	630	576	554	554	567	491	549
Enrollment	600	583	559	582	593	590	580	527	498	508
<b>Windsor Woods Elementary (Opened Sept 1966; Gym Added Sept 1990; Replaced Sept 2007)</b>										
Square Feet	84,265	84,265	84,265	84,265	84,265	84,265	84,265	84,265	84,265	84,265
Program Capacity	463	463	433	473	473	437	396	441	412	476
Enrollment	362	385	357	343	332	342	353	401	439	454

Table 24

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL BUILDINGS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Woodstock Elementary (Opened Sept 1957; Addition Sept 1962; Gym Added Sept 1977; Replaced Nov 2002)</b>										
Square Feet	82,707	82,707	82,707	82,707	82,707	82,707	82,707	82,707	82,707	82,707
Program Capacity	687	687	752	765	671	689	675	684	657	635
Enrollment	736	718	688	699	677	702	693	690	652	660
<b>Middle Schools</b>										
<b>Bayside Middle (Opened Sept 1969; Addition Sept 2004)</b>										
Square Feet	180,134	180,134	180,134	180,134	180,134	180,134	180,134	180,134	180,134	180,134
Program Capacity	1,112	892	960	918	918	929	979	893	857	857
Enrollment	992	657	649	659	672	722	745	770	745	669
<b>Bayside 6th (Opened Sept 2014; Formerly Kemps Landing Magnet; 6th grade previously housed at Bayside Middle)</b>										
Square Feet	-	56,516	56,516	56,516	56,516	56,516	56,516	56,516	56,516	56,516
Program Capacity	-	504	500	346	445	434	454	390	359	350
Enrollment	-	351	375	348	437	394	433	403	345	322
<b>Brandon Middle (Opened Aug 1978)</b>										
Square Feet	190,586	190,586	190,586	190,586	190,586	190,586	190,586	190,586	190,586	190,586
Program Capacity	1,308	1,232	1,286	1,247	1,283	1,292	1,225	1,135	1,167	1,050
Enrollment	1,189	1,130	1,155	1,214	1,205	1,234	1,167	1,087	1,077	1,048
<b>Corporate Landing Middle (Opened Sept 1997)</b>										
Square Feet	235,093	235,093	235,093	235,093	235,093	235,093	235,093	235,093	235,093	235,093
Program Capacity	1,408	1,432	1,538	1,620	1,625	1,517	1,322	1,319	1,219	1,199
Enrollment	1,294	1,285	1,268	1,237	1,224	1,208	1,170	1,134	1,083	1,064
<b>Great Neck Middle (Opened Sept 1961; Addition Sept 1963; Replaced Jan 2012)</b>										
Square Feet	219,370	219,370	219,370	219,370	219,370	219,370	219,370	219,370	219,370	219,370
Program Capacity	1,360	1,360	1,460	1,373	1,384	1,386	1,330	1,194	1,226	1,178
Enrollment	1,097	1,147	1,161	1,175	1,177	1,140	1,106	1,066	1,072	1,052
<b>Independence Middle (Opened Sept 1974; Addition Sept 1996)</b>										
Square Feet	137,656	137,656	137,656	137,656	137,656	137,656	137,656	137,656	137,656	137,656
Program Capacity	1,276	1,312	1,370	1,215	1,148	1,247	1,181	1,240	1,293	1,179
Enrollment	1,289	1,280	1,269	1,192	1,217	1,274	1,281	1,236	1,174	1,169
<b>Kemps Landing Magnet (Opened Sept. 1974; Addition Sept. 1995; Relocated to former Princess Anne Middle School Sept. 2014; Relocated to new Bldg on Honeygrove Rd. Apr. 2017)</b>										
Square Feet	54,516	80,939	80,939	80,939	82,711	82,711	82,711	82,711	82,711	82,711
Program Capacity	672	672	666	567	675	750	807	868	831	831
Enrollment	595	595	627	688	720	760	772	811	790	817
<b>Kempsville Middle (Opened Sept 1969)</b>										
Square Feet	136,287	136,287	136,287	136,287	136,287	136,287	136,287	136,287	136,287	136,287
Program Capacity	828	828	868	797	869	896	842	798	847	865
Enrollment	834	789	805	820	802	770	765	781	783	736
<b>Landstown Middle (Opened Sept 1992)</b>										
Square Feet	201,000	201,000	201,000	201,000	201,000	201,000	201,000	201,000	201,000	201,000
Program Capacity	1,628	1,552	1,634	1,499	1,571	1,481	1,436	1,377	1,424	1,415
Enrollment	1,516	1,485	1,464	1,452	1,423	1,412	1,428	1,344	1,338	1,267

