

FY2023-2024



City of Roanoke, VA

Annual Comprehensive Financial Report



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year July 1, 2023 to June 30, 2024



DEPARTMENT OF FINANCE
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INTRODUCTORY SECTION



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May 15, 2025

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

I am pleased to present the City of Roanoke, Virginia (the “City”) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024, in accordance with Section 25.1(f) of the Roanoke City Charter and the Code of Virginia section 15.2-2511. The Charter requires the City to issue an annual report on its financial position and activity and to have the financial statements included in the report audited by an independent firm of certified public accountants. This report was prepared by the Department of Finance in conformity with generally accepted accounting principles (GAAP) in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB), and the financial statements included in the report were audited by Brown Edwards & Company.

The annual report is intended to provide financial information to our residents, City Council, our creditors, those who invest in us and any other entities that seek complete financial information about the City.

This annual report consists of management’s representations concerning the City’s finances. The City assumes full responsibility for the completeness and fairness of presentation of the information presented within it. To provide a reasonable basis for making these representations, a comprehensive internal control framework has been established to ensure compliance with applicable laws and regulations and City policy, safeguard the City’s assets, and provide sufficient reliable information for the preparation of the City’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City’s comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and accurate, in all material respects, and presents fairly the financial position and results of operations of the various funds and component units of the City.

The City engaged Brown Edwards & Company, licensed certified public accountants and advisors, to independently audit the City’s financial statements. The goal of the audit is to provide reasonable assurance that the financial statements found herein are free from material misstatement. Tests of the City’s internal control structure and of its compliance with applicable laws and regulations were conducted.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the Government

Roanoke, the largest city in the Commonwealth of Virginia west of Richmond, is located in Virginia’s Blue Ridge Region. Chartered by the Commonwealth of Virginia as a city in 1884, Roanoke encompasses a land area of forty-three square miles, and operates under a council-manager form of government. The City’s 2023-

2024 population was 97,847, according to the Bureau of Economic Analysis of the U.S. Department of Commerce, and accounts for 31.1% of the population in its Metropolitan Statistical Area (MSA), which includes the neighboring City of Salem, Town of Vinton and the Counties of Roanoke, Botetourt, Craig and Franklin.

The primary government provides a full range of services including general government administration, public safety, public works, recreational activities, judicial administration, health and welfare activities and community development activities. The City of Roanoke also owns and operates The Berglund Center (civic facility) and parking facilities, including both garages and surface lots.

Annual Report Organization

The City of Roanoke's annual report includes all funds of the City, the primary government, and its two component units as discussed below.

The City's reporting entity includes two discretely presented component units. A component unit is a legally separate entity for which the City is accountable. The City's discretely presented component units are presented in separate columns in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from that of the primary government.

The Greater Roanoke Transit Company (GRTC) is responsible for managing Roanoke's mass transit system. It is overseen by a seven-member board appointed by City Council. The Board is comprised of two City Council members, two City employees, a City of Salem representative, a Town of Vinton representative, and one representative of the physically challenged community. The Transit Company is wholly owned by the City of Roanoke, and it receives significant financial support from the City.

The School Board of the City of Roanoke is comprised of seven members, appointed by City Council.

The annual report is presented in four sections listed below:

- **Introductory Section:** This includes the letter of transmittal, a certificate of achievement for excellence in financial reporting, the City's organization chart and a list of principal officers.
- **Financial Section:** This includes Management's Discussion and Analysis (MD&A), government-wide and fund financial statements, notes to the financial statements, required and other supplementary information and the independent auditor's report on the MD&A, financial statements and schedules.
- **Statistical Section:** This section contains selected financial and demographic information generally presented on a multi-year basis.
- **Compliance Section:** This section contains information on City programs that are financed by federal grants. This information is required by the Single Audit Act and by the Commonwealth of Virginia Auditor of Public Accounts.

Budget Development

Annually, the City adopts a balanced budget which provides the basis for management of resources, a plan for spending and control of resources and assets, the purpose of which is to ensure compliance with the legal provisions established by City Council or external entities. The City develops its annual budget using a budget committee, focusing on City Council's strategic plan and priorities. The City Manager presents a recommended

balanced budget to City Council for review and deliberation. The recommended budget is what community members, citizens, and anyone with interest speak to at the public hearing. Separate public hearings are held related to proposed tax rates. Pursuant to the public hearings, the budget committee incorporates Council and Public comments and requests as appropriate and as possible for further deliberation. Changes are incorporated into the final budget ordinance for adoption no later than May 15 of each year. Budgetary control is at the department or unit level.

Local Economy Composition

The City is the cultural and economic center of Southwest Virginia and is the largest city west of Richmond. The City is home to approximately 100,000 and has an economy consisting of services, wholesale and retail trade, construction, manufacturing, transportation, health care, research & development, technology, warehousing, finance, insurance, real estate, public administration, and management of companies and enterprises. There are also companies specifically related to the arts, recreation, and utilities. With a spread of industry composing the City's makeup and offerings allows for more stability overall, with more minimal disruption if one area of the economy is more impacted from national or international developments.

Comprehensive Plan

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

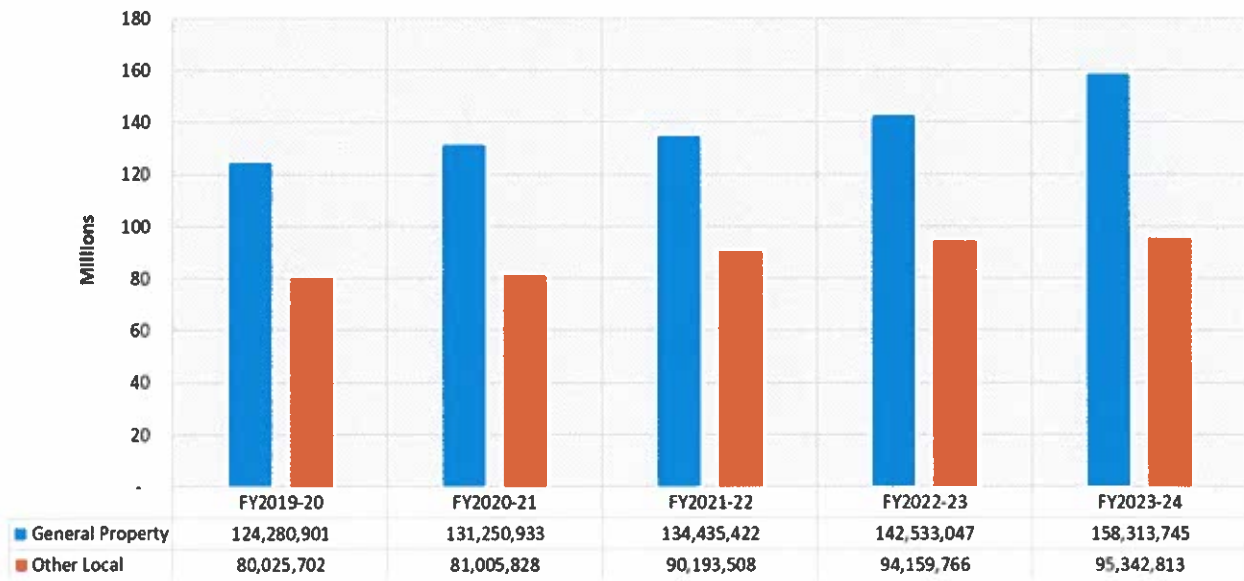
Long Term Financial Planning

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

Noted in the chart below are our two primary and largest sources of revenue for the City, general property tax and all other locally generated taxes shown for the last five years. This information is both carefully monitored throughout the year and also used appropriately for working on future year budget estimates.

The chart shows that Real Estate and Personal Property (General Property) has had moderate growth with Real Estate levy growth coming from value changes (increases) much more so than new construction. Personal Property growth, while also moderate, saw a sharp increase during the pandemic and the City mitigated some impact on taxpayers with partial refunds. Revenue has continued post-pandemic to grow with an understanding that while our base population (either individuals or businesses) is not growing in large measure, inflationary pressures are continuing to cause increases in car prices thus values for taxation have, again, moderately grown.

General Property & Other Local Taxes Trend



Related to forthcoming fiscal years, at the time of writing of this transmittal letter, the country is resetting on many fronts, trade, government regulation, choosing what funding will continue at the state and federal levels with a new administration in place. City of Roanoke is well positioned in its revenue base as that base is reasonably diverse. Our population remains at a steady just under 100,000 souls and generally does not fluctuate majorly away from that. This steadiness allows also for the City to better plan both for revenues in but also for service levels needed and that are affordable within our means.

Capital Improvement Program

The City prepares a five-year Capital Improvement Program (CIP) document. This serves as a planning tool for distribution of public improvement resources throughout the City. The CIP focuses on maintaining capital assets and replacement when warranted, infrastructure investment for positioning the City for growth and stability and taking advantage of potential revenue sources that are not tax driven. The CIP specifies capital improvements and construction projects over the upcoming five-year period in order to maintain or enhance the City's \$779 million in net capital assets. Project descriptions, cost estimates, and funding sources are included in the CIP.

Relevant Financial Policies

Financial policies serve as the framework for the financial operation of city government as well as the basis for budget development. The City's financial policy statements in their entirety can be located in the City's Adopted Budget. Policies are in place to provide guidance in the areas of budget, expenditures, reserves, revenues and debt management. Reserves may only be used upon appropriation by City Council, and the reserve policies contain stipulations regarding reserve usage and replenishment.

Major Initiatives and Accomplishments

Public Safety

Public safety is one of the top priorities of the City. Roanoke is in an elite group of cities with accreditation of all three of its primary public safety departments - Police, Fire-EMS, and Sheriff. Each agency is committed to public safety and continuously evaluates services, community interaction, technology and initiatives to provide the most effective utilization of resources.

The Roanoke Police Department has been accredited by the Commission on Accreditation for Law Enforcement Agencies (CALEA) since July 1994. It is one of only five law enforcement agencies in Virginia to achieve dual accreditation in both the CALEA Law Enforcement and Training Academy programs. To enhance efficiency and strengthen community ties, the department has adopted the Stratified Policing Model, which promotes Geographic (GEO) Accountability within the Patrol Division. This structure ensures consistency, fosters stronger community connections, and enhances accountability in addressing the unique needs of each area.

Roanoke Fire-EMS has been an accredited agency with the Commission on Fire Accreditation International Inc. (CFAI) since 2002, meeting the criteria established through CFAI's voluntary self-assessment and accreditation program. The fire protection services of the City of Roanoke, as rated by an insurance industry advisory company, are Class 1. The classification by the Insurance Service Office (ISO), known as the Public Protection Classification program, assesses the fire-protection efforts in a particular community. The City of Roanoke is one of 311 nationwide Internationally Accredited Fire Agencies and one of only 120 in the nation that holds an ISO rating of Class 1 in addition to accreditation.

The Roanoke City Sheriff's Office remains nationally accredited through the American Correctional Association since 1991 and the National Commission on Correctional Healthcare since 1987. In 2017, the Roanoke City Sheriff's Office became a member agency of Project Lifesaver International Headquarters, which has proven valuable in ensuring the safety of vulnerable individuals in our community.

Human Services

As the largest city west of the Virginia state capitol, Roanoke supports a high demand for human services from the community. The Human Services staff works with public and private institutions to encourage and support caring communities by assisting individuals and families with achieving self-sufficiency and healthy lives through a variety of housing, financial, and employment programs. A partnership with Roanoke City Public Schools and the City of Roanoke, the *Central Intake* program assists students by working to prevent them from entering into homelessness.

Recreational and Outdoor Opportunities

The City is known for its unique combination of urban amenities surrounded by significant natural beauty and outdoor and recreational activities. The City's Parks and Recreation Department manages 69 parks, plazas, and greenways; supports more than 100 cultural events on an annual basis; and serves more than 115,000 individuals through more than 2,000 recreation programs. The GO Outside Festival (GO Fest) has become a fall staple with over 150 outdoor activities and events. This annual event encourages healthy and active outdoor recreation by combining the things outdoor enthusiasts love such as camping, music, gear, races, and demonstrations, all in a beautiful outdoor setting.

With more than 100 miles of paved and natural surface trails, the City has become a national destination for mountain biking enthusiasts. Together with neighboring localities, the region received the Silver Ride Center designation from the International Mountain Bicycling Association, the only such center on the East Coast.

Libraries

Roanoke City supports and promotes lifelong learning for all citizens with an overarching goal to ensure inclusive and equal access for all citizens to library services and programming in all areas of the City. The Library Master Plan seeks to enhance the quality of life and promote the well-being of the community through the delivery of programs and services.

In 2024, the libraries hosted 1,276 fun-filled summer reading events, distributed 4,317 materials, and had 21,743 patrons participate. The award-winning Feed and Read program has placed 314,852 meals in the hands of hungry children since 2014 to combat increasing food insecurity in Roanoke City. The libraries continue to provide citizens with in-person services, fine-free access to books and materials, free COVID-19 test kits, pop-up farmers markets, outdoor story walks, the Read and Ready Festival, and the Melrose Fall Festival, all while prioritizing the health and safety of patrons.

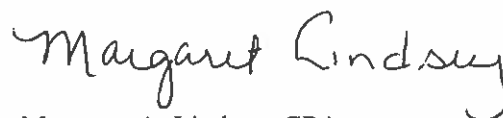
Awards and Recognitions

- Roanoke won the 2024 All-America City Award (National Civic League), earning this award for the eighth time.
- The Government Finance Officer's Association (GFOA) of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Roanoke for the fiscal year ended June 30, 2023 for the 49th consecutive year.
- Roanoke earned the Certified Welcoming designation by Welcoming America for cities and counties that have created policies and programs reflecting their commitment to immigrant inclusion, becoming the first in the commonwealth to do so.
- Roanoke placed 2nd in the Digital Cities Survey (75,000 – 124,999 population range), retaining this status as a Top Digital City since 2001.
- Roanoke's Stormwater Utility celebrated its 10-year anniversary in July 2024.
- The City of Roanoke Municipal Volunteer program celebrated its 20th anniversary.

Acknowledgements

I want to thank the members past and present of City Council and the City Manager's office for their conservative approach to the City's finances that allow the City to remain both financially stable and prepared for what the future brings to us. Throughout the year, the staff of the Department of Finance, and other City departments have provided professional and collaborative financial services to the City and citizens and in preparation of the annual report. I am greatly appreciative of their efforts and time required and want to take this opportunity to recognize them for their extraordinary efforts.

Respectfully submitted,



Margaret A. Lindsey, CPA
Director of Finance

CITY OF ROANOKE, VIRGINIA
DIRECTORY OF PRINCIPAL OFFICIALS
JUNE 30, 2024

Members of City Council

Sherman P. Lea, Sr.
Joseph L. Cobb
Patricia White-Boyd
Peter J. Volosin
Stephanie Moon Reynolds
Vivian Sanchez-Jones
Luke W. Priddy

Mayor
Vice-Mayor

Constitutional Officers

Brenda L. Hamilton
Antonio Hash
Donald S. Caldwell
Evelyn W. Powers
Ryan LaFountain

Clerk of Circuit Court
Sheriff
Commonwealth's Attorney
Treasurer
Commissioner of the Revenue

City Council Appointed Officials

Dr. Lydia Pettus Patton
Timothy R. Spencer
Susie McCoy
Drew Harmon, CPA, CIA

Interim City Manager
City Attorney
City Clerk
Municipal Auditor

Other City Officials

Samual Coman
Angela O'Brien
Andrea Trent

Assistant City Manager
Assistant City Manager
Interim Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Roanoke
Virginia**

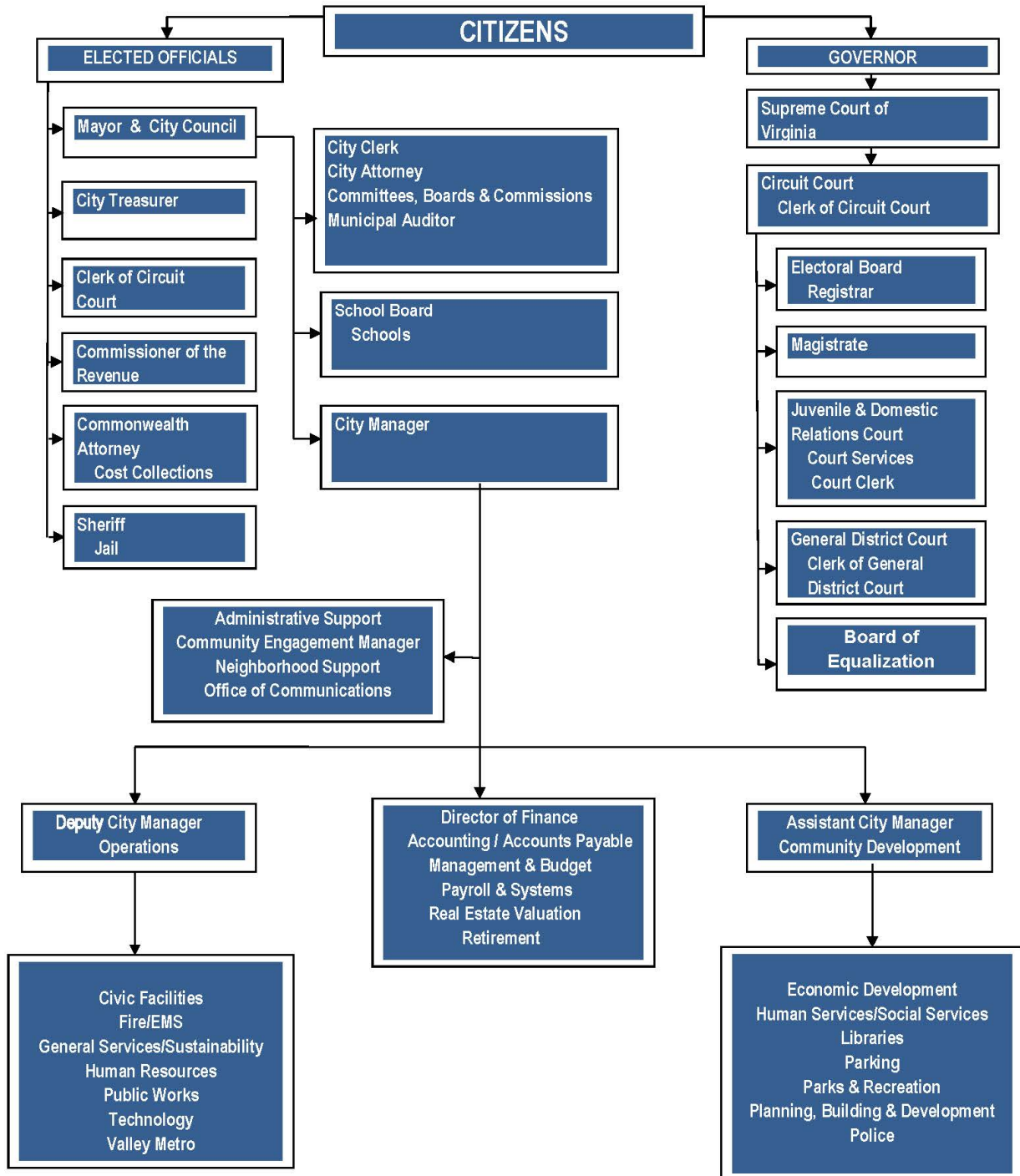
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

City of Roanoke, Virginia
Organizational Chart
FY 2023-24



FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Roanoke, Virginia (the "City") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements.

Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
May 15, 2025

**CITY OF ROANOKE, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

This section of the City of Roanoke, Virginia's (City) Annual Comprehensive Financial Report (ACFR) presents Management's Discussion and Analysis (MD&A) of the City's financial performance during the fiscal year ended June 30, 2024. The MD&A should be read in conjunction with the preceding transmittal letter and the City's financial statements.

FINANCIAL HIGHLIGHTS

- At the end of the fiscal year, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$473.5 million, an increase of \$1.2 million or 0.3%, over the prior year's ending balance of \$472.3 million. Net position was comprised of \$502.2 million, attributable to the City's net investment in capital assets, \$174,957 restricted for debt service, offset by a negative unrestricted amount of \$28.8 million.
- Net position for governmental activities decreased \$243,164. For the fiscal year, \$440.6 million of revenues, generated by taxes and other revenues for governmental programs, exceeded expenses by \$2.8 million (before transfers), a decline from the prior year of \$2.9 million.
- In the City's business-type activities, net position increased by \$1.5 million compared to a prior year increase of \$2.3 million. A primary driver of the net position increase for fiscal year 2024 is Stormwater fund revenues and investment earnings being significantly more than needed to cover operations and debt service. Revenues for Stormwater are strategically pre-set (by City Council) to increase slightly each year, thus increases in operating costs due to inflationary pressures are somewhat mitigated from the start. Added to that, a significant capital grant (\$1.3 million) was received for Stormwater that allowed operating costs that were incurred to cover this scope of work to not require fund revenues. The Parking fund came very close to break even both in operations and with investment income almost offsetting debt service without need for a fee increase. The Parking fund manages service lots and garages owned by the City and there was not unplanned needs to address (or pre-planning for any new facilities). There were no fee increases for day or monthly parking in FY 2024. Total change in net position before transfers for business-type activities experienced a decrease of \$0.7 million over the prior year. Civic Facilities fund's transfer from the General fund increased just over \$672,000 in part because the return of admissions tax charged for events at the Civic Facilities is remitted back to it for operational use. Admissions tax was increased by \$191,888 over fiscal year 2023 evidencing greater attendance which also is notable in charges for services for Civic Facilities showing an increase of over \$4 million. Ticket prices (determined by the performance) did increase as did a lesser increase in costs to operate – inclusive of pay increases (3%) for staff.
- The City's governmental funds reported a combined ending fund balance of \$137.2 million, a 24.8% increase compared to prior year. Of the total fund balance, 1.3% was held in reserves, 9.2% was committed for projects in the capital improvement program, 9.6% categorized as stabilization, and 36.8% remained available for spending at the City's discretion as unassigned.
- The City has maintained its AA+/Aa2 bond rating from Fitch, Moody's and Standard and Poor's rating agencies. This reaffirmation of a stable outlook allowed the City to secure a total interest cost of 3.73% for its 2024 Series Bonds issued in November 2023. Subsequent to year end, the City issued additional bonds (20.2 million) in December 2024 along with a Bond Anticipation Note (57.4 million) issued in September 2024 also with favorable interest rates.

**CITY OF ROANOKE, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-Wide Financial Statements

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

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

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

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

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

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

**CITY OF ROANOKE, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

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

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

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

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

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

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

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

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

**CITY OF ROANOKE, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

FINANCIAL ANALYSIS OF THE PRIMARY GOVERNMENT

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

**Summary of Net Position
as of June 30, 2024 and 2023
(In Millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 231.8	\$ 247.6	\$ 20.8	\$ 19.7	\$ 252.6	\$ 267.3
Capital assets, net	688.5	648.9	90.1	86.0	778.6	734.9
Total assets	920.3	896.5	110.9	105.7	1,031.2	1,002.2
Deferred outflows of resources	98.0	115.7	5.5	6.2	103.5	121.9
Other liabilities	102.5	129.9	7.8	7.2	110.4	137.1
Long-term liabilities	494.9	460.2	44.4	41.5	539.3	501.7
Total liabilities	597.5	590.1	52.2	48.7	649.7	638.8
Deferred inflows of resources	9.4	10.4	2.1	2.6	11.5	13.0
Net Position:						
Net investment in capital assets	447.6	427.1	54.6	54.6	502.1	481.7
Restricted for Debt Service	0.2	-	-	-	0.2	-
Unrestricted (deficit)	(36.3)	(15.4)	7.5	6.0	(28.8)	(9.4)
Total net position	\$ 411.5	\$ 411.7	\$ 62.0	\$ 60.6	\$ 473.5	\$ 472.3

Net Position:

The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$473.5 million at the close of the fiscal year. The City's combined net position, (the City's bottom line) increased by \$1.2 million from prior year's ending balance of \$472.3 million. Net position from governmental activities decreased by \$0.2 million. Business-type activities resulted in an increase in net position of \$1.4 million.

The largest component of the City's net position was the investment in capital assets (\$502.2 million) (e.g., land, buildings, infrastructure improvements, machinery and equipment, net of accumulated depreciation) less any related outstanding debt and payables used to acquire those assets, plus any unspent bond proceeds. The slight decrease in the City's net position was a result of significant capital asset investment offset by an increase in the deficit balance in unrestricted net position. Restricted debt service net position improved Net position is reported as restricted when constraints on its use are externally imposed by creditors, grantors, contributors, or regulators, or are imposed by law through constitutional provisions or enabling legislation. Restricted net position related to debt service totaled \$174,957. The City's unrestricted net position, which may be used to finance the day-to-day operations of the City, totaled a negative \$36.3 million, an increase of the deficit of \$20.9 million from fiscal year 2023 unrestricted net position.

**CITY OF ROANOKE, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

FINANCIAL ANALYSIS OF THE PRIMARY GOVERNMENT (Continued)

Summary of Changes in Net Position:

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

**Summary of Changes in Net Position
For the Years Ended June 30, 2024 and 2023
(In Millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for services	\$ 25.1	\$ 23.6	\$ 27.5	\$ 22.0	\$ 52.6	\$ 45.6
Operating grants and contributions	119.2	97.5	-	2.2	119.2	99.7
Capital grants and contributions	9.1	22.4	1.4	4.0	10.5	26.4
General Revenues:						
Property taxes	160.2	140.9	-	-	160.2	140.9
Local portion of state sales taxes	28.4	28.0	-	-	28.4	28.0
Business and professional occupational license taxes	17.6	15.8	-	-	17.6	15.8
Utility taxes	8.3	9.0	-	-	8.3	9.0
Prepared food and beverage taxes	21.7	20.8	-	-	21.7	20.8
Commonwealth share-personal property taxes	8.1	8.1	-	-	8.1	8.1
Cigarette taxes	1.4	1.6	-	-	1.4	1.6
Transient room taxes	5.6	5.4	-	-	5.6	5.4
Telecommunications taxes	4.5	4.8	-	-	4.5	4.8
Motor vehicle license taxes	3.2	3.4	-	-	3.2	3.4
Other taxes	4.8	5.1	-	-	4.8	5.1
Recovered cost	0.1	-	-	-	0.1	-
Payment from component unit	11.5	12.7	-	-	11.5	12.7
State aid not restricted	2.1	2.4	-	-	2.1	2.4
Grants and contributions	1.4	1.5	-	-	1.4	1.5
Interest and investment income	7.5	5.8	0.9	0.5	8.4	6.3
Misc.	0.8	0.2	0.4	0.6	1.2	0.8
Total Revenues	\$ 440.6	\$ 409.0	\$ 30.2	\$ 29.3	\$ 470.8	\$ 438.3

**CITY OF ROANOKE, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

FINANCIAL ANALYSIS OF THE PRIMARY GOVERNMENT (Continued)

Summary of Changes in Net Position (Continued):

**Summary of Changes in Net Position
For the Years Ended June 30, 2024 and 2023
(In Millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Expenses						
General Government	\$ 54.3	\$ 55.6	\$ -	\$ -	\$ 54.3	\$ 55.6
Judicial Administration	13.6	11.8	-	-	13.6	11.8
Public Safety	106.0	92.3	-	-	106.0	92.3
Public Works	39.2	45.8	-	-	39.2	45.8
Health and Welfare	59.5	51.1	-	-	59.5	51.1
Parks, Recreation and Cultural	17.6	17.8	-	-	17.6	17.8
Community Development	33.2	17.2	-	-	33.2	17.2
Education	105.9	104.8	-	-	105.9	104.8
Interest and Fiscal Charges	8.4	7.1	-	-	8.4	7.1
Civic Facilities	-	-	19.8	18.5	19.8	18.5
Parking	-	-	4.3	3.9	4.3	3.9
Stormwater Utility	-	-	7.7	7.2	7.7	7.2
Other	-	-	-	-	-	-
Total Expenses	437.7	403.5	31.8	29.6	469.5	433.1
Increase in Net Position before Transfers	2.9	5.5	(1.5)	(0.3)	1.3	5.2
Transfers	(3.1)	(2.6)	3.1	2.6	-	-
Increase in Net Position	(0.2)	2.9	1.6	2.3	1.3	5.2
Total Net Position, Beginning	411.7	408.8	60.5	58.2	472.2	467.0
Total Net Position, Ending	\$ 411.5	\$ 411.7	\$ 62.1	\$ 60.5	\$ 473.5	\$ 472.2

Governmental Activities

The net position of governmental activities decreased (\$0.3) million as compared to the \$2.9 million increase in prior year. Significant current year activities affecting net position include:

- Governmental Activities' revenues increased 7.7% and were primarily due to receipt of operating grants and contributions particularly in our Human Services area as well as additional funding from the Commonwealth for our constitutional offices. Expenses increased year over year by 8.5% related in part to Public Safety compensation increases and necessary overtime given the level of vacancies in certain public safety departments. Commiserate with the revenue increase noted related to our Human Services department, expenditures for services provided increased as well and are part of the Health and Welfare category with the largest increase of over \$4 million is from Children's Services Act (CSA), which has an approximately 69% reimbursement rate from the Commonwealth. Services for children in need of placement, a variety of therapeutic services vary each year and costs for these services, when the needed service can be scheduled, have greatly increased since the pandemic.

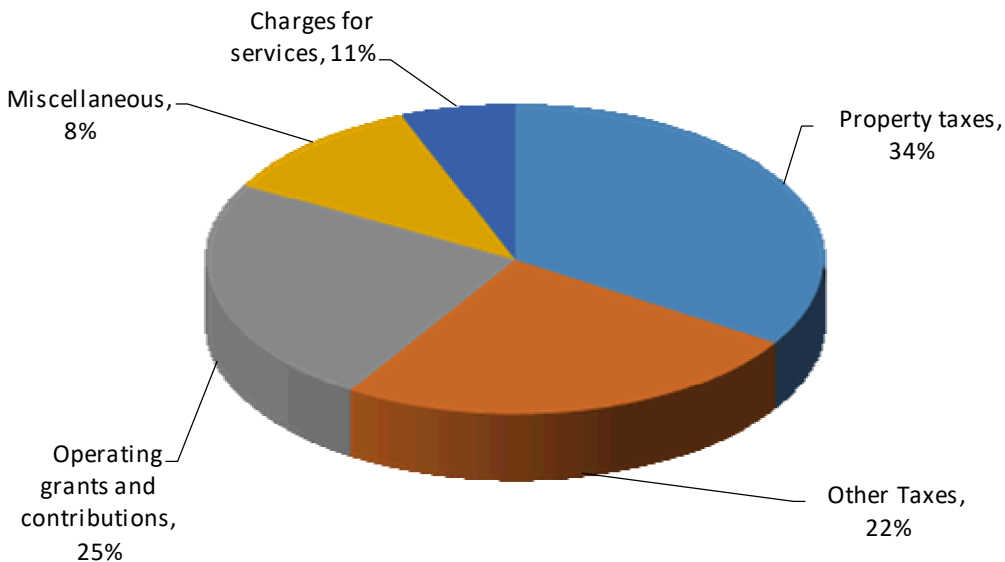
**CITY OF ROANOKE, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

FINANCIAL ANALYSIS OF THE PRIMARY GOVERNMENT (Continued)

Summary of Charges

Revenues generated for governmental activities are presented below by category:

Revenue by Source – Primary Government for the year ended June 30, 2024



The property tax classification was approximately 36% of the total revenue generated by governmental activities and included real estate tax, the local portion of personal property tax, and public service corporation taxes. Real estate tax revenue, the largest source of revenue for the City, totaled \$115 million. The assessed value of real property in the City increased 9.9% for the 2024 calendar year primarily based on the market and low inventory of available properties for sale. A presentation to Council is made every January on this information. New construction in calendar 2024 only accounts for less than one percent of the overall increase.

Personal property tax revenue, including the Commonwealth share and public service tax, totaled \$41.7 million. The revenue received locally from citizens totaled \$33.6 million. Funding from the Commonwealth under its amended Personal Property Tax Relief Act (PPTRA) program provided revenue totaling \$8.1 million and is unchanged. Revenue from the Commonwealth provided relief of 42.14% on the first \$20,000 in vehicle value for the current fiscal year and is included in the other taxes category.

Sales, prepared food and beverage, business and professional occupational license, utility, telecommunication, transient room and cigarette taxes, as well as funding from the Commonwealth under PPTRA, comprise the majority of other local taxes collected by the City. Other taxes equated to just over 22.4% of total revenues generated for governmental activities.

**CITY OF ROANOKE, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

FINANCIAL ANALYSIS OF THE PRIMARY GOVERNMENT (Continued)

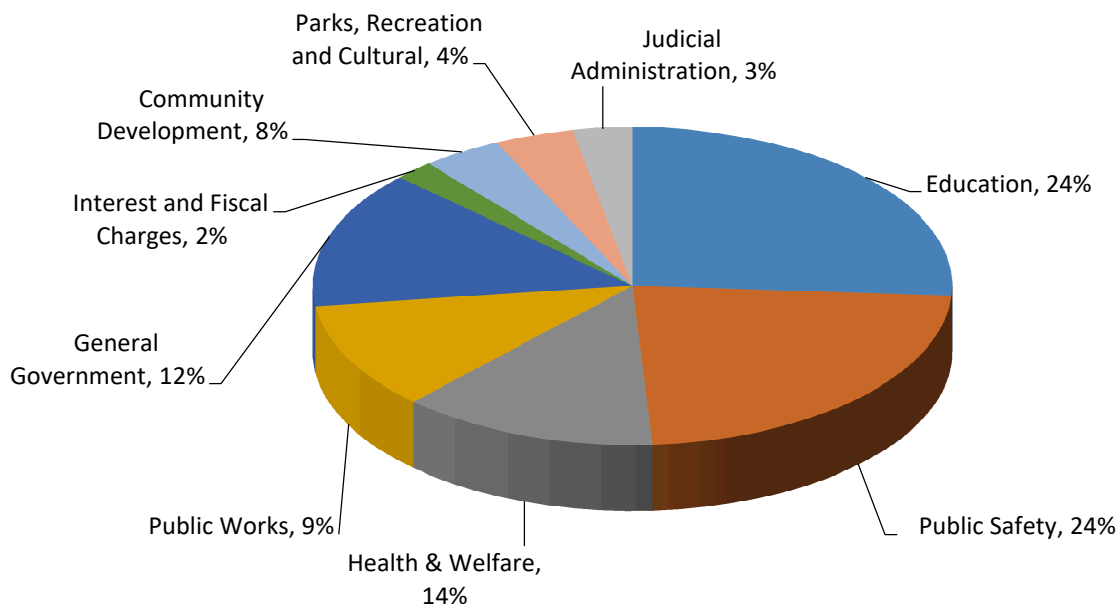
Summary of Charges (Continued):

Operating grants and contributions were 27.1% of governmental activities' revenues. Social service programs, street maintenance funds, reimbursement for shared expenses of constitutional officers, reimbursement for funding received under House Bill 599 for law enforcement, and jail per diems are the major sources of revenue included in this category.

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

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

Expenses – Primary Government for the year ended June 30, 2024



Education comprised 24.2% of governmental activities. Funding of \$105.9 million was provided to the Roanoke City School Board to support operations and debt service.

Public Safety comprised 24.2% of expenses of governmental activities. Operations of the City Jail, Police, and Fire Departments were included in this category, along with expenses of Emergency Medical Services, Communications (E911 Call Center), and the cost of juvenile justice programs.

Public Works and Health and Welfare expenses comprised approximately 9% and 14%, respectively, of governmental activities expenses. Expenses for Solid Waste Management, Building Maintenance, Street Paving and Street Maintenance were some of the departments included in the Public Works category. The Children's Services Act and social services programs along with the City's contribution to the Health Department are the primary expenses reported in the Health and Welfare category.

Business-type Activities

The net position of business-type activities increased the City's net position \$1.6 million. Expenses for the City's business-type activities totaled \$31.8 million.

**CITY OF ROANOKE, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental funds - For the fiscal year ended June 30, 2024, governmental funds reported a combined ending fund balance of \$137.2 million, an increase of \$27.3 million from the prior year. Approximately 36.7% of this total (\$50.4 million) constitutes unassigned fund balance. Assigned fund balance consists of the General Fund Reserve and Stabilization Reserve, which provide the City with working capital and a margin of financial safety to address unforeseen, one-time expenditure emergencies or declines in revenues for which there is no other budgetary resource or other designations of fund balance available to satisfy the funding need. Additional assigns are interest earned on invested American Rescue Plan Act funds that exceed what was budgeted for that revenue line and funds ascribed to future capital projects. The total assigned fund balance is \$28.5 million. Committed fund balance of just under \$37.9 million consists of funding for outstanding purchase commitments either in the general fund or the capital projects fund. \$20.3 million of the fund balance is restricted and consists of funds provided by bonded debt for future capital project expenditures, funds restricted to debt service and the special revenue fund. The remaining fund balance of \$68,001 is non-spendable and is inventory.

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

The General Fund is the primary operating fund of the City. The total fund balance increased by \$2.5 million (revenue of \$374.4 million less expenditures of \$342.2 million and other financing uses of \$29.7 million (net transfers) with unassigned fund balance increasing by \$7.9 million to \$50.4 million.

Local taxes increased by 7.2% compared to last year. Taxes related to real estate, personal property, sales, business licenses, transient, and prepared food and beverage, all increased for the fiscal year 2024. Utility, recordation, cigarette, telecommunication, and motor vehicle license fees decreased for the fiscal year 2024. Real estate taxes, the City's largest single source of revenue, increased 9.9% as a result of an increase in assessed property values with only a very small amount of new construction coming online for this tax year.

Intergovernmental revenue is the second largest source of General Fund revenues, accounting for \$91.5 million in fiscal year 2024. The Commonwealth is the primary source of Intergovernmental revenue by providing revenues for social services programs, street maintenance funds, and law enforcement funding received under House Bill 599.

In fiscal year 2024 the total increase in funding from the Commonwealth compared to fiscal year 2023 was approximately \$6.2 million or 7.2%. Much of that year over year increase is attributed to funds received for VDOT for road maintenance of \$1.65 million, \$3.07 million in additional CSA state pool allocated funding for reimbursement for services under the act, and \$1.18 million additional for constitutional offices – most of which was pay and benefits related.

**CITY OF ROANOKE, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (Continued)

The Debt Service governmental fund shows an increase in transfers in from the General Fund for recent debt issuances that began to be repaid in fiscal year 2024 which were the 2023 General Obligation Bonds issued November, 2023. First interest payment was made April 2024 and for the year added \$ 214,288. Additionally, a Bond Anticipation note was added in April 2023 with interest only paid beginning in fiscal year 2024 in the amount of \$499,655. A slight increase in investment income further benefited Debt Service fund and is part of the increase in fund balance for the fund.

The Special Revenue governmental fund saw a marked increase in grants awarded and thereby spent in fiscal year 2024 in part due being able to recognize revenue related to the American Rescue Plan Act (ARPA) as expenditures continued to flow from grant sub-recipients or City of Roanoke spending in the amount of just over \$9.6 million. Until expenditures were incurred, revenue was deferred, thus even with the award of just over \$64 million in ARPA funds, this portion was only recorded as revenue and impacts both revenue and expenditures in fiscal year 2024. Other lesser new awards and reimbursements and expenditures of existing grants combine for the remaining increase in fund balance from fiscal year 2023.

For Capital Projects governmental fund, a significantly larger bond issuance versus fiscal year 2023 is noted in "Issuance of Public Improvement Bonds" done in November 2023, \$39.6 million of bonds issued in fiscal year 2024 versus only the Bond Anticipation Note discussed above at \$10.1 million. Project funding is designed to minimize interest costs and be along the model of just in time for as Capital Improvement Plan projects need such funding thus the swing in the change in fund balance between fiscal years.

Total Governmental Fund Balance increased \$27.3 million compared to the prior year attributable to increases in all funds but mostly from the capital project fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Actual General Fund revenues were \$20.8 million or 5.9% higher than the original adopted fiscal year 2024 revenues estimates and were higher than the final revenue estimates by \$15.4 million or 4.3%. The General Fund revenue increase versus original budget was driven by local revenue performance, primarily real estate and personal property taxes.

In the local tax area, real estate tax revenue increased versus fiscal year 2023 primarily due to assessment values which increased particularly with a relatively low housing stock thus sales prices were higher. Revenue reporting for current year real estate tax for fiscal year 2024 was 96% of fiscal year 2024 budget. Personal property, business and professional license, prepared food and beverage, admissions and transient occupancy taxes improved as compared to their fiscal year 2024 budget because of a reasonably stable economy not only in Roanoke City but in the surrounding MSA and inflation pressures on pricing of goods and services taxed. The 2024 budget projected slight growth in these categories, while the actual growth increased in the tax types as just noted. Performance of other local taxes, such as communications (which has seen declines in recent years as what communication devices that are subject to the tax fall from use) and recordation taxes, experienced a slight decrease from the original adopted budget when comparing actual revenue to budget.

**CITY OF ROANOKE, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

Actual General Fund expenditures and transfers were higher than the original budget by \$24.6 million or 6.9% due particularly to increased services of the Children's Services Act (CSA), transfers to our component units and fire operations, all which exceeded their original budget. For the additional CSA expenditures they are a direct correlation to the need for services for children (and the qualifying case load) through our Department of Social Services funding for some portion is provided by the Commonwealth on a reimbursement basis. Fire operations routinely has need for overtime which is a large driver of its overage versus budget. Fire saw a step plan increase in compensation which also caused higher overtime rates.

During fiscal year 2024, City Council amended the budget several times. The prior year's budget was adopted with conservative revenue estimates.

CAPITAL ASSETS

As of June 30, 2024, the City's capital assets for its governmental and business-type activities amounted to \$778.6 million, net of accumulated depreciation. This investment includes land, historical treasures, construction in progress, land improvements, buildings and structures, equipment and infrastructure. The City's capital assets increased year over year by \$43.7 million or 5.9% when compared to fiscal year ended 2023.

The following table shows summarized balances of major categories of capital assets as of June 30, 2024 and 2023.