Table 24

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL BUILDINGS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Larkspur Middle (Opened Nov 1994)</b>										
Square Feet	247,264	247,264	247,264	247,264	247,264	247,264	247,264	247,264	247,264	247,264
Program Capacity	1,684	1,776	1,910	1,763	1,763	1,710	1,680	1,647	1,694	1,588
Enrollment	1,632	1,620	1,520	1,544	1,523	1,557	1,599	1,563	1,555	1,529
<b>Lynnhaven Middle (Opened Sept 1974; Addition Sept 1995)</b>										
Square Feet	140,099	140,099	140,099	140,099	140,099	140,099	140,099	140,099	140,099	140,099
Program Capacity	1,092	1,160	1,250	1,071	1,250	1,259	1,250	1,062	1,049	932
Enrollment	962	866	863	896	912	898	956	957	974	868
<b>Plaza Middle (Opened Sept 1969)</b>										
Square Feet	157,869	157,869	157,869	157,869	157,869	157,869	157,869	157,869	157,869	157,869
Program Capacity	1,172	1,165	1,129	1,053	1,179	1,197	1,059	1,068	1,076	1,013
Enrollment	1,095	1,066	1,083	1,062	1,090	1,088	1,035	1,013	1,020	1,024
<b>Princess Anne Middle (Opened Sept 1962, Addition Sept 1967; Modernization Sept 1990; Addition Sept 1996; Relocated to former Floyd E. Kellam HS Bldg on Holland Road April 2014, New Building Opened Sept 2021)</b>										
Square Feet	135,592	222,571	222,571	222,571	222,571	222,571	222,571	222,571	222,571	222,571
Program Capacity	1,474	1,563	1,671	1,449	1,584	1,503	1,378	1,315	1,363	1,315
Enrollment	1,467	1,459	1,479	1,460	1,505	1,441	1,382	1,289	1,335	1,395
<b>Salem Middle (Opened Sept 1988)</b>										
Square Feet	217,500	217,500	217,500	217,500	217,500	217,500	217,500	217,500	217,500	217,500
Program Capacity	1,044	1,016	1,070	1,031	1,031	1,040	1,064	1,092	1,023	1,023
Enrollment	1,009	1,034	1,044	1,041	1,023	1,058	1,076	1,120	1,124	1,083
<b>Virginia Beach Middle (Opened Sept 1952; Addition Sept 1964; Gym Added Sept 1977; Modernized Sept 1993; Replaced Mar 2010)</b>										
Square Feet	189,730	189,730	189,730	189,730	189,730	189,730	189,730	189,730	189,730	189,730
Program Capacity	968	968	1,040	923	954	896	817	758	671	638
Enrollment	917	873	839	835	865	801	739	647	609	577
<b>High Schools</b>										
<b>Bayside High (Opened Sept 1964; Addition Sept 1967; Modernized Sept 1990; Addition Sept 1995)</b>										
Square Feet	200,816	200,816	200,816	200,816	200,816	200,816	200,816	200,816	200,816	200,816
Program Capacity	1,895	1,905	1,912	1,827	1,827	1,859	2,056	2,061	1,985	2,109
Enrollment	1,801	1,824	1,825	1,799	1,868	1,842	1,852	1,871	1,882	1,917
<b>Frank W. Cox High (Opened Sept 1961; Replaced Sept 1983)</b>										
Square Feet	236,744	236,744	236,744	236,744	236,744	236,744	236,744	236,744	236,744	236,744
Program Capacity	1,937	1,939	1,946	1,955	1,955	1,911	1,986	1,963	1,875	1,875
Enrollment	1,894	1,858	1,889	1,784	1,816	1,783	1,746	1,772	1,697	1,663
<b>First Colonial High (Opened Sept 1966; Addition Sept 1968; Addition Sept 1996)</b>										
Square Feet	178,266	178,266	178,266	178,266	178,266	178,266	178,266	178,266	178,266	178,266
Program Capacity	1,818	1,810	1,813	1,919	1,811	1,883	1,874	1,614	1,621	1,631
Enrollment	1,993	2,004	1,923	1,873	1,804	1,828	1,807	1,766	1,725	1,738
<b>Green Run High (Opened Sept 1979; Green Run Collegiate Public Charter School opened in Sept 2013 using part of this building.)</b>										
Square Feet	225,221	225,221	225,221	225,221	225,221	225,221	225,221	225,221	225,221	225,221
Program Capacity	1,510	1,546	1,556	1,663	1,526	1,512	1,522	1,486	1,313	1,350
Enrollment	1,566	1,276	1,528	1,425	1,398	1,331	1,317	1,349	1,436	1,464