**Summary of Capital Assets
Net of Depreciation
as of June 30, 2024 and 2023
(In Millions)**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and Improvements	\$ 61.7	\$ 61.7	\$ 10.6	\$ 10.6	\$ 72.3	\$ 72.3
Buildings and Improvements	330.6	302.5	45.2	43.7	375.8	346.2
Equipment	27.9	29.7	3.6	3.4	31.5	33.1
Infrastructure	237.8	234.8	20.6	18.7	258.4	253.5
Construction in Progress	29.7	19.5	10.1	9.6	39.8	29.1
Historical Treasures	0.8	0.7	-	-	0.8	0.7
Total	<u>\$ 688.5</u>	<u>\$ 648.9</u>	<u>\$ 90.1</u>	<u>\$ 86.0</u>	<u>\$ 778.6</u>	<u>\$ 734.9</u>

The City uses the Modified Approach for certain infrastructure assets deemed 'inexhaustible' as defined by GAAP, and is required to conduct a semi-annual (January and July) assessment of the condition level of 100% of the Flood Reduction infrastructure assets. The assessment is based on the United States Army Corps of Engineers (USACE) "Inspection, Maintenance and Operational Report". City and USACE policy require the condition level to be maintained at or above a Fair (2) rating. As of June 30, 2024, the infrastructure had an average assessment rating of 2.0 for training wall work and 2.8 for bench cuts, which meets the required minimum rating of 2. The fiscal year 2024 Budget (estimated) of \$15,541 ensured adequate funding for maintenance if the maintenance was performed by procured contractors. Actual costs were lower because the City continues to handle maintenance internally versus procuring services from a vendor.

**CITY OF ROANOKE, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

CAPITAL ASSETS (Continued)

Comparison of Estimated to Actual Maintenance Costs

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Estimated	\$142,346	\$82,850	\$15,541
Actual	\$61,795	\$24,812	\$7,083

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

LONG-TERM DEBT

At June 30, 2024, the City's long-term liabilities, excluding net pension liability, capital lease obligations, compensated absences, and claims payable, totaled \$287.9 million, comprised of \$251.5 million related to governmental activities and \$36.4 million related to business-type activities. Total debt increased by a net amount of \$23 million during the fiscal year. All prescribed principal payments were made as scheduled and the City issued bonds on November 30, 2023 with a par amount issued for the City of \$13.5 million and for business-type activities \$5.2 million. Additionally, the City issued \$12.7 million in bonds for a project exclusive to the Hotel Roanoke Conference Center Commission May 2024.

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

As of April 2024, the City's ratings for S&P and Moody's rating agencies continue as AA+/Aa. The City's strong bond ratings continue to translate into favorable borrowing costs related to capital improvement projects.

The *Charter of the City* and *Code of Virginia* limit the City's net debt to 10% of the assessed valuation of real estate within the City limits. The limit applies to tax supported debt paid by the governmental funds. Long-term liabilities of business-type funds will be met by revenues generated by those funds. The City considers long-term debt of its Stormwater Utility and Parking Enterprise Funds to be self-supporting. Additionally, in accordance with its contractual agreement with the Western Virginia Water Authority, the City will receive funding from the Authority to pay \$945,000 of general obligation debt which was the final payment on this debt issued to benefit Water Authority projects. The City's tax-supported debt of \$251.4 million less the Debt Service Fund Balance of \$174,957 designated for the repayment of debt service is well below the legal debt limit of \$982.7 million.

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

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

**CITY OF ROANOKE, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The average unemployment in the Roanoke Metropolitan Statistical Area (MSA), which includes the City, was 3.2% as of fiscal year end June 30, 2024, using data from the Federal Reserve "FRED" system up from 2.7% at June 30, 2023. Comparatively, the national unemployment in fiscal year 2024 was 3.6% which is *unchanged* from fiscal year 23. Employment in Roanoke is diverse with representation within the area of all census-defined industries. The industries providing the largest number of jobs in the region are health care and social assistance. Additional information concerning the City's demographics and employment is presented in Tables 13, 16, 17, 18, 20, and 21 of the Statistical Section.

Roanoke's income levels trail the state and national averages; however, they compare quite well when adjusted for the cost of living. The City continues to plan for budgetary and economic challenges as the war in Ukraine continues to impact prices and economic uncertainty on a national and state level currently impacts the national economy and Roanoke.

The median assessed value of single-family housing units decreased from \$179,593 in fiscal year 2023 to \$173,000 in fiscal year 2024, or 3.7%.

Fiscally responsible budgeting for 2025 provides for continued programming levels for services in response to an increase in real estate and property tax revenues among others. Service levels remain stable and within the means of conservatively budgeted revenues.

General Fund fiscal year 2025 revenues increased 6.7% compared to the fiscal year 2024 adopted budget. The increase was attributable to reassessment value growth in real estate, assessment value increases in personal property as well as increases in expected sales tax, and prepared food and beverage taxes. Decreases in cigarette tax, communications, and consumer utility taxes are the big three for a total reduction from fiscal year 2024 budgeted revenues of \$ 1.1 million. General property taxes increased \$9.1 million or 5.8% compared to the fiscal year 2024 adopted budget. Other local taxes performed well, achieving an increase of \$4.2 million or 4.5% compared to fiscal year 2024 adopted budget.

Funding to Schools for fiscal year 2025 is projected at \$106.9 million, an increase of \$5.4 million, or 5.3% more than fiscal year 2024 budgeted amount. As the City begins to look ahead toward fiscal year 2026 strategic budget priorities continue to include compensation concerns, education funding, deferred maintenance for all public City buildings and fleet needs, capital projects and their blend of funding sources.

The City continues to be the center of a strong regional business environment with a creative, diverse, and growing community. Management believes that the positive fiscal year 2025 revenue estimates are attainable. Local taxes, including real estate and personal property taxes, are consistently performing above budgeted levels, partially due to conservative forecasting for budgets but also as a measure of a vibrant City population, even though population growth remains even.

The Roanoke economy continues in a steady rate of slow growth. Local tax levies and collections indicate an increase in specific economic activity, in part due to inflationary pressures (such as on used and new car prices) and a very short supply of housing for sale leading to higher market prices for inventory that is available. Management believes that conservative current fiscal year 2025 revenue estimates will be achieved.

**CITY OF ROANOKE, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

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

The City's Pension Plan's increase in Net Position Restricted for Pensions is due primarily to the annual investment return. The Plan experienced an investment return of 11.2%, net of fees, for the fiscal year ended June 30, 2024, which resulted from strong performance in the domestic and international equity markets. The Plan's domestic growth equities continued to produce the highest performance returns for the plan during fiscal year 2024. The Plan's long-term annualized returns continue to rank in the top quartile of the investment advisor's comparative universe of all retirement plans. We believe the Plan's investment asset class diversification remains well-positioned with the expectation of impact from near-term market volatility.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

CITY OF ROANOKE, VIRGINIA

STATEMENT OF NET POSITION

June 30, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	GRTC
Assets					
Cash and Cash Equivalents					
Unrestricted	\$ 139,155,487	\$ 7,005,334	\$ 146,160,821	\$ 56,942,937	\$ -
Restricted	34,581,808	10,336,646	44,918,454	-	1,713,830
Due from City of Roanoke	-	-	-	1,424,960	-
Due from Component Unit	2,676,918	-	2,676,918	-	-
Due from Other Governments	22,681,743	-	22,681,743	24,989,985	4,088,770
Taxes and Accounts Receivable, Net	32,154,939	1,294,952	33,449,891	3,951,817	456,935
Lease Receivable	114,008	1,798,647	1,912,655	-	-
Inventory	68,001	192,907	260,908	-	473,360
Prepays	400,000	140,150	540,150	129,914	-
Net Pension Asset	-	-	-	1,163,937	-
Net OPEB Asset	-	-	-	33,569	-
Capital Assets:					
Non-depreciable Capital Assets	148,411,010	19,666,251	168,077,261	1,318,742	1,648,192
Depreciable Capital Assets, Net	540,097,265	70,475,524	610,572,789	48,623,470	28,082,204
Capital Assets, Net	688,508,275	90,141,775	778,650,050	49,942,212	29,730,396
Total Assets	\$ 920,341,179	\$ 110,910,411	\$ 1,031,251,590	\$ 138,579,331	\$ 36,463,291
Deferred Outflows of Resources					
Deferred Outflows related to Pension	\$ 92,073,174	\$ 4,581,402	\$ 96,654,576	\$ 47,332,292	\$ -
Deferred Outflows related to OPEB	4,486,428	229,810	4,716,238	5,487,419	-
Deferred Outflows from Debt Refundings	1,412,068	638,750	2,050,818	-	-
Total Deferred Outflows of Resources	\$ 97,971,670	\$ 5,449,962	\$ 103,421,632	\$ 52,819,711	\$ -
Liabilities					
Accounts Payable and Accrued Expenses	\$ 22,684,899	\$ 815,449	\$ 23,500,348	\$ 12,674,983	\$ 2,172,553
Accrued Interest Payable	2,146,162	301,605	2,447,767	-	-
Arbitrage Liability	574,824	82,367	657,191	-	-
Due to Component Unit	1,424,960	-	1,424,960	-	-
Due to Fiduciary Funds	918,596	42,492	961,088	-	-
Due to Other Governments	32,377,036	-	32,377,036	-	5,400
Unearned Revenues	9,875,327	2,869,373	12,744,700	8,659,574	1,455,303
Long-term Liabilities Due Within One Year	32,533,924	3,648,733	36,182,657	8,988,540	-
Long-term Liabilities Due In More Than One Year:					
Net Pension Liability	238,186,763	10,983,944	249,170,707	116,519,606	-
Net OPEB Liability	8,806,627	334,347	9,140,974	19,558,226	-
Other Long-term Liabilities Due in More Than One Year, Net	247,926,319	33,097,107	281,023,426	18,155,448	-
Total Liabilities	\$ 597,455,437	\$ 52,175,417	\$ 649,630,854	\$ 184,556,377	\$ 3,633,256
Deferred Inflows of Resources					
Deferred Inflows from Leases	\$ 109,568	\$ 1,731,996	\$ 1,841,564	\$ -	\$ -
Deferred Inflows from Debt Refundings	201,996	-	201,996	-	-
Deferred Inflows related to Pension	2,358,117	51,373	2,409,490	12,885,668	-
Deferred Inflows related to OPEB	6,734,905	332,659	7,067,564	1,817,961	-
Total Deferred Inflows of Resources	\$ 9,404,586	\$ 2,116,028	\$ 11,520,614	\$ 14,703,629	\$ -
Net Position					
Net Investment in Capital Assets	\$ 447,594,613	\$ 54,581,364	\$ 502,175,977	\$ 31,264,470	\$ 29,730,396
Restricted for:					
Pension and OPEB Assets	-	-	-	1,197,506	-
Debt Service	174,957	-	174,957	-	-
Unrestricted (Deficit)	(36,316,744)	7,487,564	(28,829,180)	(40,322,940)	3,099,639
Total Net Position	\$ 411,452,826	\$ 62,068,928	\$ 473,521,754	\$ (7,860,964)	\$ 32,830,035

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

CITY OF ROANOKE, VIRGINIA

STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for	Operating	Capital Grants and
		Services	Grants and	Contributions
			Contributions	Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 54,268,244	\$ 1,626,226	\$ 12,660,838	\$ 179,524
Judicial Administration	13,611,531	1,587,680	11,524,892	-
Public Safety	105,986,562	11,023,840	9,956,565	-
Public Works	39,232,907	5,315,474	20,554,903	5,592,884
Health and Welfare	59,471,112	4,376,109	42,499,254	-
Parks, Recreation, and Cultural	17,639,165	614,112	1,257,086	3,348,280
Community Development	33,222,023	557,898	20,755,774	-
Education	105,934,431	-	-	-
Interest and Fiscal Charges	8,355,386	-	-	-
Total Governmental Activities	437,721,361	25,101,339	119,209,312	9,120,688
Business-type Activities:				
Civic Facilities	19,823,411	15,282,135	-	-
Parking	4,264,438	4,047,368	-	-
Stormwater Utility	7,719,296	8,195,768	-	1,376,761
Total Business-type Activities	31,807,145	27,525,271	-	1,376,761
Total Primary Government	\$ 469,528,506	\$ 52,626,610	\$ 119,209,312	\$ 10,497,449
Component Units:				
School Board of the City of Roanoke	\$ 294,399,592	\$ 3,424,797	\$ 98,938,759	\$ 8,861,152
Greater Roanoke Transit Company	\$ 17,226,206	\$ 1,181,721	\$ 14,013,584	\$ 3,696,802
General Revenues:				
Taxes:				
General Property - Real Estate and Personal Property				
Local Portion of State Sales				
Business, Professional, and Occupational License				
Utility Consumer				
Prepared Food and Beverage				
Commonwealth Share - Personal Property				
Cigarette				
Transient Room				
Telecommunication				
Motor Vehicle License				
Other Taxes				
Other				
State Aid Not Restricted to a Specific Program				
Payment from City of Roanoke				
Payment from Component Unit				
Grants and Contributions Not Restricted to Specific Programs				
Interest and Investment Income				
Miscellaneous				
Transfers				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Total Net Position at Beginning of Year, Restated				
Total Net Position at End of Year				

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

Exhibit B

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	School Board	GRTC
\$ (39,801,656)	\$ -	\$ (39,801,656)	\$ -	\$ -
(498,959)	-	(498,959)	-	-
(85,006,157)	-	(85,006,157)	-	-
(7,769,646)	-	(7,769,646)	-	-
(12,595,749)	-	(12,595,749)	-	-
(12,419,687)	-	(12,419,687)	-	-
(11,908,351)	-	(11,908,351)	-	-
(105,934,431)	-	(105,934,431)	-	-
(8,355,386)	-	(8,355,386)	-	-
(284,290,022)	-	(284,290,022)	-	-
-	(4,541,276)	(4,541,276)	-	-
-	(217,070)	(217,070)	-	-
-	1,853,233	1,853,233	-	-
-	(2,905,113)	(2,905,113)	-	-
\$ (284,290,022)	\$ (2,905,113)	\$ (287,195,135)	\$ -	\$ -
\$ -	\$ -	\$ -	\$ (183,174,884)	\$ -
\$ -	\$ -	\$ -	\$ -	\$ 1,665,901
\$ 160,377,907	\$ -	\$ 160,377,907	\$ -	\$ -
28,382,022	-	28,382,022	-	-
16,908,146	-	16,908,146	-	-
8,343,782	-	8,343,782	-	-
21,662,618	-	21,662,618	-	-
8,075,992	-	8,075,992	-	-
1,410,431	-	1,410,431	-	-
5,590,631	-	5,590,631	-	-
4,533,662	-	4,533,662	-	-
3,157,603	-	3,157,603	-	-
5,353,918	-	5,353,918	-	-
-	-	-	-	294,914
2,117,753	-	2,117,753	88,377,939	-
-	-	-	102,839,462	-
11,482,558	-	11,482,558	-	-
1,415,826	-	1,415,826	-	-
7,548,064	896,481	8,444,545	2,648,433	-
759,278	439,247	1,198,525	709,872	-
(3,073,333)	3,073,333	-	-	-
284,046,858	4,409,061	288,455,919	194,575,706	294,914
(243,164)	1,503,948	1,260,784	11,400,822	1,960,815
411,695,990	60,564,980	472,260,970	(19,261,786)	30,869,220
\$ 411,452,826	\$ 62,068,928	\$ 473,521,754	\$ (7,860,964)	\$ 32,830,035

CITY OF ROANOKE, VIRGINIA

**BALANCE SHEET –
GOVERNMENTAL FUNDS
June 30, 2024**

	General Fund	Debt Service Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents					
Unrestricted	\$ 60,143,999	\$ 326,228	\$ 38,621,514	\$ 30,058,457	\$ 129,150,198
Restricted	-	-	-	34,581,808	34,581,808
Due from Component Unit	1,358,176	-	-	-	1,358,176
Due from Other Governments	14,151,281	-	515,629	4,199,704	18,866,614
Due from Federal Governments	85,320	-	2,944,391	785,418	3,815,129
Taxes Receivable, net of Allowance	26,605,071	-	-	-	26,605,071
Accounts Receivable, net of Allowance	2,047,730	-	3,219,341	282,797	5,549,868
Lease Receivable	114,008	-	-	-	114,008
Inventory	68,001	-	-	-	68,001
Total Assets	\$ 104,573,586	\$ 326,228	\$ 45,300,875	\$ 69,908,184	\$ 220,108,873
LIABILITIES					
Accounts Payable and Accrued Expenditures	\$ 17,108,533	\$ 151,271	\$ 1,981,418	\$ 3,323,150	\$ 22,564,372
Due to Other Governments	1,321	-	32,375,715	-	32,377,036
Due to Fiduciary Funds	918,596	-	-	-	918,596
Due to Component Unit	1,358,251	-	-	66,709	1,424,960
Unearned Revenues	-	-	6,219,915	3,655,412	9,875,327
Total Liabilities	19,386,701	151,271	40,577,048	7,045,271	67,160,291
DEFERRED INFLOWS OF RESOURCES					
Uncollected Taxes and Charges	12,607,262	-	-	-	12,607,262
Deferred Inflows- Leases	109,568	-	-	-	109,568
Deferred Inflow from Opioid Settlement	-	-	3,046,152	-	3,046,152
Total Deferred Inflows of Resources	12,716,830	-	3,046,152	-	15,762,982
FUND BALANCES					
Nonspendable:					
Inventory	68,001	-	-	-	68,001
Restricted:					
Debt Service	-	174,957	-	-	174,957
Grants	-	-	1,677,675	-	1,677,675
Unspent Bond Proceeds	-	-	-	18,430,486	18,430,486
Committed:					
Encumbrances:					
Community Development	636,627	-	-	144,174	780,801
General Government	1,095,120	-	-	2,665,194	3,760,314
Health and Human Welfare	231,087	-	-	-	231,087
Judicial Administration	-	-	-	1,077,456	1,077,456
Parks, Recreation, and Cultural	181,417	-	-	4,153,979	4,335,396
Public Safety	596,567	-	-	5,955,280	6,551,847
Public Works	3,419,517	-	-	17,790,694	21,210,211
Assigned:					
ARPA Interest Earnings	768,485	-	-	-	768,485
Reserves	1,800,000	-	-	-	1,800,000
Stabilization	13,245,931	-	-	-	13,245,931
Future Capital Projects	-	-	-	12,645,650	12,645,650
Unassigned	50,427,303	-	-	-	50,427,303
Total Fund Balances	72,470,055	174,957	1,677,675	62,862,913	137,185,600
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 104,573,586	\$ 326,228	\$ 45,300,875	\$ 69,908,184	\$ 220,108,873

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

CITY OF ROANOKE, VIRGINIA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2024**

Total Fund Balance - Governmental Funds		\$ 137,185,600
Amounts reported for governmental activities in the Statement of Net Position are different due to:		
Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported as assets in the governmental funds.		
Governmental capital assets, at cost	1,132,845,585	
Less: accumulated depreciation	<u>(444,337,310)</u>	688,508,275
Other assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds.		
Deferred outflows (inflows) of resources from debt refundings resulting in loss (gain)	4,073,486	
Less: accumulated amortization	<u>(2,863,414)</u>	
Long-term capital asset receivable from Roanoke City Public Schools Component Unit	<u>1,318,742</u>	2,528,814
Property taxes receivable, which are expected to be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds.		12,607,262
Opioid settlements receivable, which are expected to be collected in future years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds.		3,046,152
Long-term liabilities, including bonds payable with related accrued interest, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Governmental bonds and loans payable	(236,618,114)	
Lease liabilities	(3,869,249)	
Subscription liabilities	(431,034)	
Bond premium	(23,686,622)	
Less: accumulated amortization of bond premium	8,833,621	
Compensated absences	(10,252,821)	
Arbitrage liability	(574,824)	
Accrued interest payable	<u>(2,146,162)</u>	(268,745,205)
Long-term liabilities and deferred flows of resources related to pensions and other post-employment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds.		
Net deferred outflows related to pensions	92,073,174	
Net deferred inflows related to pensions	(2,358,117)	
Net pension liability	(238,186,763)	
Net deferred outflows of resources related to OPEB	4,486,428	
Net deferred inflows of resources related to OPEB	(6,734,905)	
Net OPEB liability	<u>(8,806,627)</u>	(159,526,810)
Internal Service Fund is used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, deferred inflows and net position of the Internal Service Fund are included with governmental activities in the Statement of Net Position.		<u>(4,151,262)</u>
Total Net Position of Governmental Activities		<u>\$ 411,452,826</u>

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

CITY OF ROANOKE, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
Year Ended June 30, 2024**

	General Fund	Debt Service Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES					
Local Taxes	\$ 253,656,558	\$ -	\$ -	\$ -	\$ 253,656,558
Permits, Fees and Licenses	2,512,099	-	-	-	2,512,099
Fines and Forfeitures	815,265	-	-	-	815,265
Rental Income	227,738	-	-	-	227,738
Investment Income	4,765,890	92,244	12,110	2,468,726	7,338,970
Intergovernmental	91,520,254	12,646,230	37,798,549	9,358,601	151,323,634
Charges for Services	19,811,577	-	-	-	19,811,577
Miscellaneous	1,067,849	-	1,173,894	97,785	2,339,528
Total Revenues	374,377,230	12,738,474	38,984,553	11,925,112	438,025,369
EXPENDITURES					
Current Operating:					
General Government	34,251,080	-	9,872,260	3,629,491	47,752,831
Judicial Administration	11,393,766	-	511,145	-	11,904,911
Public Safety	86,480,987	-	2,501,716	-	88,982,703
Public Works	31,479,694	-	399,015	72,295	31,951,004
Health and Welfare	54,201,245	-	1,106,690	-	55,307,935
Parks, Recreation and Cultural	11,462,019	-	2,931,681	-	14,393,700
Community Development	10,102,458	-	20,520,831	-	30,623,289
Education	102,839,462	-	-	-	102,839,462
Other	-	-	1,401,831	-	1,401,831
Debt Service:					
Principal Retirement	-	19,576,056	-	-	19,576,056
Interest and Other Charges	-	8,579,890	-	-	8,579,890
Capital Outlays	-	-	-	36,051,194	36,051,194
Total Expenditures	342,210,711	28,155,946	39,245,169	39,752,980	449,364,806
Excess (Deficiency) of Revenues Over (Under) Expenditures	32,166,519	(15,417,472)	(260,616)	(27,827,868)	(11,339,437)
OTHER FINANCING SOURCES (USES)					
Issuance of Operating Lease	-	-	-	3,533,142	3,533,142
Issuance of Public Improvement Bonds	-	311,150	-	37,933,850	38,245,000
Premium on Sale of Bonds	-	48,382	-	1,673,974	1,722,356
Transfers In	1,878,339	15,149,157	975,000	11,060,047	29,062,543
Transfers Out	(31,595,619)	-	-	(2,313,257)	(33,908,876)
Total Other Financing Sources and (Uses), net	(29,717,280)	15,508,689	975,000	51,887,756	38,654,165
Net Change in Fund Balances	2,449,239	91,217	714,384	24,059,888	27,314,728
Fund Balances at Beginning of Year	70,020,816	83,740	963,291	38,803,025	109,870,872
Fund Balances at End of Year	\$ 72,470,055	\$ 174,957	\$ 1,677,675	\$ 62,862,913	\$ 137,185,600

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

CITY OF ROANOKE, VIRGINIA

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2024**

Net Change in Fund Balance - Governmental Funds		\$ 27,314,728
Amounts reported for Governmental Activities in the Statement of Activities are different due to:		
Governmental Funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate the cost of those assets over the life of the asset.		
Expenditures for capital assets	53,451,505	
Donation of capital assets	16,796,410	
Net book value of assets disposed	(101,464)	
Less: current year depreciation expense	<u>(30,501,382)</u>	39,645,069
Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.		
Changes in long-term amounts due from component unit	(16,796,410)	
Changes in tax deferred inflows	2,064,160	
Changes in opioid settlement deferred inflow	<u>1,407,001</u>	(13,325,249)
Revenues in the Statement of Activities that were previously recognized in the Statement of Activities.		
Net principal reimbursed by Western Virginia Water Authority	<u>(945,000)</u>	(945,000)
Bond and other long-term debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Lease liability	(3,533,142)	
Bond and other long-term debt proceeds	(38,245,000)	
Principal payments	19,576,056	
Bond Premiums on issuance	<u>(1,722,356)</u>	(23,924,442)
Governmental funds report employer pension and other post employment benefit contributions as expenditures. However, in the Statement of Activities, the cost of benefits earned net of employee contributions is reported as pension expense.		
Subsequent employer pension contribution	19,186,096	
Employer pension expense	(49,596,059)	
Subsequent employer OPEB contribution and administrative expense	629,842	
Employer OPEB expense	<u>254,561</u>	(29,525,560)
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Amortization of bond premiums	1,263,628	
Changes in deferred gain and loss on refundings	(340,163)	
Change in long-term compensated absences	(480,349)	
Change in arbitrage liability	(574,824)	
Change in accrued interest payable	<u>(124,137)</u>	(255,845)
The Internal Service Fund is used by management to charge the costs of certain services to individual funds. The change in net position of the Internal Service Fund is reported with Governmental Activities.		
		<u>773,135</u>
Change in Net Position - Governmental Activities		<u>\$ (243,164)</u>

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

CITY OF ROANOKE, VIRGINIA

STATEMENT OF NET POSITION –
PROPRIETARY FUNDS

June 30, 2024

	Enterprise Funds				Internal
	Stormwater	Civic Facilities	Parking	Total	Service Fund
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 1,392,416	\$ 2,303,401	\$ 3,309,517	\$ 7,005,334	\$ 10,005,289
Cash and Investments - Restricted	9,926,216	410,430	-	10,336,646	-
Accounts Receivable, Net	364,009	930,943	-	1,294,952	-
Lease Receivable	-	33,630	432,144	465,774	-
Inventory	-	192,907	-	192,907	-
Prepays	-	140,150	-	140,150	400,000
Total Current Assets	11,682,641	4,011,461	3,741,661	19,435,763	10,405,289
Noncurrent Assets:					
Lease Receivable	-	-	1,332,873	1,332,873	-
Capital Assets:					
Land, Land Improvements, and Infrastructure	29,982,238	1,215,005	3,326,508	34,523,751	-
Buildings and Structures	1,360,061	46,792,980	49,154,820	97,307,861	-
Equipment and Other Capital Assets	5,589,446	3,013,373	1,611,226	10,214,045	-
Construction in Progress	7,675,350	2,380,936	-	10,056,286	-
Less: Accumulated Depreciation	(6,994,953)	(28,126,996)	(26,838,219)	(61,960,168)	-
Capital Assets, Net	37,612,142	25,275,298	27,254,335	90,141,775	-
Total Assets	49,294,783	29,286,759	32,328,869	110,910,411	10,405,289
Deferred Outflows of Resources					
Deferred Outflows Related to Pension	2,681,896	1,840,774	58,732	4,581,402	-
Deferred Outflows Related to OPEB	112,222	95,105	22,483	229,810	-
Deferred Outflows Related to Deferred Loss on Refundings	64,150	197,061	377,539	638,750	-
Total Deferred Outflows of Resources	2,858,268	2,132,940	458,754	5,449,962	-
Liabilities					
Current Liabilities:					
Accounts Payable and Accrued Expenses	212,005	291,377	262,760	766,142	120,527
Accrued Interest Payable	154,783	104,347	42,475	301,605	-
Arbitrage Liability	65,484	16,883	-	82,367	-
Due to Other Funds	26,432	15,398	662	42,492	-
Unearned Revenue	-	2,762,632	106,741	2,869,373	-
Other Liabilities	-	49,307	-	49,307	-
Long-Term Liabilities Due Within One Year	1,016,491	1,734,828	897,414	3,648,733	-
Total Current Liabilities	1,475,195	4,974,772	1,310,052	7,760,019	120,527
Long-Term Liabilities:					
Compensated Absences Payable	160,143	144,367	3,540	308,050	-
Claims Payable	-	-	-	-	14,436,024
General Obligation Bonds Payable, Net	18,413,789	13,216,661	4,795,471	36,425,921	-
Lease Liabilities	-	-	11,869	11,869	-
Net Pension Liability	6,595,111	4,293,939	94,894	10,983,944	-
Net OPEB Liability	227,508	103,532	3,307	334,347	-
Less: Current Maturities	(1,016,491)	(1,734,828)	(897,414)	(3,648,733)	-
Total Long-Term Liabilities	24,380,060	16,023,671	4,011,667	44,415,398	14,436,024
Total Liabilities	25,855,255	20,998,443	5,321,719	52,175,417	14,556,551
Deferred Inflows of Resources					
Deferred Inflows Related to Pension	2,760	45,739	2,874	51,373	-
Deferred Inflows Related to OPEB	202,074	127,010	3,575	332,659	-
Deferred Inflows Related to Leases	-	31,746	1,700,250	1,731,996	-
Total Deferred Inflows of Resources	204,834	204,495	1,706,699	2,116,028	-
Net Position					
Net Investment in Capital Assets	20,712,970	12,276,477	21,591,917	54,581,364	-
Unrestricted (deficit)	5,379,992	(2,059,716)	4,167,288	7,487,564	(4,151,262)
Total Net Position	\$ 26,092,962	\$ 10,216,761	\$ 25,759,205	\$ 62,068,928	\$ (4,151,262)

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

CITY OF ROANOKE, VIRGINIA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –
PROPRIETARY FUNDS
Year Ended June 30, 2024**

	Enterprise Funds				Internal Service Fund
	Stormwater	Civic Facilities	Parking	Total	
<u>Operating Revenues</u>					
Charges for Services	\$ -	\$ 15,282,135	\$ 4,047,368	\$ 19,329,503	\$ 17,009,495
Stormwater Fees	8,195,768	-	-	8,195,768	-
Other Revenue	21,588	416,559	1,100	439,247	1,257,504
Total Operating Revenues	8,217,356	15,698,694	4,048,468	27,964,518	18,266,999
<u>Operating Expenses</u>					
Personal Services	4,465,661	3,995,727	86,277	8,547,665	-
Other Services and Charges	1,292,230	13,429,966	2,862,994	17,585,190	19,561,922
Materials and Supplies	299,498	773,739	5,088	1,078,325	-
Depreciation and Amortization	1,039,232	1,220,805	1,134,138	3,394,175	-
Total Operating Expenses	7,096,621	19,420,237	4,088,497	30,605,355	19,561,922
Operating Income (Loss)	1,120,735	(3,721,543)	(40,029)	(2,640,837)	(1,294,923)
<u>Nonoperating Revenues (Expenses)</u>					
Investment Income	606,377	120,478	169,626	896,481	295,058
Arbitrage Expense	(65,484)	(16,883)	-	(82,367)	-
Interest Expense	(557,191)	(386,291)	(175,941)	(1,119,423)	-
Net Nonoperating Revenues (Expenses)	(16,298)	(282,696)	(6,315)	(305,309)	295,058
Income (Loss) Before Transfers	1,104,437	(4,004,239)	(46,344)	(2,946,146)	(999,865)
<u>Capital Contributions and Transfers</u>					
Capital Grants	1,376,761	-	-	1,376,761	-
Transfers In	-	3,418,119	-	3,418,119	1,773,000
Transfer Out	(322,774)	-	(22,012)	(344,786)	-
Net Capital Contributions and Transfers	1,053,987	3,418,119	(22,012)	4,450,094	1,773,000
Change in Net Position	2,158,424	(586,120)	(68,356)	1,503,948	773,135
Total Net Position at Beginning of Year	23,934,538	10,802,881	25,827,561	60,564,980	(4,924,397)
Total Net Position at End of Year	\$ 26,092,962	\$ 10,216,761	\$ 25,759,205	\$ 62,068,928	\$ (4,151,262)

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

CITY OF ROANOKE, VIRGINIA
STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
Year Ended June 30, 2024

	Enterprise Funds				Internal Service Fund
	Stormwater	Civic Facilities	Parking	Total	
Cash Flow From Operating Activities					
Cash Received from Customers	\$ 8,139,290	\$ 16,574,124	\$ 4,059,739	\$ 28,773,153	\$ 18,266,999
Cash Payments to Suppliers for Goods and Services	(2,128,864)	(14,517,171)	(2,967,663)	(19,613,698)	64,322
Cash Payments to Employees	(3,480,630)	(3,507,866)	(74,391)	(7,062,887)	-
Cash Payments for Claims	-	-	-	-	(18,893,126)
Net Cash Provided by (Used in) Operating Activities	2,529,796	(1,450,913)	1,017,685	2,096,568	(561,805)
Cash Flow From Noncapital Financing Activities:					
Transfers In (Out)	(322,112)	3,409,154	(22,002)	3,065,040	1,773,000
Net Cash Provided by (Used in) Noncapital Financing Activities	(322,112)	3,409,154	(22,002)	3,065,040	1,773,000
Cash Flow From Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(6,585,703)	(1,187,989)	-	(7,773,692)	-
Cash Received from Sale of Asset	25,381	-	-	25,381	-
General Obligation Bond Issuance	3,810,000	1,430,000	-	5,240,000	-
Proceeds from New Bond Premiums	223,909	84,410	-	308,319	-
Cash Received from Capital Grants	1,376,761	-	-	1,376,761	-
Principal Paid on Bonds and Lease Liabilities	(623,271)	(1,453,652)	(873,275)	(2,950,198)	-
Interest Paid on Bonds and Lease Liabilities	(590,118)	(433,383)	(151,466)	(1,174,967)	-
Net Cash Used in Capital and Related Financing Activities	(2,363,041)	(1,560,614)	(1,024,741)	(4,948,396)	-
Cash Flow From Investing Activities:					
Interest Received	606,377	120,478	169,626	896,481	295,058
Net Cash Provided by Investing Activities	606,377	120,478	169,626	896,481	295,058
Net Increase in Cash and Cash Equivalents	451,020	518,105	140,568	1,109,693	1,506,253
Cash and Cash Equivalents at July 1	10,867,612	2,195,726	3,168,949	16,232,287	8,499,036
Cash and Cash Equivalents at June 30	\$ 11,318,632	\$ 2,713,831	\$ 3,309,517	\$ 17,341,980	\$ 10,005,289

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

CITY OF ROANOKE, VIRGINIA

STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS
Year Ended June 30, 2024

	Enterprise Funds				Internal
	Stormwater	Civic Facilities	Parking	Total	Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating Income (Loss)	\$ 1,120,735	\$ (3,721,543)	\$ (40,029)	\$ (2,640,837)	\$ (1,294,923)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation and amortization	1,039,232	1,220,805	1,134,138	3,394,175	-
Pension expense, net of employer contributions	1,017,898	535,242	10,827	1,563,967	-
OPEB expense, net of employer contributions	(16,395)	(53,075)	(348)	(69,818)	-
(Increase) Decrease in Accounts Receivable	(78,066)	(301,289)	2,478	(376,877)	-
Decrease in Lease Receivable	-	(193)	(4,293)	(4,486)	-
Increase in Inventory	-	(27,777)	-	(27,777)	-
Increase in Other Assets	-	(30,623)	-	(30,623)	-
Increase (Decrease) in Accounts Payable and Accrued Expenses	(537,136)	(285,495)	(99,581)	(922,212)	64,322
Increase (Decrease) in Compensated Absences Payable	(16,472)	5,694	1,407	(9,371)	-
Increase in Unearned Revenues	-	1,207,341	13,086	1,220,427	-
Increase in Claims Payable	-	-	-	-	668,796
Total Adjustments	1,409,061	2,270,630	1,057,714	4,737,405	733,118
Net Cash Provided by (Used in) Operating Activities	\$ 2,529,796	\$ (1,450,913)	\$ 1,017,685	\$ 2,096,568	\$ (561,805)
Reconciliation to Exhibit G					
Cash and Cash Equivalents	\$ 1,392,416	\$ 2,303,401	\$ 3,309,517	\$ 7,005,334	\$ 10,005,289
Cash and Investments - Restricted	9,926,216	410,430	-	10,336,646	-
	<u>\$ 11,318,632</u>	<u>\$ 2,713,831</u>	<u>\$ 3,309,517</u>	<u>\$ 17,341,980</u>	<u>\$ 10,005,289</u>

Noncash Capital and Financing Activities:

Stormwater Fund noncash activities consisted of capital asset acquisitions of \$356,297 recorded as accounts payable at June 30, 2024.

Civic Facilities Fund noncash activities consisted of capital asset acquisitions of \$5,346 recorded as accounts payable at June 30, 2024.

CITY OF ROANOKE, VIRGINIA

**STATEMENT OF FIDUCIARY NET POSITION –
FIDUCIARY FUNDS
June 30, 2024**

	Pension and OPEB Trust Funds	Hotel Roanoke and Inmate Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 646,219	\$ 3,201,993
Receivables:		
Employer Contributions (Includes Due From Other Funds of \$961,750)	1,071,333	-
Employee Contributions	219,405	-
Investment Income	803,999	-
Receivable for Security Transactions	-	57,410
Total Receivables	2,094,737	57,410
Investments Held by Trustee, at Fair Value:		
Cash Equivalents	4,738,605	-
U.S. Government Securities	18,297,522	-
Municipal and Agency Bonds	30,652,663	-
Corporate Bonds	19,544,801	-
Common Stocks	63,076,042	-
Domestic Mutual Funds	232,686,830	-
International Mutual Funds	72,772,898	-
Real Estate Mutual Funds	29,335,608	-
Investment in Pooled Funds	11,557,286	-
Total Investments	482,662,255	-
Total Assets	485,403,211	3,259,403
LIABILITIES		
Accounts Payable and Accrued Expenses	281,014	77,056
Payable for Security Transactions	507,257	-
Total Liabilities	788,271	77,056
Net Position Restricted for Hotel Roanoke Conference Center Fund	-	3,104,765
Net Position Restricted for Inmate Fund	-	77,582
Net Position Restricted for Pension Fund	473,057,654	-
Net Position Restricted for OPEB Fund	11,557,286	-
Total Net Position	\$ 484,614,940	\$ 3,182,347

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

CITY OF ROANOKE, VIRGINIA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
FIDUCIARY FUNDS
Year Ended June 30, 2024**

	Pension and OPEB Trust Funds	Hotel Roanoke and Inmate Custodial Funds
<u>Additions/(Reductions)</u>		
Contributions from Employer	\$ 20,426,837	\$ -
Contributions from Employee	4,435,383	-
Contributions from Inmates	-	852,689
Investment Income		
Net Appreciation in Fair Value of Investments	40,373,517	11,940
Interest	3,410,811	162,192
Dividends	6,800,088	-
Other	4,426	138,688
Total Investment Income	50,588,842	312,820
Less: Investment Expenses	(1,061,650)	-
Net Investment Income	49,527,192	312,820
Total Additions	74,389,412	1,165,509
<u>Deductions</u>		
Benefit Payments	46,597,733	-
Administrative Expenses	494,034	797,885
Total Deductions	47,091,767	797,885
Change in Net Position	27,297,645	367,624
Fiduciary Net Position at Beginning of Year	457,317,295	2,814,723
Fiduciary Net Position at End of Year	\$ 484,614,940	\$ 3,182,347

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(1) Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

Discretely Presented Component Units

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

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

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

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(1) Summary of Significant Accounting Policies (Continued)

B. Financial Statement Presentation

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

Government-Wide Financial Statements and Fund Financial Statements

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

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

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

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

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

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

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

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(1) Summary of Significant Accounting Policies (Continued)

B. Financial Statement Presentation (Continued)

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

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

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

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

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

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

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

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

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

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

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(1) Summary of Significant Accounting Policies (Continued)

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

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

Governmental activities in the government-wide statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability has been incurred, regardless of the timing of related cash flows.

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

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

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

D. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in order to reserve the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as Committed Fund Balance since they do not constitute current year expenditures or liabilities and as such, are approved by Council for inclusion in the next fiscal year budget. Encumbrances are reported as expenditures using the budgetary basis of accounting. Unspent appropriations lapse at year-end. These encumbrances are subject to re-appropriation by City Council in the succeeding fiscal year. For fiscal year ended June 30, 2024, significant encumbrances in the General Fund totaled \$6.1 million and related to fleet management, social services, prisoner sustenance, and street and other maintenance contracts.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(1) Summary of Significant Accounting Policies (Continued)

E. Deposits and Investments

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

F. Interfund Receivables and Payables

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

G. Allowance for Uncollectible Taxes and Accounts Receivable

The City calculates its allowance for uncollectible receivables based on historical collection data and specific account analyses. At June 30, 2024, the allowance for General Fund's uncollectible taxes receivable was \$6,419,606 and the allowance for the uncollectible accounts receivable was \$1,579,376. At June 30, 2024, the allowance for the Stormwater uncollectible customer receivable was \$47,477. No allowance was recorded for Civic Facilities and Parking as of June 30, 2024.

H. Property Taxes

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

Personal property tax is normally due on or before May 31 during the year of assessment. The personal property tax rate was \$3.45 per \$100 of assessed value for the year. The Commonwealth funds localities for a portion of the personal property taxes billed to property tax owners. The Personal Property Tax Relief Act as amended provides a flat amount of reimbursement to localities, such as the City of Roanoke, thereby altering the percent of tax relief provided. The Commonwealth's share of the tax was 42% for tax year 2024. A penalty of 10% of unpaid real estate and personal property tax is due for late payment. Interest on unpaid taxes is 10% in the first year. Thereafter, the interest is calculated using the Internal Revenue Service (IRS) rate. At June 30, 2024, the IRS rate was 7%.

The City bills and collects taxes and recognizes revenue upon levy for government-wide purposes. For the fund financial statements, the City recognizes revenue to the extent that it results in current receivables.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(1) Summary of Significant Accounting Policies (Continued)

I. Inventory and Prepaid Items

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

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

J. Capital Assets

Capital assets acquired or constructed by the City with a value in excess of \$5,000 are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets belonging to proprietary funds are also reported in the applicable fund financial statements. Capital assets are recorded at historical cost or estimated historical cost. Gifts or contributions of capital assets are recorded at acquisition value when received. Depreciation is recorded on a straight-line basis over the estimated useful life of each capital asset. No depreciation expense is recorded for land, inexhaustible infrastructure (e.g., flood reduction), construction-in-progress, or items designated as historical treasures. The estimated useful lives for capital assets are as follows:

Land Improvements	15-40 years
Buildings and Structures	5-50 years
Equipment	2-20 years
Infrastructure	15-50 years
Subscriptions	3 years

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

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(1) Summary of Significant Accounting Policies (Continued)

K. Compensated Absences Payable

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

Liabilities for compensated absences are not liquidated until leave is actually taken by employees or leave balances are paid upon termination. Accordingly, in the governmental fund's financial statements, no expenditure is reported for compensated absences until they are paid. Current and non-current portions of compensated absences totaling \$10,252,821 are recorded for governmental activities in the government-wide statements and represent a reconciling item between the government-wide and governmental fund presentations.