Table 24

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL BUILDINGS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Floyd E. Kellam High (Opened New Building on West Neck Road Jan 2014)</b>										
Square Feet	336,410	349,350	349,350	349,350	349,350	349,350	349,350	349,350	349,350	349,350
Program Capacity	2,000	1,861	1,867	1,857	1,857	1,868	1,868	2,120	2,093	2,093
Enrollment	1,838	1,986	2,029	2,021	2,038	1,959	1,944	1,934	1,893	1,875
<b>Kempsville High (Opened Sept 1966; Addition Sept 1968; Modernized Sept 1991; Addition Sept 1995)</b>										
Square Feet	202,665	202,665	202,665	202,665	202,665	202,665	202,665	202,665	202,665	202,665
Program Capacity	1,985	1,971	1,985	1,908	1,969	2,056	2,092	2,060	2,026	2,083
Enrollment	1,559	1,522	1,465	1,549	1,632	1,671	1,743	1,786	1,894	1,963
<b>Landstown High (Opened Sept 2001; Addition Jan 2007)</b>										
Square Feet	308,924	308,924	308,924	308,924	308,924	308,924	308,924	308,924	308,924	308,924
Program Capacity	2,332	2,368	2,385	2,543	2,594	2,569	2,512	2,031	2,354	2,373
Enrollment	2,195	2,195	2,208	2,183	2,139	2,163	2,162	2,177	2,185	2,212
<b>Ocean Lakes High (Opened Sept 1994; Addition Jan 2007)</b>										
Square Feet	330,525	330,525	330,525	330,525	330,525	330,525	330,525	330,525	330,525	330,525
Program Capacity	2,501	2,570	2,586	2,705	2,731	2,668	2,642	2,353	2,348	2,375
Enrollment	2,177	2,157	2,126	2,102	2,074	2,040	2,011	1,964	1,962	1,843
<b>Princess Anne High (Opened Aug 1954; Modernized Sept 1987; Modernized (due to major fire damage) Jan 1997)</b>										
Square Feet	228,860	228,860	228,860	228,860	228,860	228,860	228,860	228,860	228,860	228,860
Program Capacity	1,675	1,704	1,737	1,945	1,917	1,880	1,835	1,585	1,599	1,599
Enrollment	1,822	1,780	1,800	1,833	1,779	1,751	1,732	1,740	1,708	1,724
<b>Salem High (Opened Sept 1989)</b>										
Square Feet	260,889	260,889	260,889	260,889	260,889	260,889	260,889	260,889	260,889	260,889
Program Capacity	1,932	1,930	1,938	1,850	1,850	1,833	2,047	1,850	1,843	1,897
Enrollment	1,774	1,766	1,726	1,677	1,702	1,705	1,711	1,726	1,661	1,646
<b>Tallwood High (Opened Sept 1992)</b>										
Square Feet	294,457	294,457	294,457	294,457	294,457	294,457	294,457	294,457	294,457	294,457
Program Capacity	2,237	2,219	2,233	2,168	2,352	2,376	2,392	2,151	2,116	2,116
Enrollment	1,931	1,942	1,956	1,938	1,946	1,839	1,853	1,901	1,827	1,848
<b>Renaissance Academy - Middle/High Campuses (Opened Dec 2009)</b>										
Square Feet	284,968	284,968	284,968	284,968	284,968	284,968	284,968	284,968	284,968	284,968
Program Capacity	1,226	1,236	1,197	1,191	1,231	1,231	1,119	1,157	1,158	1,218
Enrollment	556	510	438	429	379	428	399	322	287	394
<b>Green Run Collegiate Public Charter School (Opened Sept 2013; located at Green Run High School)</b>										
Square Feet	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Program Capacity	400	400	400	400	400	400	400	400	400	400
Enrollment	123	221	282	364	337	360	371	395	400	372

Note: Program Capacity is the maximum capacity of the school building for a particular school year and particular student population, taking into account the number of first seats in the building (without counting portables currently on site).

Source: The Department of School Division Services

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STUDENT MEMBERSHIP**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	September 30 Membership	March 31 Average Daily Membership	End-of-Year Membership	Average Daily End-of-Year Membership
2014	69,385	68,569	68,403	68,918
2015	68,934	68,351	68,188	68,686
2016	68,568	67,890	67,719	68,244
2017	67,868	67,152	67,059	67,502
2018	67,621	67,091	67,052	67,393
2019	67,181	66,593	66,599	66,944
2020	67,262	66,714	66,996	67,172
2021	64,289	63,452	63,056	63,647
2022	64,120	63,579	63,640	63,909
2023	64,050	65,183	63,129	63,661

**Note** This table represents membership data reported to the Commonwealth of Virginia Department of Education at different points during the year. The September 30 Membership is the sum of pupils present and absent on September 30 or the school day closest to September 30 (however, excludes pre-kindergarten pupils). The March 31 Average Daily Membership is the average daily membership for the first seven months of the school year. The End-of-Year Membership is the sum of the pupils present and absent on the last day of the school year. The Average Daily End-of-Year Membership is the average daily membership for the school year.