L. Unearned Revenues

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

M. Long-Term Obligations

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

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

N. Net Position and Fund Balance

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(1) Summary of Significant Accounting Policies (Continued)

N. Net Position and Fund Balance (Continued)

Fund Balances – Governmental Funds

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

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

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

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

The City maintains fund balance reserve policies to ensure sound financial management, protecting the City’s credit ratings, ensuring prudent use of the City’s debt issuance authority and guiding the City and its managers in policy and debt issuance decisions. Key components of the reserve policies are as follows as of June 30, 2024:

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(1) Summary of Significant Accounting Policies (Continued)

N. Net Position and Fund Balance (Continued)

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

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

O. Use of Estimates

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

P. Deferred Inflows/Outflows of Resources

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

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

- Deferred charge on refunding. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Due to the relationship with outstanding debt, these deferred outflows and inflows are included in the calculation of net position, net investments in capital assets
- Contributions subsequent to the measurement date for pension and OPEB are always a deferred outflow; these will be applied to the net pension or OPEB liability in the next fiscal year.
- Difference between projected and actual earnings on pension and OPEB plan investments. These differences will be recognized in pension or OPEB expense over the closed five-year period and may be reported as a deferred outflow or inflow as appropriate.
- Changes in proportion and differences between employer contributions and the proportionate share of employer contributions, resulting from participation in cost-sharing pension and OPEB plans, are reported as deferred outflows or inflows as appropriate. This difference is deferred and recognized in expense over the average remaining service life of the employees who are subject to the plan, and may be reported as a deferred outflow or inflow as appropriate.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(1) Summary of Significant Accounting Policies (Continued)

P. Deferred Inflows/Outflows of Resources (Continued)

- Governmental funds report unavailable revenue from property taxes and other receivables not collected within the availability period. These amounts are recognized as an inflow of resources in the period they become available.
- Differences between expected and actual experience for economic/demographic factors and changes of assumptions in the measurement of the total pension or OPEB liability. This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as deferred inflow or outflow as appropriate.
- Lease-related amounts are recognized at the inception of leases in which the City is a lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

(2) Deposits and Investments

Governmental Funds

The City maintains a consolidated account that is available for use by all funds, including fiduciary funds. Each fund's portion of this account is presented in the basic financial statements as "Cash and Cash Equivalents". The School Board component unit maintains separate cash and investment accounts. The GRTC component unit maintains separate cash and investment accounts consisting of cash. Investments for GRTC and the School Board are presented in conjunction with City investments. The City acts as one of the fiscal agents for the Hotel Roanoke Conference Center Commission (HRCCC), as well as the Roanoke City Jail Inmate Custodial Fund. Investments and related disclosures for the City of Roanoke Pension Plan and the OPEB Trust Fund, which are fiduciary funds, are presented separately.

Deposits:

Custodial Credit Risk – Deposits: City deposits face the risk that in the event of a bank failure, the City's deposits may not be returned. To mitigate this risk, the City's investment policy requires all deposits to be federally secured or held in accordance with the Virginia Security for Public Deposits Act (the "Act"). Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC) must pledge collateral to the Commonwealth of Virginia. In agreement with the policy, as of June 30, 2024, the entire deposit balance held in the bank's trust department under the City's name was covered by the FDIC or collateralized in accordance with the Act.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(2) Deposits and Investments (Continued)

Governmental Funds (Continued)

Investments:

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

Investments at June 30, 2024, consisted of the following:

	<u>Total Primary Government</u>	<u>School Board Component Unit</u>	<u>Fiduciary Funds</u>
Virginia LGIP	\$ 5,798,861	\$ 5,249,074	\$ -
VIP Stable NAV Liquidity Pool (VIP)	120,896,563	44,987,654	3,090,044
Bank Deposits	51,550	-	-
Money Market Accounts	12,353,526	-	-
US Treasury / Agency Securities	3,996,500	-	-
Mutual Funds	<u>20,797,607</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 163,894,607</u></u>	<u><u>\$ 50,236,728</u></u>	<u><u>\$ 3,090,044</u></u>

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(2) Deposits and Investments (Continued)

Governmental Funds (Continued)

Investments: (Continued)

Investments with a short-term maturity, less than 3 months, are classified as cash and cash equivalents in accordance with GAAP. The majority of investments of the City are short-term in nature:

	Total Primary Government	School Board Component Unit	Fiduciary Funds (Custodial Funds)
Total Investments	\$ 163,894,607	\$ 50,236,728	\$ 3,090,044
Less: Short-Term Maturities:			
Virginia LGIP	(5,798,861)	(5,249,074)	-
VIP Stable NAV Liquidity Pool (VIP)	(120,896,563)	(44,987,654)	(3,090,044)
Bank Deposits	(51,550)	-	-
Money Markey Accounts	(12,353,526)	-	-
U.S. Treasury / Agency Securities	(3,996,500)	-	-
Mutual Funds (SNAP)	(20,797,607)	-	-
Total Investments - Exhibit A and J	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

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

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

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

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(2) Deposits and Investments (Continued)

Governmental Funds (Continued)

Investments: (Continued)

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

At June 30, 2024, investment holdings as a percentage of total investments, excluding OPEB Trust Fund investments, were as follows:

<u>Investment Type</u>	<u>Primary Government</u>	<u>Component Unit</u>	<u>Fiduciary Funds (Custodial Funds)</u>	<u>Credit Rating</u>
Virginia LGIP	3.54 %	10.45 %	- %	AAAm
Virginia Stable NAV Liquidity Pool (VIP)	73.76	89.55	100.00	AAAm
Bank Deposits	0.03	-	-	AAAm
Money Market Accounts	7.54	-	-	AAAm
US Treasury / Agency Securities	2.44	-	-	AA+
Mutual Funds (SNAP)	12.69	-	-	AAAm
Total Investment Percentage	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(2) Deposits and Investments (Continued)

Governmental Funds (Continued)

Investments: (Continued)

Custodial Credit Risk - Investments. For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investments at June 30, 2024, were held in the name of the City. The City's investment policy requires all Purchase Securities, Money Market instruments, and Certificates of Deposit with maturity dates less than thirty (30) days to be held by the Bank or Securities Dealer through which they were purchased.

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

Investments are considered to be exposed to custodial credit risk if they are uninsured and unregistered with the securities held by the counterparty or by its trust department or agent, but not in the City's name. At June 30, 2024, the City did not hold any investments considered to be exposed to custodial credit risk. The School Board and GRTC component units do not hold any investments exposed to custodial credit risk.

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

At June 30, 2024, the portions of the City's debt securities that exceed 5% of the total value, excluding certificates of deposit, which were fully insured by Federal Deposit Insurance Corporation (FDIC) and the Virginia LGIP, held in SNAP were as follows:

<u>Issuer</u>	<u>Percent of Portfolio Primary Government</u>
State Non-Arbitrage Program (SNAP)	12.69%

At June 30, 2024, the School Board's investment portfolio, \$44,987,654 was invested in the Virginia VIP Stable NAV Liquidity Pool and \$5,249,074 in LGIP.

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(2) Deposits and Investments (Continued)

Governmental Funds (Continued)

Investments: (Continued)

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

As of June 30, 2024, the Primary Government had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity</u>	
		<u>Less than 1 year</u>	<u>More than 1 year</u>
Virginia LGIP	\$ 5,798,861	\$ 5,798,861	\$ -
VIP Stable NAV Liquidity Pool (VIP)	120,896,563	120,896,563	-
Bank Deposits	51,550	51,550	-
Money Markey Accounts	12,353,526	12,353,526	-
Mutual Funds	3,996,500	3,996,500	-
Federal Agency Bonds/Notes	20,797,607	20,797,607	-
Total	<u>\$ 163,894,607</u>	<u>\$ 163,894,607</u>	<u>\$ -</u>

As of June 30, 2024, the School Board Component Unit had the following investments and maturities:

	<u>Investment Maturity</u>	
	<u>Fair Value</u>	<u>Less than 1 year</u>
Virginia LGIP	\$ 5,249,074	\$ 5,249,074
VIP Stable NAV Liquidity Pool	44,987,654	44,987,654
	<u>\$ 50,236,728</u>	<u>\$ 50,236,728</u>

As of June 30, 2024, the Hotel Roanoke Conference Center Commission, a custodial fund, had the following investments and maturities:

	Investment Maturity		
	Fair Value	Less than 1 year	More than 1 year
VIP Stable NAV	\$ 3,090,044	\$ 3,090,044	\$ -

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(2) Deposits and Investments (Continued)

Separately Presented Fiduciary Funds

Pension Trust Fund (the “Plan”)

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

Plan Investments as of June 30, 2024 consisted of the following:

Investment in pooled funds (1)	\$	4,855,749
U.S. Government Securities		18,297,522
Municipal and Agency Bonds		30,652,663
Corporate Bonds		19,544,801
Common Stocks		63,076,042
Domestic Mutual Funds		232,686,830
International Mutual Funds		72,772,898
Real Estate Funds		<u>29,335,608</u>
Total Investments	\$	<u>471,222,113</u>

(1) Local Government Investment Pool (LGIP) in the amount of \$117,114 is included in Cash and Cash Equivalents in the statement of Fiduciary Net Position

Fair Value of Investments

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

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

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(2) Deposits and Investments (Continued)

Separately Presented Fiduciary Funds (Continued)

Fair Value of Investments (Continued)

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

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

Investments Measured at Net Position Value

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Fixed Income Investments				
Co-mingled domestic fixed income	\$ 32,139,743	\$ -	Daily	0-3 Days
Total Fixed Income Investment measured at the NAV	<u>32,139,743</u>	<u>-</u>		
Equity Investments				
Co-mingled domestic equity	46,091,958	-	Daily	0-3 Days
Total Equity Investments measured at the NAV	<u>46,091,958</u>	<u>-</u>		
Real Estate Investments				
Real Estate	29,335,608	-	Quarterly	45-90 Days
Total Real Estate Investments measured at the NAV	<u>29,335,608</u>	<u>-</u>		
Total Investments measured at the NAV	<u>\$ 107,567,309</u>	<u>\$ -</u>		

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(2) Deposits and Investments (Continued)

Separately Presented Fiduciary Funds (Continued)

Fair Value of Investments (Continued)

		Fair Value Measures Using		
		Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Input (Level 3)
	June 30, 2024			
Investments by fair value level				
Fixed Income				
U.S. Government Securities	\$ 18,297,522	\$ -	\$ 18,297,522	\$ -
Municipal and Agency Bonds	30,652,663	-	30,652,663	-
Corporate Bonds	19,544,801	-	19,544,801	-
Domestic Bond Mutual Funds	24,410,387	24,410,387	-	-
Total Fixed Income	92,905,373	24,410,387	68,494,986	-
Domestic Equity				
Financial and Utility Common Stock	16,117,366	16,117,366	-	-
Basic Industrial and Materials Common Stock	12,402,682	12,402,682	-	-
Consumer and Service Common Stock	25,363,569	25,363,569	-	-
Technology and Telecommunications Common Stock	9,192,425	9,192,425	-	-
Domestic Equity Mutual Fund	130,044,742	130,044,742	-	-
Total Domestic Equity	193,120,784	193,120,784	-	-
International Equity				
International Equity Mutual Fund	72,772,898	72,772,898	-	-
Total International Equity	72,772,898	72,772,898	-	-
Short-term Investments				
Cash and Cash Equivalents	4,738,605	4,738,605	-	-
Total Short-term Investments	4,738,605	4,738,605	-	-
Total Investments by Fair Value Level	\$ 363,537,660	\$ 295,042,674	\$ 68,494,986	\$ -

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(2) Deposits and Investments (Continued)

Separately Presented Fiduciary Funds (Continued)

Fair Value of Investments (Continued)

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

As of June 30, 2024, the Plan's pooled and fixed income investments consisted of the following:

		<u>Moody's Rating</u>
U.S. Government Securities	\$ 16,480,928	Aaa
	<u>1,816,594</u>	NR
	<u><u>\$ 18,297,522</u></u>	
Municipal and Agency Bonds	\$ 511,031	Aaa
	372,331	Aa1
	328,113	Aa2
	55,131	Aa3
	<u>29,386,057</u>	NR (1)
	<u><u>\$ 30,652,663</u></u>	
Corporate Bonds	\$ 2,871,582	Aaa
	177,844	Aa2
	379,290	Aa3
	1,771,776	A1
	649,767	A2
	3,210,621	A3
	3,966,906	Baa1 & Below
	<u>6,517,015</u>	NR
	<u><u>\$ 19,544,801</u></u>	
Domestic Bond Mutual Funds	\$ 14,207,880	Aaa
	<u>17,931,863</u>	BB
	<u><u>\$ 32,139,743</u></u>	
Investment in Pooled Funds	\$ 4,738,605	Aaa
	<u>117,144</u>	AAAm
	<u><u>\$ 4,855,749</u></u>	

(1) The bonds within this category are implicitly backed by the U.S. Government.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(2) Deposits and Investments (Continued)

Separately Presented Fiduciary Funds (Continued)

Fair Value of Investments (Continued)

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Plan's deposits may not be returned to it. The Plan's investment policy does not specifically address custodial credit risk. The City maintains a cash and investment pool, in which the Plan is a participant. The carrying amount of the Plan's deposits was \$5,384,824 equal to the bank balance as of June 30, 2024. Of the bank balance, \$646,219 as of June 30, 2024, was covered by Federal depository insurance or collateralized pursuant to agreements with all participating financial institutions to pledge assets on a pooled basis to secure public deposits pursuant to the Virginia Security for Public Deposits Act (Act) Regulations of the Code of Virginia.

Such collateralization qualifies as state depository insurance. Accordingly, the bank balance of \$646,219 as of June 30, 2024, is considered to be insured. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loans. The remaining bank balance of \$4,738,605 as of June 30, 2024, respectively, is uninsured and uncollateralized. The uninsured and uncollateralized deposits are held by Comerica Bank.

Custodial Credit Risk – Investments. The Plan held the following investments as of June 30, 2024: cash equivalents; investment in pooled funds, U.S. government securities; agency and municipal bonds; corporate bonds; common stocks; domestic, international, and real estate mutual funds. Investments in external investment pools and in open-end mutual funds are not considered to be exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. Investments are considered to be exposed to custodial credit risk if they are uninsured and unregistered with the securities held by the counterparty or by its trust department or agent but not in the Plan's name. The Plan's investments are not considered to be exposed to custodial credit risk.

Concentration of Credit Risk. The Plan's investment policy prohibits the investment of more than 5% of plan assets in either fixed income or equity securities of any single issuer based on cost. Securities of the U.S. government and investment company shares (mutual funds) are exempted from this limitation. The Plan did not own securities of a single organization, other than positions in mutual funds, representing five percent or more of the Plan's fiduciary net position at June 30, 2024.

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

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(2) Deposits and Investments (Continued)

Separately Presented Fiduciary Funds (Continued)

Fair Value of Investments (Continued)

The fair value of the Plan's fixed income portfolio consisted of the following investments and maturities as of June 30, 2024:

Investment Type	Fair Value	Maturities			
		<1 Year	1-5 Years	5-10 Years	>10 Years
U.S. Government Securities	\$ 18,297,522	\$ 79,332	\$ 2,879,929	\$ 11,052,643	\$ 4,285,618
Municipal and Agency Bonds	30,652,663	-	1,240,997	2,150,565	27,261,101
Corporate Bonds	19,544,801	212,171	6,462,927	6,586,880	6,282,823
Bond Mutual Funds	32,139,743	-	-	17,931,863	14,207,880
	<u>\$ 100,634,729</u>	<u>\$ 291,503</u>	<u>\$ 10,583,853</u>	<u>\$ 37,721,951</u>	<u>\$ 52,037,422</u>

The City maintains a cash and investment pool in which the Plan is a participant. The fair value of the Plan's investments in the pool at June 30, 2024, were:

Investment Type	Fair Value	<1 Year
Virginia LGIP	<u>\$ 117,144</u>	<u>\$ 117,144</u>
	<u>\$ 117,144</u>	<u>\$ 117,144</u>

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan's investment policy prohibits investment in securities that are not denominated in U.S. dollars and/or that are traded solely on exchanges outside the U.S., with the exception of international commingled funds. The Plan had no investments that were not denominated in U.S. dollars or that were traded solely on exchanges outside the U.S. as of June 30, 2024.

OPEB Trust Fund

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

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(2) Deposits and Investments (Continued)

Separately Presented Fiduciary Funds (Continued)

OPEB Trust Fund (Continued)

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

Credit Risk. State law (*Code of Virginia*, Chapter 3, Title 26) limits local governments and other public bodies to investing in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, bankers' acceptances, repurchase agreements, and the LGIP. As of June 30, 2024, the City's OPEB Trust Fund was exclusively invested in the OPEB Trust Fund.

Custodial Credit Risk – Investments. For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are considered to be exposed to custodial credit risk if they are uninsured and unregistered with the securities held by the counterparty or by its trust department or agent but not in the City's name. At June 30, 2024, the OPEB Trust Fund did not hold any investments considered to be exposed to custodial credit risk.

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

As of June 30, 2024, the OPEB Trust Fund did not own securities other than the OPEB Trust Fund, which classified as a co-mingled multi-strategy pooled investment fund. The value of these investments has been allocated among the participants using a net asset value per share.

<u>Multi-strategy Investments</u>	<u>Fair Value</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Co-mingled	<u>\$ 11,557,286</u>	<u>\$ -</u>	<u>Daily</u>	<u>0-3 Days</u>
Total multi-strategy measured at the NAV	<u><u>\$ 11,557,286</u></u>	<u><u>\$ -</u></u>		

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(2) Deposits and Investments (Continued)

Separately Presented Fiduciary Funds (Continued)

OPEB Trust Fund (Continued)

The market value of the OPEB Trust Fund's fixed income holdings within the OPEB Trust Fund consisted of the following investments and maturities at June 30, 2024:

<u>Investment Type</u>	<u>Fair Value</u>	<u><5 years</u>	<u>5-10 years</u>
Bond Mutual Funds	\$ 1,823,902	\$ -	\$ 1,823,902
Virginia VIP	<u>1,792</u>	<u>1,792</u>	<u>-</u>
	<u>\$ 1,825,694</u>	<u>\$ 1,792</u>	<u>\$ 1,823,902</u>

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(3) Receivables and Due from Other Governments

Receivables as of June 30, 2024, consisted of the following:

Governmental Funds

	General	Special Revenue	Capital Projects	Total Governmental Activities
<u>Receivables</u>				
Federal Government	\$ 85,320	\$ 2,944,391	\$ 785,418	\$ 3,815,129
State Government	13,648,464	515,629	4,199,704	18,363,797
Component Unit	1,358,176	-	-	1,358,176
Other Governments	502,817	-	-	502,817
Total Governments	<u>\$ 15,594,777</u>	<u>\$ 3,460,020</u>	<u>\$ 4,985,122</u>	<u>\$ 24,039,919</u>
Taxes, net of Allowance	\$ 26,605,071	\$ -	\$ -	\$ 26,605,071
Accounts	3,627,106	3,219,341	282,797	7,129,244
Less: Allowance for Uncollectible Accounts	(1,579,376)	-	-	(1,579,376)
Subtotal	<u>\$ 28,652,801</u>	<u>\$ 3,219,341</u>	<u>\$ 282,797</u>	<u>\$ 32,154,939</u>
Governmental Fund Receivables	<u>\$ 44,247,578</u>	<u>\$ 6,679,361</u>	<u>\$ 5,267,919</u>	<u>\$ 56,194,858</u>

Component Units

	School Board Component Unit	GRTC Component Unit
<u>Receivables</u>		
Federal Government	\$ -	\$ 3,870,568
State Government	-	218,202
City of Roanoke	1,424,960	-
Other Governments	24,989,985	-
Total Governments	<u>\$ 26,414,945</u>	<u>\$ 4,088,770</u>
Accounts	<u>\$ 3,951,817</u>	<u>\$ 456,935</u>
Component Unit Receivables	<u>\$ 30,366,762</u>	<u>\$ 4,545,705</u>

Enterprise Funds

	Stormwater	Civic Facilities	Total Enterprise Funds
<u>Receivables</u>			
Accounts	\$ 411,486	\$ 930,943	\$ 1,342,429
Less: Allowance for Uncollectible Accounts	(47,477)	-	(47,477)
Total Receivables	<u>\$ 364,009</u>	<u>\$ 930,943</u>	<u>\$ 1,294,952</u>

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(3) Receivables and Due from Other Governments (Continued)

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

Net taxes and accounts receivable, as reported on the government-wide Statement of Net Position, include taxes receivable of approximately \$12.6 million that are not available to pay for current period expenditures and are, accordingly, recorded as deferred revenue in the governmental funds balance sheet. Governmental Funds and Governmental Activities has a due from component unit of \$2,676,918 which were reported by Roanoke City Schools as an accounts payable liability.