Source: Commonwealth of Virginia, Superintendent's Annual Report for Virginia

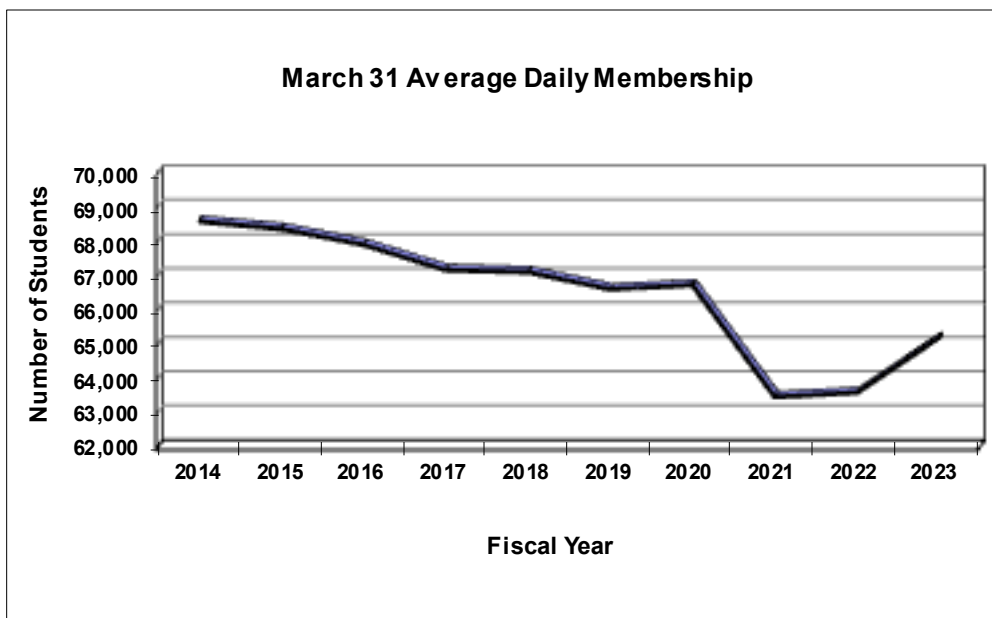


Table 26

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STUDENT MEMBERSHIP BY ETHNIC GROUP**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	African American	%	Caucasian	%	Hispanic	%	Asian	%	Pacific Islander	%	Native American	%	Unspecified or 2 or More	%
2014	16,990	24.1	36,000	51.0	7,251	10.3	3,998	5.7	328	0.5	237	0.3	5,752	8.1
2015	16,886	24.1	35,428	50.5	7,389	10.5	3,947	5.6	331	0.5	203	0.3	5,937	8.5
2016	16,666	23.9	34,866	50.0	7,599	10.9	4,005	5.7	342	0.5	167	0.2	6,132	8.8
2017	16,543	23.9	34,144	49.4	7,664	11.1	4,051	5.9	340	0.5	157	0.2	6,186	9.0
2018	16,398	23.8	33,647	48.8	7,819	11.3	4,164	6.0	348	0.5	158	0.2	6,448	9.4
2019	16,146	23.5	33,083	48.2	8,035	11.7	4,153	6.1	346	0.5	160	0.2	6,701	9.8
2020	15,835	23.0	32,749	47.7	8,552	12.4	4,211	6.1	344	0.5	152	0.2	6,863	10.1
2021	15,412	23.5	30,284	46.2	8,445	12.9	4,150	6.3	333	0.5	152	0.2	6,836	10.4
2022	15,137	23.1	30,232	46.2	8,637	13.2	4,030	6.2	332	0.5	152	0.2	6,978	10.6
2023	15,076	23.0	29,840	45.5	8,919	13.6	4,052	6.2	316	0.5	151	0.2	7,196	11.0

Note: This table is based on the September 30 student membership (includes pre-kindergarten pupils).

Source: Departments of Technology and School Administration

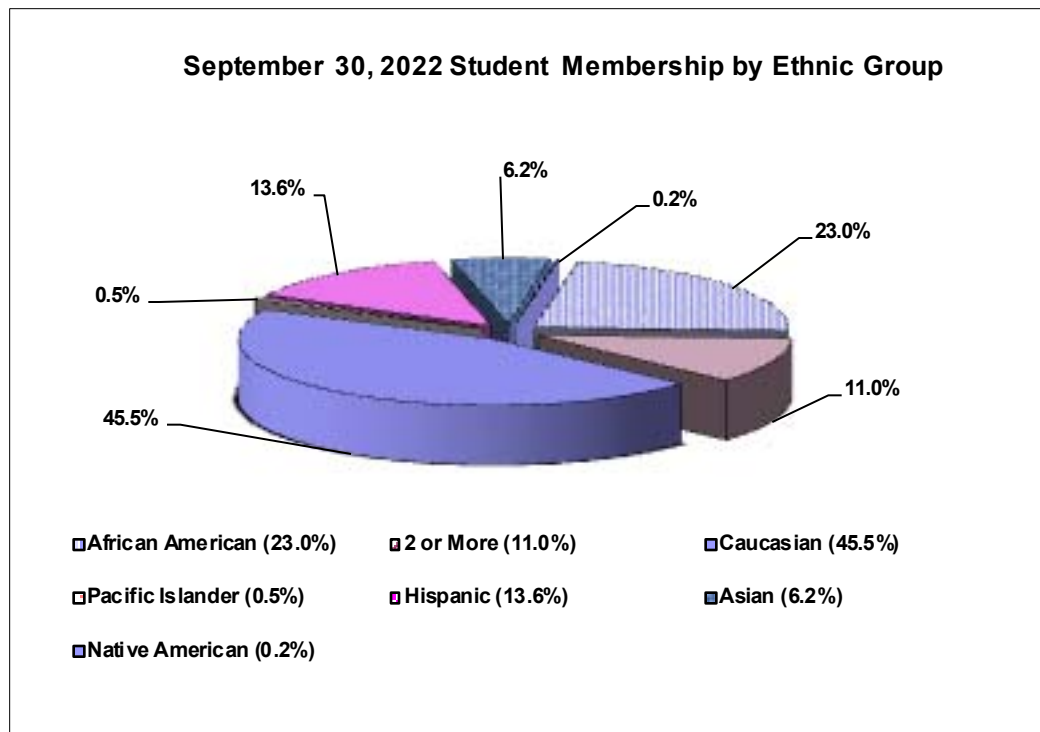


Table 27

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
CITY OF VIRGINIA BEACH, VIRGINIA - MISCELLANEOUS STATISTICAL DATA  
JUNE 30, 2023 (unaudited)