In addition to the fund level receivable from the Schools, the City also recorded a long-term entity-wide receivable for the Schools of \$1,318,742 related to a capital project at the Schools. Under City Code, while the Schools are managing and constructing the project, the title currently resides with the Schools, the Schools cannot ultimately own the completed building. Due to the nature of this legal requirement, the project is recorded as an asset for the Schools with an equal amount due to the City. This receivable will be satisfied when title formally transfers from the Schools to the City at the completion of the project.

(4) Lease Receivables

The City, as lessor, has entered into several noncancelable lease agreements involving infrastructure, several of which are with global telecommunication providers. The City has a lease receivable of \$19,298 and a deferred inflow of resources of \$18,248 as of June 30, 2024, related to telecommunications in the General Fund. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows related to telecommunications, recognized during the fiscal year was \$17,126 for the Debt Service Fund. The significant telecommunication-related leases are as follows:

<u>Lease*</u>	<u>Contract Date</u>	<u>Maturity Date</u>
Radio Communications 1	8/1/2020	7/31/2025
Radio Communications 2	8/1/2020	7/31/2025

* Maturity date includes option years, if applicable.

The lease receivable is due as follows:

<u>Year Ending June 30,</u>	<u>Telecommunication Principal</u>	<u>Telecommunication Interest</u>
2025	\$ 17,803	\$ 100
2026	1,495	1
	<u>\$ 19,298</u>	<u>\$ 101</u>

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(4) Lease Receivables (Continued)

The City, as lessor, has entered into a noncancelable lease agreements involving land for the parks and recreation department and general government. The City has a lease receivable of \$94,710 and a deferred inflow of resources of \$91,320 as of June 30, 2024, in the General Fund. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows related to land, recognized during the fiscal year was \$21,256 for the Debt Service Fund. The significant leases related to land are as follows:

Lease*	Contract Date	Maturity Date
19 th Street SE	8/28/2018	8/27/2028
Preston Avenue NW	8/28/2018	8/27/2028

* Maturity date includes option years, if applicable.

The lease receivable is due as follows:

Year Ending June 30,	Land Principal	Land Interest
2025	\$ 21,811	\$ 2,189
2026	22,381	1,619
2027	22,966	1,034
2028	23,566	434
2029	3,986	13
	<u>\$ 94,710</u>	<u>\$ 5,289</u>

The City, as lessor, has entered into several non-cancellable lease agreements involving buildings or portions of buildings related to garage parking. The City has a lease receivable of \$1,765,017 and a deferred inflow of resources of \$1,700,250 as of June 30, 2024, for the Parking Fund. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, recognized during the fiscal year was \$494,577. The significant leases related to garage parking are as follows:

Lease*	Contract Date	Maturity Date
Market Square Garage	2/1/2021	1/31/2026
Church Avenue Garage 1	7/1/2019	6/30/2024
Church Avenue Garage 2	8/9/2019	7/31/2024
Elmwood Park Garage Spots	5/1/2003	6/30/2026
Church Avenue Garage 3	11/1/2019	10/31/2029

* Maturity date includes option years, if applicable.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(4) Lease Receivables (Continued)

The lease receivable is due as follows:

Year Ending June 30,	Garage Principal	Garage Interest
2025	\$ 432,144	\$ 21,715
2026	425,540	16,151
2027	267,610	11,390
2028	271,519	7,481
2029	275,485	3,515
2030	92,719	280
	\$ 1,765,017	\$ 60,532

The City, as lessor, has entered into a non-cancellable lease agreement involving office space. The lease is named Berglund Center Annex 3rd Floor. The lease has a contract date of January 1, 2021 and a maturity date of December 31, 2025. The City has a lease receivable of \$33,630 and a deferred inflow of resources of \$31,746 as of June 30, 2024 related to office space in the Civic Facilities Fund. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows related to telecommunications, recognized in during the fiscal year was \$21,356 for the Civic Facilities Fund.

The lease receivable is due as follows:

Year Ending June 30,	Office Principal	Office Interest
2025	\$ 22,248	\$ 249
2026	11,382	35
	\$ 33,630	\$ 284

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(4) Lease Receivables (Continued)

	<u>Lease Receivable</u>	<u>Deferred Inflow</u>
Governmental Funds – General Fund		
Infrastructure leases	\$ 19,298	\$ 18,248
Land leases	94,710	91,320
Total Governmental Fund leases	<u>114,008</u>	<u>109,568</u>
Enterprise leases		
Parking Fund - Garage leases	1,765,017	1,700,250
Civic Facilities Fund - Office leases	33,630	31,746
Total Enterprise Fund leases	<u>1,798,647</u>	<u>1,731,996</u>
Total leases	<u><u>\$ 1,912,655</u></u>	<u><u>\$ 1,841,564</u></u>

(5) Interfund Balances and Transfers

Interfund balances consisted of the following for the year ended June 30, 2024:

		DUE FROM (FUND)					
DUE TO (FUND)		<u>General</u>	<u>Stormwater Utility</u>	<u>Civic Facilities</u>	<u>Parking</u>	<u>Hotel Roanoke</u>	<u>Total</u>
	Pension Trust	\$ 918,596	\$ 26,432	\$ 15,398	\$ 662	\$ 662	\$ 961,750
	Total	<u><u>\$ 918,596</u></u>	<u><u>\$ 26,432</u></u>	<u><u>\$ 15,398</u></u>	<u><u>\$ 662</u></u>	<u><u>\$ 662</u></u>	<u><u>\$ 961,750</u></u>

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(5) Interfund Balances and Transfers (Continued)

Interfund transfers consisted of the following for the year ended June 30, 2024:

		TRANSFER OUT (FUND)				
TRANSFER IN (FUND)		<u>General</u>	<u>Capital Project</u>	<u>Stormwater Utility</u>	<u>Parking</u>	<u>Total</u>
	General	\$ -	\$ 1,838,257	\$ 18,070	\$ 22,012	\$ 1,878,339
	Debt Service	15,149,157	-	-	-	15,149,157
	Special Revenue	500,000	475,000	-	-	975,000
	Capital Projects	10,755,343	-	304,704	-	11,060,047
	Civic Facilities	3,418,119	-	-	-	3,418,119
	Internal Service	1,773,000	-	-	-	1,773,000
	Total	<u>\$ 31,595,619</u>	<u>\$ 2,313,257</u>	<u>\$ 322,774</u>	<u>\$ 22,012</u>	<u>\$ 34,253,662</u>

Transfers are used (1) to move revenues from the funds that are required by statute or budget to collect them to the funds that are required by statute or budget to spend them, (2) to move receipts restricted for debt service from the funds collecting them to the Debt Service Fund as debt service payments become due, and (3) to move unrestricted revenues collected in the General Fund, which finance various programs accounted for in other funds in accordance with budgetary authorizations. In fiscal year 2024, the City transferred funding for an annual operating subsidy for the Civic Facilities, Debt Service, Internal Service, Stormwater Utility, and Capital Projects. Throughout the course of fiscal year 2024 \$1,878,339 was transferred to the general fund from the Capital Project and Stormwater Utility funds for various fund re-allocations. Additionally, the City provided required/matching funding for grants in the Special Revenue fund.

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(6) Changes in Capital Assets

Primary Government:

Changes in capital assets for the year ended June 30, 2024, consisted of the following:

	<u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>
Governmental Activities:				
Capital Assets, Not being Depreciated:				
Land	\$ 49,472,099	\$ -	\$ -	\$ 49,472,099
Infrastructure - Right of Way	20,271,153	175,000	-	20,446,153
Infrastructure - Inexhaustible	47,995,346	-	-	47,995,346
Construction in Progress - City	19,458,985	40,992,673	(30,741,044)	29,710,614
Historical Treasures	679,798	107,000	-	786,798
Total Capital Assets, Not being Depreciated	137,877,381	41,274,673	(30,741,044)	148,411,010
Capital Assets, Depreciable:				
Land Improvements	20,185,836	1,148,518	-	21,334,354
Building and Structures	492,195,219	36,020,760	(2,343,146)	525,872,833
Building and Structures - Leases	7,030,146	3,406,834	(252,179)	10,184,801
Infrastructure	307,593,774	12,288,980	-	319,882,754
Equipment	105,466,147	6,849,194	(6,185,746)	106,129,595
Equipment - Leases	636,548	-	(319,339)	317,209
Equipment - Subscriptions	713,029	-	-	713,029
Total Capital Assets, Being Depreciated	933,820,699	59,714,286	(9,100,410)	984,434,575
Less Accumulated Depreciation/Amortization:				
Land Improvements	(7,988,425)	(1,082,760)	-	(9,071,185)
Buildings and Structures	(191,603,255)	(10,375,019)	2,246,328	(199,731,946)
Building and Structures - Leases	(5,099,019)	(835,883)	252,179	(5,682,723)
Infrastructure	(141,070,522)	(9,460,496)	-	(150,531,018)
Equipment	(76,412,303)	(8,517,156)	6,181,100	(78,748,359)
Equipment - Leases	(519,135)	(87,266)	319,339	(287,062)
Equipment - Subscriptions	(142,215)	(142,802)	-	(285,017)
Total Accumulated Amortization	(422,834,874)	(30,501,382)	8,998,946	(444,337,310)
Capital assets, Being Depreciated, Net	510,985,825	29,212,904	(101,464)	540,097,265
Governmental Activities' Capital Assets, Net	<u>\$ 648,863,206</u>	<u>\$ 70,487,577</u>	<u>\$ (30,842,508)</u>	<u>\$ 688,508,275</u>

Capital assets used for educational purposes totaled \$232,712,171 and are included in the Governmental Activities capital assets of the primary government. The depreciation on these assets was recorded as an Education expense in the current fiscal year.

The City uses the Modified Approach for certain infrastructure assets deemed 'inexhaustible' as defined by GAAP and, therefore, these assets do not depreciate. A requirement of using this classification is the conducting of periodic evaluations in order to ensure that the assets are being maintained at or above their current condition level. Appropriate disclosure of the condition assessment for these infrastructure assets may be found in the Required Supplementary Information, section 3.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(6) Changes in Capital Assets (Continued)

Primary Government: (Continued)

Changes in capital assets for Business-type activities for the year ended June 30, 2024, consisted of the following:

	<u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>
<u>Business-Type Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 9,064,872	\$ 332,957	\$ -	\$ 9,397,829
Right of Way/Easements	212,136	-	-	212,136
Construction in Progress	9,623,920	8,459,800	(8,027,434)	10,056,286
Total Capital Assets, Not Being Depreciated	18,900,928	8,792,757	(8,027,434)	19,666,251
Capital Assets, Being Depreciated:				
Land Improvements	1,304,840	-	-	1,304,840
Building and Structures	93,773,831	3,534,503	(29,706)	97,278,628
Building and Structures - Leases	29,233	-	-	29,233
Infrastructure	21,260,724	2,348,222	-	23,608,946
Equipment	9,825,502	887,411	(508,005)	10,204,908
Equipment - Leases	24,449	-	(15,312)	9,137
	<u>126,218,579</u>	<u>6,770,136</u>	<u>(553,023)</u>	<u>132,435,692</u>
Accumulated Depreciation/Amortization:				
Land Improvements	(71,440)	(82,540)	-	(153,980)
Build and Structures	(50,065,822)	(2,059,937)	14,416	(52,111,343)
Buildings and Structure - Leases	(11,693)	(5,846)	15,290	(2,249)
Infrastructure	(2,521,190)	(532,684)	-	(3,053,874)
Equipment	(6,434,877)	(708,068)	519,524	(6,623,421)
Equipment - Leases	(10,201)	(5,100)	-	(15,301)
	<u>(59,115,223)</u>	<u>(3,394,175)</u>	<u>549,230</u>	<u>(61,960,168)</u>
Total Capital Assets, Being Depreciated	<u>67,103,356</u>	<u>3,375,961</u>	<u>(3,793)</u>	<u>70,475,524</u>
Business-Type Activities' Capital Assets, Net	<u>\$ 86,004,284</u>	<u>\$ 12,168,718</u>	<u>\$ (8,031,227)</u>	<u>\$ 90,141,775</u>

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(6) Changes in Capital Assets (Continued)

Primary Government: (Continued)

Depreciation/amortization was charged to functions as follows:

Government Activities:

Community development	\$ 1,667
Economic development	141,062
Education	6,848,652
General government	7,425,399
Health and welfare	600,912
Judicial	340,470
Parks, recreation, and culture	2,036,038
Public safety	2,737,086
Public works	<u>10,370,096</u>

\$ 30,501,382

Business-type Activities:

Stormwater	\$ 1,039,232
Civic facilities	1,220,805
Parking	<u>1,134,138</u>

\$ 3,394,175

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(6) Changes in Capital Assets (Continued)

Primary Government: (Continued)

School Board Component Unit:

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Capital Assets, Not Being Depreciated:				
Construction in progress	\$ 20,354,960	\$ 1,318,742	\$ (20,354,960)	\$ 1,318,742
Capital Assets, Being Depreciated:				
Equipment and vehicles	11,071,835	3,096,323	(258,505)	13,909,653
Equipment, vehicles, software – leases	3,580,161	2,418,517	(737,869)	5,260,809
Improvements	40,881,449	7,979,089	-	48,860,538
Total Capital Assets, Being Depreciated	55,533,445	13,493,929	(996,374)	68,031,000
Accumulated Depreciation/Amortization:				
Equipment and improvements	(12,936,954)	(4,741,617)	245,131	(17,433,440)
Equipment, vehicles, software – leases	(1,408,644)	(1,303,315)	737,869	(1,974,090)
Total Accumulated Depreciation/ Amortization	(14,345,598)	(6,044,932)	983,000	(19,407,530)
Capital Assets, Being Depreciated, Net	41,187,847	7,448,997	(13,374)	48,623,470
School Board Capital Assets, Net	\$ 61,542,807	\$ 8,767,739	\$ (20,368,334)	\$ 49,942,212

GRTC Component Unit:

	Balance June 30, 2023, Restated	Increases	Decreases	Balance June 30, 2024
Capital Assets, Not Being Depreciated:				
Land	\$ 1,627,487	\$ -	\$ -	\$ 1,627,487
Construction in progress	1,048,580	1,409,055	(2,436,930)	20,705
Total Capital Assets, Not Being Depreciated	2,676,067	1,409,055	(2,436,930)	1,648,192
Capital Assets, Being Depreciated:				
Buildings and structures	21,408,851	859,580	(116,468)	22,151,963
Equipment	29,992,417	2,965,296	(4,456,232)	28,501,481
Total Capital Assets, Being Depreciated	51,401,268	3,824,876	(4,572,700)	50,653,444
Accumulated Depreciation	(24,236,553)	(2,892,229)	4,557,542	(22,571,240)
Capital Assets, Being Depreciated, Net	27,164,715	932,647	(15,158)	28,082,204
GRTC Capital Assets, Net	\$ 29,840,782	\$ 2,341,702	\$ (2,452,088)	\$ 29,730,396

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(7) Construction in Progress and Contract Commitments

A summary of construction in progress expenses since project inception by function and contract commitments at June 30, 2024, is as follows:

Primary Government:

	Project	Expended/	Contract
<u>Governmental Activities:</u>	<u>Authorizations</u>	<u>Expensed as of</u>	<u>Commitments</u>
<u>Function</u>		<u>June 30, 2024</u>	<u>(Encumbrances)</u>
General Government	\$ 5,578,575	\$ 3,583,907	\$ 2,665,194
Parks, Recreation and Cultural	17,669,649	2,558,778	4,153,979
Community Development	6,264,398	3,732,022	144,174
Public Works	58,069,341	15,886,581	17,790,694
Public Safety	6,272,346	2,242,465	5,955,280
Judicial	1,531,000	591,211	1,077,456
Education	19,212,592	2,481,809	-
Subtotal	<u>114,597,901</u>	<u>31,076,773</u>	<u>31,786,777</u>
Non-Capitalized Projects City	<u>51,169,817</u>	<u>36,348,847</u>	<u>2,740,145</u>
Total	<u><u>\$ 165,767,718</u></u>	<u><u>\$ 67,425,620</u></u>	<u><u>\$ 34,526,922</u></u>
<u>Business-Type Activities:</u>			
<u>Fund</u>			
Stormwater Utilities	\$ 20,289,235	\$ 8,994,503	\$ 6,072,711
Civic Facilities	<u>4,751,630</u>	<u>2,656,326</u>	<u>191,231</u>
Total	<u><u>\$ 25,040,865</u></u>	<u><u>\$ 11,650,829</u></u>	<u><u>\$ 6,263,942</u></u>

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(8) Unearned Revenues

Unearned revenues represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unearned revenues for the Civic Facilities and Parking Funds are reported as such on the face of the statements (see Exhibit G). Unearned revenues as reported in the financial statements at June 30, 2024, consist of the following:

Governmental Activities:

	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Unearned Revenue	\$ 6,219,915	\$ 3,655,412	\$ 9,875,327

Business-Type Activities:

	<u>Civic Facilities Fund</u>	<u>Parking Fund</u>	<u>Total</u>
Unearned Revenue	\$ 2,762,632	\$ 106,741	\$ 2,869,373

(9) Long-Term Liabilities

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are subject to the provisions of the *Internal Revenue Code* of 1986 related to arbitrage and interest income tax regulations under those provisions. The fund balance of the Debt Service Fund at June 30, 2024, of \$174,957 was restricted for future retirement of long-term debt. The City Charter limits the legal debt to 10% of the assessed valuation of real estate within the City limits. The City's legal debt margin at June 30, 2024, was \$967,686,420. The City has no overlapping debt. The City issues general obligation bonds to provide for the acquisition and construction of major capital facilities.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(9) Long-Term Liabilities (Continued)

Long-Term Debt Summary

At June 30, 2024, the long-term indebtedness of the City consisted of the following:

Governmental-Type Activities:

<u>Series/Description</u>	<u>Interest Rates</u>	<u>Issue Date</u>	<u>Maturity</u>	<u>Issue Amount</u>	<u>Governmental Activities</u>
<u>General Obligation Bonds</u>					
2010B Public Improvement Bonds	1.25% - 5.80%	3/11/2010	10/1/2029	\$ 2,680,000	\$ 840,000
2013B Refunding Bonds	0.37% - 2.73%	2/27/2013	7/15/2024	15,350,000	1,215,000
2015 Public Improvement Bonds New Money	2.00% - 4.00%	3/25/2015	4/1/2035	17,420,000	10,997,000
2015 Public Improvement Bonds Refunding	2.00% - 4.00%	3/25/2015	4/1/2029	6,130,000	3,758,650
2016 Public Improvement Bonds New Money	2.00% - 5.00%	3/8/2016	4/1/2036	15,170,000	10,415,000
2016 Public Improvement Bonds Refunding	2.00% - 5.00%	3/8/2016	4/1/2033	16,505,000	15,133,500
2017 Public Improvement Bonds New Money	3.00% - 5.00%	3/23/2017	4/1/2037	20,980,000	15,515,000
2019B Public Improvement Bonds Refunding	2.00%	11/22/2019	10/1/2030	3,940,097	2,692,849
2019C Public Improvement Bonds Refunding	2.79%	11/22/2019	4/1/2041	28,355,939	24,120,174
2020A Public Improvement Bonds Refunding	2.25% - 5.00%	5/14/2020	4/1/2043	14,630,000	13,180,000
2020B GOB Refunding	2.00% - 2.25%	5/14/2020	2/1/2034	13,328,434	8,998,732
2021A Public Improvement Bonds Refunding	2.00% - 5.00%	5/12/2021	6/30/2044	29,515,000	27,385,000
2021A Public Improvement Bonds	2.00% - 5.00%	5/12/2021	6/30/2044	17,580,000	15,730,000
2021B GOB Refunding	2.00% - 5.00%	5/12/2021	4/1/2034	7,839,384	6,950,268
2021B New Money Taxable Bonds	1.85% - 3.00%	5/12/2021	6/30/2044	1,960,000	1,960,000
2022 Public Improvements Bonds	4.00% - 5.00%	5/12/2022	4/1/2042	23,732,355	21,115,000
2023 GOB New Money	4.00% - 5.00%	11/30/2023	10/1/2043	25,510,000	25,510,000
2024 Hotel Roanoke Bonds	4.00% - 5.00%	5/8/2024	5/8/2056	12,735,000	12,735,000
QZAB Schools Capital Projects 2012	0%	10/31/2012	12/1/2034	2,014,104	<u>1,007,050</u>
					<u>219,258,223</u>
<u>Bond Anticipation Notes</u>					
2023 EDA BAN	4.93 %	4/6/2022	4/6/2028	10,135,000	<u>10,135,000</u>

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(9) Long-Term Liabilities (Continued)

Long-Term Debt Summary (Continued)

At June 30, 2024, the long-term indebtedness of the City consisted of the following: (Continued)

Governmental-Type Activities: (Continued)

Lease Liabilities

Social Services Building Lease	1.76%	1/1/2024	12/31/2028	4,857,000	3,247,789
RDS Lease	3.97%	10/1/2015	9/1/2025	1,648,155	242,605
Trash Compactor	0.89%	7/1/2021	1/1/2025	58,867	9,704
Trash Compactor Property 2	1.53%	7/1/2021	1/1/2030	285,326	195,287
Trash Compactor Property 3	1.06%	7/1/2021	4/1/2026	101,819	39,202
Turf Tank One Robot	1.04%	7/30/2021	7/30/2026	58,473	30,885
Kimball Ave	1.06%	7/1/2021	5/31/2026	262,275	103,777
					<u>3,869,249</u>