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Date of Incorporation	January 1, 1963
Form of Government	Council - Manager
Area - Square Miles	310
Land	259
Water	51
Culture and Recreation:	
Developed District Parks	6
Developed Community Parks	12
Developed Neighborhood Parks	176
Natural Parks	6
Other Park Areas	89
Acres in Developed Parks	3,924
Golf Courses (City Owned)	4
Recreation Centers	7
Population:	
Census 1970	172,106
Census 1980	262,199
Census 1990	393,069
Census 2000	425,257
Census 2010	437,994
Census 2020	459,470
Current Estimate	455,618



Table 28

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
CITY OF VIRGINIA BEACH, VIRGINIA - PRINCIPAL EMPLOYER  
Current Fiscal Year and Nine Years Ago (unaudited)

	Approximate Number of Employees	Percent of Total City Employment	Rank	Approximate Number of Employees	Percent of Total City Employment	Rank
	2023			2014		
City of Virginia Beach / Schools	18,269	7.84 %	1	17,860	8.14 %	1
Naval Air Station Oceana/Dam Neck	5,850	2.51	2	3,600	1.64	4
Sentara Healthcare	5,200	2.23	3	5,189	2.37	3
Joint Expeditionary Base Little Creek/Ft. St	3,600	1.55	4	6,000	2.74	2
GEICO General Insurance company	2,700	1.16	5	2,300	1.05	7
Lynnhaven Mall	2,600	1.12	6	2,600	1.19	5
Gold Key/PHR Hotels and Resorts	2,365	1.02	7	2,365	1.08	6
STIHL Inc	2,113	0.91	8	2,067	0.94	8
Amerigroup (Anthem)	1,850	0.79	9	1,850	0.84	9
Navy Exchange Service Command	1,550	0.67	10	1,550	0.71	10
Totals	<u>46,097</u>	<u>19.80 %</u>		<u>45,381</u>	<u>20.70 %</u>	

Source: City of Virginia Beach - Department of Finance, Department of Economic Development and Department of Budget and Management Services

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**CITY OF VIRGINIA BEACH, VIRGINIA - DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years (unaudited)**

<b>Fiscal Year</b>	<b>Population*</b>	<b>Personal Income ** (thousands)</b>	<b>Per Capita Personal Income**</b>	<b>Median Age</b>	<b>Number of City Employees</b>	<b>Education Level in Years of Formal Schooling</b>	<b>Local Unemployment Rate</b>
2014	451,672	\$22,525,869	\$49,773	35.7	7,669	13.9	5.5%
2015	453,500	23,587,639	51,853	35.9	7,560	14.0	4.4%
2016	453,628	24,289,218	53,196	35.9	7,370	13.9	3.8%
2017	454,448	25,080,703	54,964	36.4	7,087	13.9	3.8%
2018	453,410	25,175,706	55,065	36.4	7,255	13.9	2.8%
2019	452,643	26,065,921	56,876	36.4	7,332	13.9	2.7%
2020	454,209	27,593,887	60,069	36.9	7,410	14.0	8.2%
2021	459,470	29,264,545	63,942	36.6	7,388	14.2	4.2%
2022	458,028	30,064,333	65,986	37.1	7,419	14.2	3.7%
2023	455,358	-	-	36.7	7,591	14.2	2.8%

\* Weldon Cooper Center for Public Service ; except for 2022 which is a projection.

\*\* Figures updated to reflect the latest data released by the Bureau of Economic Analysis on November 16, 2022

- Not Available

Source: City of Virginia Beach - Department of Finance and Department of Economic Development

The following sources were used by the City in compiling the above information:

Weldon Cooper Center for Public Service  
 Virginia Employment Commission  
 Bureau of Economic Analysis  
 United States Census Bureau

Table 30

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
CITY OF VIRGINIA BEACH, VIRGINIA - PRINCIPAL PROPERTY TAXPAYERS  
CURRENT FISCAL YEAR AND NINE YEARS AGO (unaudited)