Subscription Liabilities

Nova – Time & Attendance System	2.37%	7/1/2022	5/31/2026	713,029	<u>431,034</u>
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School Fund Bonds and Loans (1)

2004B VPSA Subsidized Lincoln Terrace	4.10% - 5.60%	11/1/2004	7/15/2024	1,300,000	64,491
2005D VPSA Subsidized Fallon Park	4.60% - 5.10%	11/10/2005	7/15/2025	1,160,900	114,225
2005D VPSA Subsidized Westside	4.60% - 5.10%	11/10/2005	7/15/2025	3,850,000	378,817
2006B VPSA Subsidized Monterey	4.22% - 5.10%	11/9/2006	7/15/2026	1,945,000	285,000
2006B VPSA Subsidized Patrick Henry	4.23% - 5.10%	11/9/2006	7/15/2026	7,500,000	1,099,480
2007A VPSA Patrick Henry (2015A Ref)	4.10% - 5.10%	5/10/2007	7/15/2027	3,345,000	660,000
2008B VPSA Subsidized William Fleming	3.60% - 5.35%	12/11/2008	7/15/2028	7,500,000	1,782,878
2010 VPSA Qualified School Constr Bonds (QSCB)	0.00%	7/8/2010	6/1/2027	1,135,000	2,023,000
2014B VPSA Refunding	3.00% - 5.00%	5/15/2014	7/15/2026	1,245,000	607,000
2015A VPSA Refunding	4.10% - 5.35%	2/17/2015	7/15/2028	9,555,000	210,000
					<u>7,224,891</u>

Total Governmental-Type Activities

\$ 240,918,397

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(9) Long-Term Liabilities (Continued)

Long-Term Debt Summary (Continued)

At June 30, 2024, the long-term indebtedness of the City consisted of the following: (Continued)

Business-Type Activities:

<u>Enterprise Fund Bonds</u>	<u>Interest Rates</u>	<u>Issue Date</u>	<u>Maturity</u>	<u>Issue Amount</u>	<u>Business-type Activities</u>
2015 Public Improvement Bonds Refunding SW	2.00% - 4.00%	3/25/2015	4/1/2029	\$ 125,250	\$ 61,350
2015 Stormwater Utility Fund Bonds	2.00% - 4.00%	3/25/2015	4/1/2035	1,090,000	688,000
2016 Public Improvement Bonds Refunding	2.00% - 5.00%	3/8/2016	4/1/2032	721,500	541,500
2016 Stormwater Utility Fund Bonds	2.00% - 5.00%	3/8/2016	4/1/2036	1,805,000	1,240,000
2017 Stormwater Utility Fund Bonds	3.00% - 5.00%	3/8/2016	4/1/2037	1,540,000	1,140,000
2019C Stormwater Refunding	2.79%	11/22/2019	4/1/2041	2,013,630	1,777,504
2020A Public Improvement Bonds New Money	2.25% - 5.00%	5/14/2020	4/1/2043	1,800,000	1,835,000
2020B Stormwater Refunding	2.00% - 2.25%	5/14/2020	2/1/2034	579,881	539,835
2021A Public Improvement Bonds Refunding	2.00% - 5.00%	5/12/2021	6/30/2044	1,155,000	1,080,000
2021A Public Improvement Bonds New Money	2.00% - 5.00%	5/12/2021	6/30/2044	1,790,000	2,360,000
2021B Public Improvement Bond Funding	2.00% - 5.00%	5/12/2021	4/1/2034	553,186	547,373
2022 Public Improvement Bonds SW	4.00% - 5.00%	5/12/2022	4/1/2042	1,850,114	1,730,000
2023 GOB New Money SW	4.00% - 5.00%	11/30/2023	10/1/2043	3,810,000	3,810,000
2015 Civic Facilities Bonds	2.00% - 4.00%	3/25/2015	4/1/2035	980,000	620,000
2015 Civic Facilities Refunding Bonds	2.00% - 4.00%	3/25/2015	4/1/2025	70,000	35,000
2016 Civic Facilities Bonds	2.00% - 5.00%	3/8/2016	4/1/2036	2,795,000	1,920,000
2016 Civic Facilities Refunding Bonds	2.00% - 5.00%	3/8/2016	4/1/2033	330,000	295,000
2019C Civic Refunding	3.00%	11/22/2019	4/1/2041	1,005,992	888,024
2020A Civic Facilities New Money	2.25% - 5.00%	5/14/2020	4/1/2043	1,350,000	1,375,000
2020B Civic Refunding	2.00% - 2.25%	5/14/2020	2/1/2034	3,182,933	1,930,781
2021A Public Improvement Bonds Refunding	2.00% - 5.00%	5/12/2021	6/30/2044	1,110,000	1,035,000
2021A Public Improvement Bonds New Money	2.00% - 5.00%	5/12/2021	6/30/2044	1,340,000	1,545,000
2021B Public Improvements Bonds Refunding	2.00% - 5.00%	5/12/2021	4/1/2034	482,430	477,360
2022 Public Improvements Bonds CF	4.00% - 5.00%	5/12/2022	4/1/2042	832,551	785,000
2023 GOB New Money CF	4.00% - 5.00%	11/30/2023	10/1/2043	1,430,000	1,430,000
2014B Parking Refunding Bonds	1.00% - 4.25%	3/5/2014	4/1/2032	7,110,000	3,460,000
2015 Parking Refunding Bonds	2.00% - 4.00%	3/25/2015	4/1/2025	160,000	160,000
2016 Parking Refunding Bonds	2.00% - 5.00%	3/8/2016	4/1/2028	545,000	545,000
2020B Parking Refunding	2.00% - 2.25%	2/27/2013	2/1/2034	813,751	500,653
					<u>34,352,380</u>

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(9) Long-Term Liabilities (Continued)

Long-Term Debt Summary (Continued)

At June 30, 2024, the long-term indebtedness of the City consisted of the following: (Continued)

Business-Type Activities: (Continued)

Lease Liabilities

Ray Ferris Property	1.06%	7/1/2021	6/30/2026	\$	29,233	\$	11,869
							11,869
Total Business-Type Activities						\$	<u>34,364,249</u>

The Annual Requirements to amortize governmental-type activities debt outstanding at June 30, 2024, are as follows:

Fiscal Year	General Obligation				VP&SA Loans			
	Serial Bond							
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024-25	\$ 18,435,081	\$ 8,265,529	\$ 1,872,148	\$ 366,087				
2025-26	15,781,670	7,676,477	1,819,289	277,999				
2026-27	14,937,272	7,063,358	1,583,623	197,140				
2027-28	25,026,385	6,515,585	1,053,672	72,573				
2028-29	14,503,576	5,477,720	896,159	22,852				
2029-2034	65,468,257	19,689,061	-	-				
2034-39	42,613,316	9,657,303	-	-				
2039-44	25,147,666	3,948,545	-	-				
2044-49	2,550,000	1,783,160	-	-				
2049-Onward	4,930,000	1,142,350						
	<u>\$ 229,393,223</u>	<u>\$ 71,219,088</u>	<u>\$ 7,224,891</u>	<u>\$ 936,651</u>				

Fiscal Year	Leases		Subscriptions		Total Governmental Activities Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2024-25	\$ 1,000,735	\$ 77,043	\$ 137,088	\$ 10,198	\$ 21,445,052	\$ 8,718,857
2025-26	857,262	53,846	146,896	6,878	18,605,117	8,015,200
2026-27	815,056	36,262	147,050	3,479	17,483,001	7,300,239
2027-28	765,603	18,959	-	-	26,845,660	6,607,117
2028-29	408,398	3,156	-	-	15,808,133	5,503,728
2029-34	22,195	113	-	-	65,490,452	19,689,174
2034-39	-	-	-	-	42,613,316	9,657,303
2039-44	-	-	-	-	25,147,666	3,948,545
2044-49	-	-	-	-	2,550,000	1,783,160
2049-Onward	-	-	-	-	4,930,000	1,142,350
	<u>\$ 3,869,249</u>	<u>\$ 189,379</u>	<u>\$ 431,034</u>	<u>\$ 20,555</u>	<u>\$ 240,918,397</u>	<u>\$ 72,365,673</u>

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(9) Long-Term Liabilities (Continued)

Long-Term Debt Summary (Continued)

At June 30, 2024, the long-term indebtedness of the City consisted of the following: (Continued)

Business-Type Activities: (Continued)

The following general obligation debt is issued to support business-type activities. The annual requirements to amortize business-type activities debt outstanding as of June 30, 2024, are as follows:

	<u>Stormwater Fund</u>		<u>Civic Facilities Fund</u>	
	Bonds		Bonds	
Fiscal Year	Principal	Interest	Principal	Interest
2024-25	\$ 811,314	\$ 609,394	\$ 1,578,453	\$ 391,199
2025-26	923,476	573,599	1,048,298	346,411
2026-27	957,684	535,131	617,051	313,784
2027-28	982,171	499,417	637,525	293,015
2028-29	948,540	463,257	653,049	270,658
2029-34	5,096,425	1,751,347	3,480,355	981,029
2034-39	4,331,195	892,380	2,524,161	455,764
2039-44	3,299,757	253,672	1,797,273	127,326
	<u>\$ 17,350,562</u>	<u>\$ 5,578,197</u>	<u>\$ 12,336,165</u>	<u>\$ 3,179,186</u>

	<u>Parking Fund</u>				<u>Total Business Activities</u>	
	Bonds		Leases			
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2024-25	\$ 876,851	\$ 164,057	\$ 5,903	\$ 97	\$ 3,272,521	\$ 1,164,650
2025-26	778,802	138,257	5,966	34	2,756,542	1,058,267
2026-27	610,000	113,475	-	-	2,184,735	962,390
2027-28	635,000	94,825	-	-	2,254,696	887,257
2028-29	455,000	73,306	-	-	2,056,589	807,221
2029-34	1,310,000	109,225	-	-	9,886,780	2,841,601
2034-39	-	-	-	-	6,855,356	1,348,144
2039-44	-	-	-	-	5,097,030	380,998
	<u>\$ 4,665,653</u>	<u>\$ 693,145</u>	<u>\$ 11,869</u>	<u>\$ 131</u>	<u>\$ 34,364,249</u>	<u>\$ 9,450,528</u>

During fiscal year 2024, the Debt Service Fund was used to account for the repayment of long-term liabilities of governmental activities as shown in the tables preceding this paragraph.

On November 30, 2023, the City issued a General Obligation bond in the total amount of \$30,750,000. The note is to fund upcoming capital projects for the City.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(9) Long-Term Liabilities (Continued)

Long-Term Debt Summary (Continued)

Business-Type Activities: (Continued)

On May 22, 2024, the City issued Federally Taxable General Obligation bonds in the total amount of \$12,735,000. This bond issuance is to fund upcoming expansion of the Hotel Roanoke and Conference Center.

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

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024	Amounts Due Within One Year
<u>Primary Government -</u>					
<u>Governmental Activities:</u>					
General Obligation Serial Bonds:					
General Obligation Serial Bonds	\$ 196,220,241	\$ 38,245,000	\$ 15,207,018	\$ 219,258,223	\$ 18,435,081
General Obligation Serial Bonds - WVWA	945,000	-	945,000	-	-
Add: Bond Premiums	14,394,273	1,722,356	1,263,628	14,853,001	1,151,377
Subtotal General Obligation Serial Bonds	211,559,514	39,967,356	17,415,646	234,111,224	19,586,458
VPSSA School Bonds	9,329,093	-	2,104,202	7,224,891	1,872,148
Bond Anticipation Note	10,135,000	-	-	10,135,000	-
Lease Liabilities	1,518,854	3,533,142	1,182,747	3,869,249	1,000,735
Subscription Liabilities	568,123	-	137,089	431,034	137,088
Claims Payable	13,767,228	17,883,616	17,214,820	14,436,024	3,592,024
Compensated Absences Payable	9,772,472	9,133,727	8,653,378	10,252,821	6,345,471
Subtotal Governmental-type Activities	\$ 256,650,284	\$ 70,517,841	\$ 46,707,882	\$ 280,460,243	\$ 32,533,924

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024	Amounts Due Within One Year
<u>Primary Government -</u>					
<u>Business-type Activities:</u>					
General Obligation Serial Bonds:					
General Obligation Serial Bonds	\$ 32,051,249	\$ 5,240,000	\$ 2,938,869	\$ 34,352,380	\$ 3,266,618
Add: Bond Premiums	1,904,302	308,319	139,080	2,073,541	136,601
Subtotal General Obligation Serial Bonds	33,955,551	5,548,319	3,077,949	36,425,921	3,403,219
Lease Liabilities	23,198	-	11,329	11,869	5,903
Compensated Absences Payable	317,421	254,455	263,826	308,050	239,611
Subtotal Business-type Activities	\$ 34,296,170	\$ 5,802,774	\$ 3,353,104	\$ 36,745,840	\$ 3,648,733

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(9) Long-Term Liabilities (Continued)

Long-Term Debt Summary (Continued)

School Board Component Unit

School Board Component Unit:	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024	Amounts Due Within One Year
Claims Payable	\$ 5,562,859	\$ 30,499,450	\$ 31,443,101	\$ 4,619,208	\$ 4,619,208
Compensated Absences	3,809,646	9,875,666	9,838,274	3,847,038	1,034,853
Notes, Leases, and Subscriptions	17,243,701	2,418,517	2,303,218	17,359,000	2,015,737
Due to City	18,115,152	-	16,796,410	1,318,742	1,318,742
	<u>\$ 44,731,358</u>	<u>\$ 42,793,633</u>	<u>\$ 60,381,003</u>	<u>\$ 27,143,988</u>	<u>\$ 8,988,540</u>

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

For the year ended June 30, 2024, the total liability for the note payable was \$14,002,000. Interest payments in fiscal year 2024 totaled \$314,987.

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(9) Long-Term Liabilities (Continued)

Long-Term Debt Summary (Continued)

School Board Component Unit (Continued)

The annual requirements to amortize the Component Unit – School Board debt outstanding as of June 30, 2024, are as follows:

Fiscal Year	Notes Payable		Leases		Subscriptions		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024-25	\$ 1,009,000	\$ 294,245	\$ 571,371	\$ 52,103	\$ 435,366	\$ 31,559	\$ 2,015,737	\$ 377,907
2025-26	1,056,000	272,401	585,542	36,785	411,671	19,382	2,053,213	328,568
2026-27	1,116,500	249,476	574,039	21,125	148,739	8,159	1,839,278	278,760
2027-28	1,152,000	225,396	501,126	6,630	100,899	3,518	1,754,025	235,544
2028-29	1,198,500	200,497	5,668	30	22,579	2,141	1,226,747	202,668
2029-34	6,872,500	588,350	-	-	-	-	6,872,500	588,350
2034-39	1,597,500	25,643	-	-	-	-	1,597,500	25,643
	<u>\$ 14,002,000</u>	<u>\$ 1,856,008</u>	<u>\$ 2,237,746</u>	<u>\$ 116,673</u>	<u>\$ 1,119,254</u>	<u>\$ 64,759</u>	<u>\$ 17,359,000</u>	<u>\$ 2,037,440</u>

Arbitrage Liability

Under U.S. Treasury Department regulations, all governmental tax-exempt debt issued after August 31, 1986, is subject to arbitrage rebate requirements. The requirements stipulate, in general, that the actual earnings from the investment of tax-exempt bond proceeds, which exceed related interest earnings if such investments were invested at a rate equal to the yield of the bonds, must be remitted to federal government on every fifth anniversary of each bond issuance. The City has evaluated each series of tax-exempt general obligation bonds, lease revenue bonds, and other direct loans. The City has recognized an arbitrage rebate of \$657,191 in the government-wide statements subject to these requirements.

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(10) Fund Balances/Net Position

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

	General Fund	Debt Service Fund	Special Revenue Fund	Capital Projects Fund
Nonspendable:				
Inventory	\$ 68,001	\$ -	\$ -	\$ -
Total nonspendable	68,001	-	-	-
Restricted for:				
Future debt service payments	-	174,957	-	-
Grants	-	-	1,677,675	-
Unspent Bond Proceeds	-	-	-	18,430,486
Total restricted	-	174,957	1,677,675	18,430,486
Committed to:				
Encumbrances:				
Community Development	636,627	-	-	144,174
General Government	1,095,120	-	-	2,665,194
Health & Welfare	231,087	-	-	-
Judicial	-	-	-	1,077,456
Parks, Recreation, and Cultural	181,417	-	-	4,153,979
Public Safety	596,567	-	-	5,955,280
Public Works	3,419,517	-	-	17,790,694
Total committed	6,160,335	-	-	31,786,777
Assigned to:				
ARPA Interest Earnings	768,485	-	-	-
Reserves	1,800,000	-	-	-
Stabilization	13,245,931	-	-	-
Future Capital Projects	-	-	-	12,645,650
Total assigned	15,814,416	-	-	12,645,650
Unassigned	50,427,303	-	-	-
Total fund balance	\$ 72,470,055	\$ 174,957	\$ 1,677,675	\$ 62,862,913

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(11) Pension and Deferred Compensation Plans

Summary of Pension Plans:

	Primary Government	Component Units
Net Pension Assets		
VRS – General Employee Plan	\$ -	\$ 1,163,937
Total	<u>\$ -</u>	<u>\$ 1,163,937</u>
Deferred Outflows of Resources		
City of Roanoke Pension Plan	\$ 90,012,047	\$ 1,610,354
VRS – General Employee Plan	6,642,529	352,023
VRS – Teacher Plan	<u>-</u>	<u>45,369,915</u>
Total	<u>\$ 96,654,576</u>	<u>\$ 47,332,292</u>
Net Pension Liability		
City of Roanoke Pension Plan	\$ 237,234,223	\$ 4,001,149
VRS – General Employee Plan	11,936,484	-
VRS – Teacher Plan	<u>-</u>	<u>112,518,457</u>
	<u>\$ 249,170,707</u>	<u>\$ 116,519,606</u>
Deferred Inflows of Resources		
City of Roanoke Pension Plan	\$ 1,051,950	\$ 121,413
VRS – General Employee Plan	1,357,540	80,426
VRS – Teacher Plan	<u>-</u>	<u>12,683,829</u>
	<u>\$ 2,409,490</u>	<u>\$ 12,885,668</u>
Net Pension Expense		
City of Roanoke Pension Plan	\$ 48,826,740	\$ 823,503
VRS – General Employee Plan	2,938,115	234,334
VRS – Teacher Plan	<u>-</u>	<u>13,985,897</u>
	<u>\$ 51,764,855</u>	<u>\$ 15,043,734</u>

City of Roanoke Pension Plans

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

City of Roanoke Pension Plans (Continued)

Plan Description

The Pension Plan is a cost-sharing multiple-employer defined benefit plan established by City Council and is included in the City's basic financial statements as a Pension Trust Fund. The Pension Plan was established by City Ordinance No. 8559 dated May 27, 1946, effective July 1, 1946. The Pension Plan covers substantially all employees of the City, all employees of the Roanoke Regional Airport Commission, and the Roanoke Valley Juvenile Detention Center, as well as certain employees of the City of Roanoke School Board, the Roanoke Valley Resource Authority, and the Western Virginia Water Authority. The City is the major contributor of employer contributions to the Pension Plan. City Council appoints members of the Pension Plan Board of Trustees to administer the Pension Plan. The Pension Plan is not subject to the provisions of the Employee Retirement Income Security Act (ERISA) of 1974.

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

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

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

City of Roanoke Pension Plan (Continued)

Plan Description (Continued)

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

Employees hired after June 30, 2014, become members of ESRS and choose between participation as a traditional defined benefit ESRS member or as a Hybrid member. Employees hired after June 30, 2014, were required to contribute 5% of earnable compensation to the plan. Effective July 1, 2015, the required contribution of 5% of earnable compensation was extended to employees hired prior to July 1, 2015. Employees have 60 days from their date of hire to make an irrevocable election to participate as either a traditional defined benefit ESRS member or a Hybrid member. Employees electing Hybrid membership participate in ESRS and accrue a lesser defined benefit than traditional defined benefit ESRS members and also participate in a defined contribution plan established under Section 401(a) of the Internal Revenue Code. Employees who make no election participate as traditional defined benefit ESRS members. ESRS members hired after June 30, 2014, choosing participation as a traditional defined benefit member may retire with 5 years or more of credited service and age 65 or over, general employees who have attained age 55 with age plus service equal to 85, and deputized police officers and firefighters who have attained age 50 with age plus service equal to 75, are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 2.0% of their final average compensation for each year of credited service up to a maximum of 63%. Final average compensation is the employee's average salary, excluding overtime, over the highest 60 consecutive months of credited service. Employees with 15 years of credited service may retire at age 55 (age 50 for deputized police officers and firefighters) and receive a reduced retirement benefit. Employees may elect to receive their retirement benefits in the form of a single life annuity or a joint and survivor annuity payable monthly from retirement. If employees terminate before rendering five years of service, they forfeit the right to receive any Pension Plan benefits. There is no mandatory retirement age. Member contributions for traditional defined benefit participants are invested in the pension trust fund.