	Real Property Assessed Value	Percent of Total Real Property Assessed Value	Rank	Real Property Assessed Value	Percent of Total Real Property Assessed Value	Rank
	2023			2014		
Armada Hoffler	\$ 593,275,500	0.85 %	1	\$ 305,596,200	0.62 %	4
Ramon W. Breeden, Jr.	587,046,300	0.84	2	325,456,300	0.66	2
Dominion Energy, Inc. *	536,630,228	0.77	3	314,843,428	0.63	3
A.D. & L.E. Fleder & J. M. & R.J. Caplan	379,743,600	0.54	4	241,364,200	0.49	6
E. C. & A. F. Ruffin & B. L. Thompson	357,910,000	0.51	5	409,736,900	0.83	1
Lynnhaven Mall LLC	265,809,200	0.38	6	303,446,700	0.61	5
Watergate Treehouse Assoc. LP	186,155,700	0.27	7	110,952,300	0.22	9
Pembroke Square Associates	185,655,200	0.27	8	168,112,500	0.34	7
Virginia Natural Gas, Inc	178,372,585	0.26	9	80,563,914	0.16	10
Cheryl P. McLeskey	165,047,000	0.24	10	118,974,700	0.24	8
Totals	<u>\$ 3,435,645,313</u>	<u>4.93 %</u>		<u>\$ 2,379,047,142</u>	<u>4.80 %</u>	

\* Formerly Virginia Electric & Power Company

Source: City of Virginia Beach - Department of Finance, Office of Real Estate Assessor, and Commissioner of the Revenue

Table 31

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**CITY OF VIRGINIA BEACH, VIRGINIA - ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	Real Property Assessed Value		Personal Property Assessed Value		Public Service Assessed Value	Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial	Residential	Commercial				
2014	\$ 40,590,297,065	\$ 8,147,317,125	\$ 3,362,985,338	\$ 971,033,585	\$ 889,050,800	\$ 53,960,683,913	\$ 53,960,683,913	100.0%
2015	42,110,642,755	8,466,636,425	3,446,918,395	1,122,915,183	875,496,571	56,022,609,329	56,022,609,329	100.0%
2016	43,302,214,028	8,714,160,476	3,552,544,174	1,029,515,444	895,479,945	57,493,914,067	57,493,914,067	100.0%
2017	45,017,777,981	8,822,768,056	3,612,948,282	1,079,435,074	945,094,380	59,478,023,773	59,478,023,773	100.0%
2018	46,426,321,920	9,094,379,313	3,662,270,285	1,124,495,564	983,607,868	61,291,074,950	61,291,074,950	100.0%
2019	47,819,472,210	9,479,885,409	4,465,618,146	1,181,448,770	1,020,179,772	63,966,604,307	63,966,604,307	100.0%
2020	49,373,623,875	9,975,795,660	4,570,825,950	1,410,040,850	1,046,921,797	66,377,208,132	66,377,208,132	100.0%
2021	51,177,172,399	10,254,365,192	5,151,658,034	744,898,436	1,111,754,367	68,439,848,428	68,439,848,428	100.0%
2022	53,720,116,305	10,096,383,587	5,484,917,057	1,665,362,748	1,131,096,865	72,097,876,562	72,097,876,562	100.0%
2023	59,655,289,015	10,026,808,819	5,721,976,158	1,186,640,535	1,193,996,250	77,784,710,777	77,784,710,777	100.0%

Source: City of Virginia Beach - Department of Finance, Office of Real Estate Assessor and Commissioner of the Revenue.

Table 32

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**CITY OF VIRGINIA BEACH, VIRGINIA - PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$527,036,431	\$509,339,982	96.6%	\$16,193,709	\$525,533,691	99.7%
2015	558,420,893	537,056,367	96.2%	18,365,505	555,421,872	99.5%
2016	613,105,892	589,411,524	96.1%	18,629,325	608,040,849	99.2%
2017	634,993,466	609,085,906	95.9%	19,983,532	629,069,438	99.1%
2018	662,272,634	636,789,707	96.2%	22,187,597	658,977,304	99.5%
2019	688,073,333	638,348,095	92.8%	23,473,695	661,821,790	96.2%
2020	722,621,429	631,762,062	87.4%	66,091,985	697,854,047	96.6%
2021	783,423,955	687,116,605	87.7%	46,812,549	733,929,154	93.7%
2022	788,255,076	707,907,083	89.8%	31,713,848	739,620,931	93.8%
2023	861,007,212	755,199,729	87.7%	-	755,199,729	87.7%

**Note:** Collections in subsequent years represent delinquent accounts collected during the course of any fiscal year subsequent to the fiscal year of the tax levy.

**Source:** City of Virginia Beach - Department of Finance, Office of Real Estate Assessor and Commissioner of the Revenue.

Table 33

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**CITY OF VIRGINIA BEACH, VIRGINIA - REVENUE RATES FOR REAL ESTATE AND PERSONAL PROPERTY**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year	Base Real Property Tax Rate	Additional Real Property Tax Rate Sandbridge SSD	Additional Real Property Tax Rate Town Center SSD	Additional Real Property Tax Rate Old Donation SSD	Additional Real Property Tax Rate Bayville Creek SSD	Additional Real Property Tax Rate Shadowlawn SSD	Additional Real Property Tax Rate Chesapeakeian SSD
2014	\$ 0.9300	\$ 0.0600	\$ 0.4500	\$ 0.1840	\$ 0.3630	\$ 0.1594	\$ -
2015	0.9300	0.0600	0.4500	0.1840	0.3630	0.1594	0.2913
2016	0.9900	0.0600	0.4500	0.1840	0.3630	0.1594	0.2913
2017	0.9900	0.0600	0.4500	0.1840	0.3630	0.1594	0.2913
2018	1.0025	0.0600	0.4500	0.1840	0.5690	0.1594	0.2913
2019	1.0025	0.0600	0.4500	0.1840	0.4720	0.1594	0.2913
2020	1.0175	0.0400	0.4500	0.1840	0.4720	0.1594	0.2913
2021	1.0175	0.0400	0.4500	0.1840	0.4720	0.1594	0.2913
2022	0.9900	0.0400	0.4500	0.1840	0.4720	0.1594	0.2913
2023	0.9900	0.0200	0.4500	0.1840	0.4720	0.1594	0.2913

Fiscal Year	Base Real Property Tax Rate	Additional Real Property Tax Rate Harbor Point SSD	Additional Real Property Tax Rate Gills Cove SSD	Additional Real Property Tax Rate Hurds Cove SSD	Additional Real Property Tax Rate Shilling Point	Personal Property Tax Rate
2014	\$ 0.9300	-	-	-	-	\$ 3.7000
2015	0.9300	\$ 0.0790	\$ 0.0630	-	-	4.0000
2016	0.9900	0.0790	0.0630	\$ 0.4380	-	4.0000
2017	0.9900	0.0790	0.0630	0.4380	-	4.0000
2018	1.0025	0.0790	0.0630	0.4380	-	4.0000
2019	1.0025	0.1200	0.0630	0.4380	-	4.0000
2020	1.0175	0.1200	0.0630	0.4380	\$ 0.4040	4.0000
2021	1.0175	0.1200	0.0630	0.4380	0.4040	4.0000
2022	0.9900	0.1200	0.0630	0.4380	0.4040	4.0000
2023	0.9900	0.1200	0.0630	0.4380	0.4040	4.0000

Notes: (1) The City is the only entity with local taxing authority within its boundaries.  
(2) Real Property Tax Rate is applied to real estate such as land and buildings.  
(3) Personal Property Tax Rate is applied to Personal Property such as automobiles and equipment  
(4) The tax bases are mutually exclusive

Source: City of Virginia Beach - Department of Finance/City Adopted Resource Management Plan

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**CITY OF VIRGINIA BEACH, VIRGINIA - RATIOS OF OUTSTANDING GENERAL BONDED DEBT BY TYPE**  
**Last Ten Fiscal Years (unaudited)**

<b>Fiscal Year*</b>	<b>General Obligation Bonds</b>	<b>State Literary Fund Loans</b>	<b>Appropriation Backed Debt**</b>	<b>Total</b>	<b>Percentage of Estimated Actual Full Value of Property</b>	<b>General Bonded Debt Per Capita***</b>
2014	\$ 720,118,515	\$ 3,500,000	\$ 383,138,178	\$ 1,106,756,693	2.1%	\$ 2,256
2015	716,612,342	2,875,000	405,353,486	1,124,840,828	2.0%	2,258
2016	721,310,401	2,250,000	373,133,427	1,096,693,828	1.9%	2,195
2017	655,854,925	1,875,000	360,528,148	1,018,258,073	1.7%	2,040
2018	664,558,868	1,500,000	360,314,441	1,026,373,309	1.7%	2,056
2019	600,663,013	1,125,000	321,622,445	923,410,458	1.4%	1,856
2020	649,974,113	750,000	467,510,392	1,118,234,505	1.7%	2,174
2021	585,872,515	375,000	429,128,906	1,015,376,421	1.5%	1,975
2022	634,010,034	-	378,137,659	1,012,147,693	1.4%	1,971
2023	570,888,217	-	329,158,637	900,046,854	1.2%	1,971

Source: City of Virginia Beach - Department of Finance

\*Fiscal Years 2014-2023 have been adjusted to reflect the related unamortized premium.

\*\*Appropriation Backed Debt includes all Governmental Public Facility Revenue Bonds, Capital Leases, COPs, Williams Farm, and Business Type Virginia Beach Development Authority Debt.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**CITY OF VIRGINIA BEACH, VIRGINIA - LEGAL DEBT MARGIN INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

	Fiscal Year			
	2014	2015	2016	2017
Debt Limit	\$ 4,962,666,499	\$ 5,145,277,575	\$ 5,291,185,445	\$ 5,478,360,985
Total Net Debt Applicable to Limit	712,384,323	697,079,775	697,520,721	641,749,326
Legal Debt Margin	\$ 4,250,282,176	\$ 4,448,197,800	\$ 4,593,664,724	\$ 4,836,611,659
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	14.35%	13.55%	13.18%	11.71%

Source: City of Virginia Beach - Department of Finance, Office of the Real Estate Assessor, Virginia State Corporation Commission, Public Service Corporations Report and Personal Property Assessment.

Note: Total net debt applicable to the limit is tax-supported debt, which includes General Obligation Bonds, State Literary Fund debt for Public Schools, and Agricultural Reserve Program installment purchase agreements. Under State law, the City's outstanding general obligation debt should not exceed 10% of total assessed property value. In addition, the City has established financial affordability indicators to restrict debt as follows:

- The total annual debt service for general government supported debt will not exceed 10% of general government expenditures (excluding interfund transfers).
- The City's overall net debt may not exceed 3.0% of the estimated full value of taxable real property.
- The City's fixed costs (tax-supported debt plus annual costs for pension and OPEB) may not exceed 20% of general government expenditures.
- The City's ten-year pay-out of tax-supported debt shall be greater than 50%.



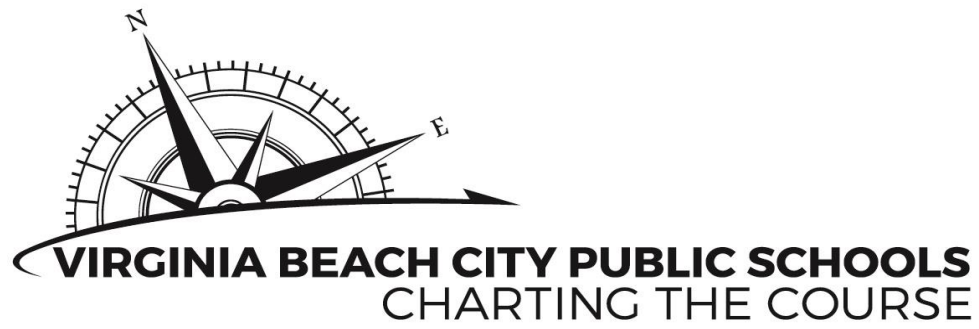
Table 35

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**CITY OF VIRGINIA BEACH, VIRGINIA - LEGAL DEBT MARGIN INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 5,650,206,962	\$ 5,831,703,750	\$ 6,039,301,442	\$ 6,253,886,891	\$ 6,494,389,031	\$ 7,087,220,908
646,061,132	590,409,579	629,730,209	575,052,122	613,872,302	552,965,034
<u>\$ 5,004,145,830</u>	<u>\$ 5,241,294,171</u>	<u>\$ 5,409,571,233</u>	<u>\$ 5,678,834,769</u>	<u>\$ 5,880,516,729</u>	<u>\$ 6,534,255,874</u>
11.43%	10.12%	10.43%	9.20%	9.45%	7.80%

**Legal Debt Margin Calculation For Fiscal Year**  
**2023 Assessed Value of Real Property**

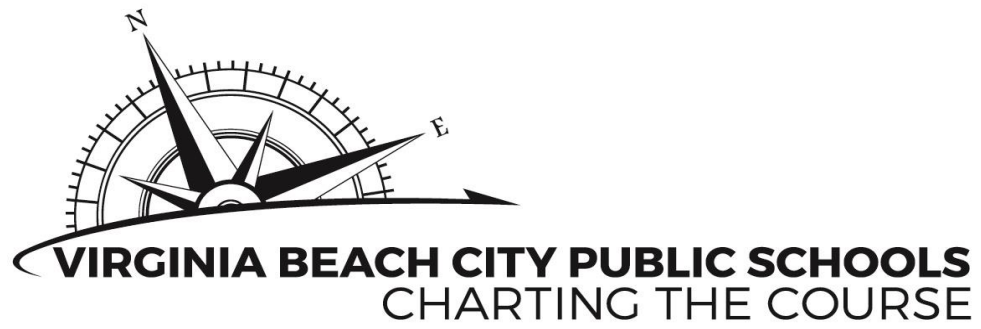
Regular	\$ 69,682,097,834
Public Service (excluding vehicle assessments)	1,190,111,242
Total Assessed Value of Real Property	<u>\$ 70,872,209,076</u>
Debt Limit (10% of Total Assessed Value)	\$ 7,087,220,908
Total Net Debt applicable to limit	552,965,034
Legal Debt Margin	<u>\$ 6,534,255,874</u>



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# COMPLIANCE SECTION



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**Report of Independent Auditor 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 School Board  
City of Virginia Beach, 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 “Specifications”), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board of the City of Virginia Beach, Virginia (the “School Board”), a component unit of the City of Virginia Beach, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School Board’s basic financial statements, and have issued our report thereon dated December 15, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School Board’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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School Board’s internal control.

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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School Board’s financial statements are free from 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the Specifications.

**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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cherry Bekaert LLP*

Virginia Beach, Virginia  
December 15, 2023



## ALL PUBLICATIONS

Donald E. Robertson Jr., Ph.D., Acting Superintendent  
Virginia Beach City Public Schools  
2512 George Mason Drive, Virginia Beach, VA 23456-0038

Produced by the Department of Communications and Community Engagement for the Department of Budget and Finance.  
For further information, please call (757) 263-1033.

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The School Division is committed to providing educational environments that are free of discrimination, harassment, and bullying. Students, staff, parents/legal guardians who have concerns about discrimination, harassment, or bullying should contact the school administration at their school. Promptly reporting concerns will allow the school to take appropriate actions to investigate and resolve issues. School Board Policy [5-7](#) addresses non-discrimination and anti-harassment, Policy [5-44](#) addresses sexual harassment and discrimination based on sex or gender. Policy [5-36](#) and its supporting regulations address other forms of harassment.

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2023