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

City of Roanoke Pension Plan (Continued)

Plan Description (Continued)

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

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

Contributions

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

The City's contribution rate for the fiscal year ended June 30, 2024, was 22.86%, which, when combined with the required employee contribution of 5%, totaled 27.86%. For fiscal year 2024, the total contribution rate of 27.86% of earnable compensation, actuarially determined as an amount that is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the City were \$17,677,181 for fiscal year ended June 30, 2024.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

City of Roanoke Pension Plan (Continued)

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

At June 30, 2024, the City reported a liability of \$237,234,223 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the Pension Plan relative to the projected contributions of all Pension Plan participating employers, actuarially determined. At June 30, 2024, the City's proportion was 89.78%, which is the same proportional share as measured as of June 30, 2023.

For the year ended June 30, 2024, the City recognized pension expense of \$48,826,740. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,500,864	\$ 534,860
Change in assumptions	39,063,029	-
Net difference between projected and actual earnings on pension plan investments	15,353,175	-
Change in proportion and differences between employer Contributions and proportionate shares of contributions	417,798	517,090
City contributions subsequent to the measurement date	17,677,181	-
Total	<u>\$ 90,012,047</u>	<u>\$ 1,051,950</u>

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

City of Roanoke Pension Plan (Continued)

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

The City reported \$17,677,181 as deferred outflows of resources, resulting from the City's contributions subsequent to the measurement date, will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the City's Pension will be recognized in the City's Pension expense in future reporting periods as follows:

Year Ended June 30,	Increase (Reduction) to Pension Expense
2025	\$ 28,905,565
2026	26,978,821
2027	17,403,882
2028	(1,906,352)
2029	-
Thereafter	-

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, updated to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

City of Roanoke Pension Plan (Continued)

Investment Rate of Return

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

	<u>Allocation Target</u>	<u>Weighted Contribution to Rate of Return</u>
U.S. Equity	48.0%	4.80%
International Equity	16.0	1.76
Real Estate	6.0	0.42
U.S. Fixed Income	26.0	1.30
Global Fixed Income	4.0	0.24
	<u>100.0%</u>	<u>8.52%</u>

Discount Rate

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

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

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

	<u>1.00% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1.00% Increase (8.00%)</u>
City's net pension plan liability	\$ 313,408,589	\$ 237,234,223	\$ 173,893,918

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

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

VRS Defined Benefit Pension Plan

Plan Description

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

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

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

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>176</u>
Inactive members:	
Vested inactive members	28
Non-vested inactive members	64
Inactive members active elsewhere in VRS	<u>90</u>
Total inactive members	358
Active members	<u>191</u>
Total covered employees	<u><u>549</u></u>

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

VRS Defined Benefit Pension Plan (Continued)

Contributions

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

The political subdivision's contractually required contribution rate for the year ended June 30, 2024, was 21.88% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were \$2,320,751 and \$2,121,173 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Liability

The net pension liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For Political Subdivisions, the net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022 rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions

The total pension liability for General Employees and Public Safety employees with Hazardous Duty Benefits in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2022, 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, 2023.

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

VRS Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

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

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

VRS Defined Benefit Pension Plan (Continued)

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:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	34.00 %	6.14 %	2.09 %
Fixed Income	15.00	2.56	0.38
Credit Strategies	14.00	5.60	0.78
Real Assets	14.00	5.02	0.70
Private Equity	16.00	9.17	1.47
MAPS – Multi-Asset Public Strategies	4.00	4.50	0.18
PIP – Private Investment Partnership	2.00	7.18	0.14
Cash	1.00	1.20	0.01
Total	100.00 %		<u>5.75 %</u>
		Inflation	<u>2.50 %</u>
		*Expected arithmetic nominal return	<u>8.25 %</u>

- * The above allocation provides for a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

VRS Defined Benefit Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, Political Subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in the fiscal year 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022 actuarial valuations, whichever was greater. From July 1, 2023, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2022	\$ 82,340,884	\$ 72,693,427	\$ 9,647,457
Changes for the year:			
Service cost	1,631,660	-	1,631,660
Interest	5,501,863	-	5,501,863
Differences between expected and actual experience	2,355,615	-	2,355,615
Contributions – employer	-	2,142,924	(2,142,924)
Contributions – employee	-	475,267	(475,267)
Net investment income	-	4,626,977	(4,626,977)
Benefit payments, including refunds of employee contributions	(4,926,920)	(4,926,920)	-
Administrative expenses	-	(46,913)	46,913
Other changes	-	1,856	(1,856)
Net changes	4,562,218	2,273,191	2,289,027
Balances at June 30, 2023	\$ 86,903,102	\$ 74,966,618	\$ 11,936,484

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

VRS Defined Benefit Pension Plan (Continued)

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

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

	<u>1.00% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1.00% Increase (7.75%)</u>
Political subdivision's net pension liability	\$ 22,814,498	\$ 11,936,484	\$ 2,890,156

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

For the year ended June 30, 2024, the political subdivision recognized pension expense of \$2,938,115. At June 30, 2024, the political subdivision 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	\$ 3,493,629	\$ 144,677
Change in assumptions	828,149	-
Net difference between projected and actual earnings on pension plan investments	-	1,212,863
Employer contributions subsequent to the measurement date	<u>2,320,751</u>	<u>-</u>
Total	<u>\$ 6,642,529</u>	<u>\$ 1,357,540</u>

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

VRS Defined Benefit Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The \$2,320,751 reported as deferred outflows of resources related to pensions resulting from the political subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 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:

Year Ended June 30,	Increase (Reduction) to Pension Expense
2025	\$ 1,076,653
2026	171,756
2027	1,675,752
2028	40,077
2029	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

School Board Component Unit Plans

VRS Defined Benefit Pension Plans

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

School Board Component Unit Plans (Continued)

Plan Description

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

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

<https://www.varetire.org/members/benefits/defined-benefit/plan1.asp>

<https://www.varetire.org/members/benefits/defined-benefit/plan2.asp>

<https://www.varetirement.org/hybrid.html>

Long-Term Expected Rate of Return

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

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

School Board Component Unit Plans (Continued)

Long-Term Expected Rate of Return (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2020, the rate contributed by the employer for the school division's Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly for state and employee contributions, Political Subdivisions were also provided with an opportunity to use an alternate contribution rate. For the year ended June 30, 2024, the alternate rate was the employer contribution rate used in the fiscal year 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations, whichever is greater. From July 1, 2023 on, participating employers 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. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Virginia Retirement System – Statewide Professional Cost-Sharing Pool

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required contribution rate for the year ended June 30, 2024, 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. Contributions to the pension plan from the School Board were \$18,616,272 and \$17,455,716 for the years ended June 30, 2024 and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately \$147.5 million to the VRS Teacher Employee Plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session 1, as amended by Chapter 769, 2023 Acts if Assembly Reconvened Session, and is classified as a non-employer contribution.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

Virginia Retirement System – Statewide Professional Cost-Sharing Pool (Continued)

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

At June 30, 2024, the School Board reported a liability of \$112,518,457 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2023, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. 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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the School Board's proportion was 1.11325% as compared to 0.97628% at June 30, 2022. For the year ended June 30, 2024, the School Board recognized pension expense of \$13,985,897. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2024, 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	\$ 9,665,431	\$ 4,390,951
Change in assumptions	5,100,856	-
Net difference between projected and actual earnings on pension plan investments	-	7,315,969
Change in proportion and differences between employer contributions and proportionate share of contributions	11,987,356	976,909
Employer contributions subsequent to the measurement date	18,616,272	-
Total	<u>\$ 45,369,915</u>	<u>\$ 12,683,829</u>

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

Virginia Retirement System – Statewide Professional Cost-Sharing Pool (Continued)

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

The \$18,616,272 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Increase (Reduction) to Pension Expense
2025	\$ 811,578
2026	(3,208,061)
2027	11,997,447
2028	4,468,850
2029	-
Thereafter	-

The components of the net pension liability as of June 30, 2023, were as follows:

Total net pension liability	\$ 57,574,609
Plan fiduciary net position	<u>47,467,405</u>
Net pension liability	<u>\$ 10,107,204</u>
Fiduciary net position as a percent of total net pension liability	82.45%

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

Virginia Retirement System – Statewide Professional Cost-Sharing Pool (Continued)

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

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

	<u>1.00% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1.00% Increase (7.75%)</u>
School division’s proportionate share of the VRS Teacher Employee Retirement plan net pension liability	<u>\$ 199,455,092</u>	<u>\$ 112,518,457</u>	<u>\$ 41,049,392</u>

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Virginia Retirement System – Nonprofessional Employees (Non-Teachers)

Employees Covered by Benefit Terms

As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>27</u>
Inactive members:	
Vested inactive members	16
Non-vested inactive members	154
Inactive members active elsewhere in VRS	<u>24</u>
Total inactive members	194
Active members	<u>133</u>
Total covered employees	<u><u>354</u></u>

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

Virginia Retirement System – Nonprofessional Employees (Non-Teachers) (Continued)

Contributions

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

The School Board's contractually required contribution rate for the year ended June 30, 2024, was 9.46% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2022.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were \$153,133 and \$144,787 for the years ended June 30, 2024 and June 30, 2023, respectively.

Net Pension Asset

The political subdivision's net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

Virginia Retirement System – Nonprofessional Employees (Non-Teachers) (Continued)

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2022	\$ 4,626,556	\$ 6,049,124	\$ (1,422,568)
Changes for the year:			
Service cost	507,416	-	507,416
Interest	341,673	-	341,673
Changes of assumptions	-	-	-
Differences between expected and actual experience	249,532	-	249,532
Contributions – employer	-	144,691	(144,691)
Contributions – employee	-	289,903	(289,903)
Net investment income	-	408,957	(408,957)
Benefit payments, including refunds of employee contributions	(144,308)	(144,308)	-
Administrative expenses	-	(3,728)	3,728
Other changes	-	167	(167)
Net changes	954,313	695,682	258,631
Balances at June 30, 2023	\$ 5,580,869	\$ 6,744,806	\$ (1,163,937)

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School division's net pension asset	\$ (250,027)	\$ (1,163,937)	\$ (1,867,605)

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

Virginia Retirement System – Nonprofessional Employees (Non-Teachers) (Continued)

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

For the year ended June 30, 2024, the political subdivision recognized pension expense of \$234,334. At June 30, 2024, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 198,890	\$ -
Change in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	80,426
Employer contributions subsequent to the measurement date	<u>153,133</u>	<u>-</u>
Total	<u><u>\$ 352,023</u></u>	<u><u>\$ 80,426</u></u>

The \$153,133 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Increase (Reduction) to Pension Expense
2025	\$ 66,225
2026	(34,581)
2027	85,012
2028	1,808
2029	-
Thereafter	-

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

City of Roanoke Pension Plan (School Board Participants)

Plan Description

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

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

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

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
Net pension liability	\$ 5,285,892	\$ 4,001,149	\$ 2,932,863

At June 30, 2024, the Schools reported a liability of \$4,001,149 for its proportionate share of the Collective Net Pension Liability of the City's Pension Plan. The Collective Net Pension Liability was measured as of June 30, 2023, and the total pension liability used to calculate the Collective Net Pension Liability was determined by an actuarial valuation as of that date. The School Board's proportion of the Collective Net Pension Liability was based on the Schools' actuarially determined employer contributions to the pension plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for the City Plan's participating employers.

At June 30, 2024, the School Board's proportion was 1.51426% as compared to 1.48177% at June 30, 2023.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

City of Roanoke Pension Plan (School Board Participants) (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued)

For the year ended June 30, 2024, the School Board recognized pension expense of \$823,503. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2023, the Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 294,777	\$ 8,632
Change in assumptions	658,830	-
Net difference between projected and actual earnings on pension plan investments	371,725	-
Change in proportion and differences between employer contributions and proportionate share of contributions	-	112,781
Employer contributions subsequent to the measurement date	<u>285,022</u>	<u>-</u>
Total	<u>\$ 1,610,354</u>	<u>\$ 121,413</u>

\$285,022 is reported as deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Increase (Decrease) to Pension Expense
2025	\$ 487,515
2026	455,020
2027	293,531
2028	(32,147)
2029	-
Thereafter	-

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(11) Pension and Deferred Compensation Plans (Continued)

City of Roanoke Pension Plan (School Board Participants) (Continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, updated to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Investment Rate of Return

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

Discount Rate

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans

Summary of Other Postemployment Benefits Plans

	Primary Government	Component Units
Net OPEB Assets		
VRS Health Insurance Credit	\$ -	\$ 33,569
Total	<u>\$ -</u>	<u>\$ 33,569</u>
Deferred Outflows of Resources		
Post-Retirement Health Plan	\$ 3,214,624	\$ -
Line of Duty Benefits	279,345	-
VRS Health Insurance Credit	240,610	3,337,042
VRS Group Life Insurance	<u>981,659</u>	<u>2,150,377</u>
Total	<u>\$ 4,716,238</u>	<u>\$ 5,487,419</u>
Net OPEB Liability		
Post-Retirement Health Plan	\$ 4,182,424	\$ -
Line of Duty Benefits	426,398	-
VRS Health Insurance Credit	302,923	13,485,862
VRS Group Life Insurance	<u>4,229,229</u>	<u>6,072,364</u>
Total	<u>\$ 9,140,974</u>	<u>\$ 19,558,226</u>
Deferred Inflows of Resources		
Post-Retirement Health Plan	\$ 4,935,743	\$ -
Line of Duty Benefits	893,513	-
VRS Health Insurance Credit	305,812	855,453
VRS Group Life Insurance	<u>932,496</u>	<u>962,508</u>
Total	<u>\$ 7,067,564</u>	<u>\$ 1,817,961</u>
Net OPEB Expense		
Post-Retirement Health Plan	\$ 212,080	\$ -
Line of Duty Benefits	114,519	-
VRS Health Insurance Credit - Teacher	104,639	1,244,102
VRS Health Insurance Credit – School Board	-	(1,614)
VRS Group Life Insurance	<u>65,135</u>	<u>372,339</u>
Total	<u>\$ 496,373</u>	<u>\$ 1,614,827</u>

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Employee’s Post Retirement Health Plan

Plan Description

Employees with 15 continuous years of active service and under the age of 65 who retire from the City may participate in the Employees’ Post-Retirement Health Plan and benefit from a lower insurance rate as a result of inclusion in the plan with active City employees. This lower rate results in an implicit benefit that qualifies as an OPEB as defined by GAAP. The City Plan (the “Plan”) is a single employer OPEB plan and is administered by the City of Roanoke to provide medical insurance to eligible retirees. The Health OPEB and LODA OPEB are indeed two separate plans, but are included in one single trust. All assets are available to pay to any plan member or beneficiary. The OPEB for City retirees was authorized by the City Council. The Plan does not issue a standalone financial report.

Plan Membership

As of the June 30, 2023 actuarial valuation, plan membership was as follows:

Active Participants	1,602
Retired Participants	72
Spouses	20
	<hr/>
Total Participants	<u>1,694</u>

Contributions

The contribution requirements of the Plan members and the City are established and may be amended by City Council. The required contribution is based on projected pay-as-you-go financing requirements under which contributions are made in amounts sufficient to cover benefits paid, administrative costs, and anticipated inflationary increases. For health insurance, the employees retiring prior to January 1, 2010, contribute 100% of the blended premium payment. Employees retiring on or after January 1, 2010, contribute 100% of the blended premium plus an additional amount based on the tier of coverage chosen. For the fiscal year ended June 30, 2024, the retirees contributed \$495,000 to the Plan for health insurance. The City contributed \$167,342 to a qualified trust as defined by GAAP for the year ended June 30, 2024. It is the City’s intent to fully fund the annual required contribution each year.

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

At June 30, 2024 the City reported a net OPEB liability of \$4,182,424. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Employee’s Post Retirement Health Plan (Continued)

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

For the year ended June 30, 2024, the City recognized OPEB expense of \$212,080. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 114,118	\$ 4,848,311
Change in assumptions	2,653,132	-
Differences between expected and actual earnings on pension plan investments	192,599	-
Change in proportional share	87,433	87,432
City contributions and administrative expense subsequent to the measurement date	167,342	-
Total	<u>\$ 3,214,624</u>	<u>\$ 4,935,743</u>

The City reported \$167,342 as deferred outflows of resources, resulting from the City’s contributions subsequent to the measurement date, will be recognized as a reduction of the Net OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the City’s OPEB will be recognized in the City’s OPEB expense in future reporting periods as follows:

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2025	\$ (519,739)
2026	(669,791)
2027	(398,499)
2028	(320,236)
2029	19,804
Thereafter	-

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Employee’s Post Retirement Health Plan (Continued)

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

The components of the net OPEB liability as of June 30, 2024, were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2022	\$ 12,370,741	\$ 6,619,938	\$ 5,750,803
Changes for the year:			
Service cost	377,595	-	377,595
Interest	874,079	-	874,079
Changes in experience	(1,813,768)	-	(1,813,768)
Changes in assumptions	299,149	-	299,149
Contributions – employer	-	808,000	(808,000)
Net investment income	-	504,694	(504,694)
Benefit payments	(523,000)	(523,000)	-
Administrative expenses	-	(7,260)	7,260
Net changes	(785,945)	782,434	(1,568,379)
Balances at June 30, 2023	\$ 11,584,796	\$ 7,402,372	\$ 4,182,424

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Employee’s Post Retirement Health Plan (Continued)

Actuarial Method and Significant Assumptions

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

Valuation Date	July 1, 2023
Measurement Date	June 30, 2023
Valuation Method	Entry Age Actuarial Cost
Investment Rate of Return	7.00%
Long-term projected salary increase	None Assumed
Healthcare cost trend rates	A range of 7.50% in 2023 to 4.50% in 2030 and beyond
Pre-retirement mortality	Pub-2010 Public Retirement Plans General mortality table projected generationally with Scale MP-2021.
Post-retirement mortality	Pub-2010 Public Retirement Plans General mortality table projected generationally with Scale MP-2021.
Disabled mortality	Pub-2010 Public Retirement Plans General mortality table projected generationally with Scale MP-2021.

Rate of Return

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

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Employee’s Post Retirement Health Plan (Continued)

Rate of Return (Continued)

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

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

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Arithmetic Weighted Average Long-Term Expected Return</u>
Large Cap Equity (Domestic)	21.00 %	7.15 %	1.50 %
Small Cap Equity (Domestic)	10.00	8.58	0.87
International Equity (Developed)	13.00	8.03	1.04
Emerging Markets	5.00	9.29	0.46
Private Equity	10.00	10.51	1.05
Long/Short Equity	6.00	5.55	0.33
Core Bonds	5.00	2.56	0.13
Core Plus	11.00	2.87	0.32
Liquid Absolute Return	4.00	3.25	0.13
Core Real Estate	10.00	6.49	0.65
Opportunistic Real Estate	5.00	9.49	0.47
Total	<u>100.00 %</u>		6.95 %
		Inflation	<u>2.75</u>
		*Expected arithmetic nominal return	<u>9.70 %</u>

* The above allocation provides a one-year return of 9.70%, however, one-year returns do not take into account the volatility present in each of the asset classes.

Specific investment information for the Trust can be obtained by writing to VML/VACo Finance Program, 919 East Main Street, Suite 1100 Richmond, Virginia 23219.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Employee’s Post Retirement Health Plan (Continued)

Discount Rate

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

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
Net OPEB liability	\$ 5,625,651	\$ 4,182,424	\$ 2,952,845

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

The net OPEB liability is shown below as calculated on the projected healthcare cost trend 7.50% rate for 2023, decreasing to 4.50% in 2030 and also as calculated using rates one percent lower or one percent higher:

	1.00% Decrease (6.50%)	Current Healthcare Cost Trend Rate (7.50%)	1.00% Increase (8.50%)
Net OPEB liability	\$ 2,769,274	\$ 4,182,424	\$ 5,859,645

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Employee’s Post Retirement Health Plan (Continued)

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

The Health OPEB and LODA OPEB are indeed two separate plans, but are included in one single trust. The City’s OPEB Plan does not issue a stand-alone financial report, therefore financial statements for this plan are presented at Exhibit L-1/L-2 and here as follows:

Assets	
Investments in Pooled Funds	\$ 11,557,286
	<u> </u>
Net Position, Restricted	<u>\$ 11,557,286</u>
Additions/Reductions	
Contributions from Employer	\$ 904,400
Investment Income	1,240
Net Appreciation in Fair Value of Investments	988,796
Less: Investment Expense	<u>(11,282)</u>
Total	1,887,154
Deductions	
Benefit Payments	<u>751,400</u>
Change in Net Pension	1,135,754
Net Position, Beginning of Year	<u>10,421,532</u>
Net Position, End of Year	<u>\$ 11,557,286</u>

Primary Government – OPEB Line of Duty Benefits

Plan Description

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Line of Duty Benefits (Continued)

Plan Membership

As of the July 1, 2023 actuarial valuation, plan membership was as follows:

Active Participants	709
Disabled	9
Spouses	7
Dependent Children	<u>8</u>
	<u><u>733</u></u>

Contributions

The contribution requirements of the City are established and may be amended by the Commonwealth of Virginia. The required contribution is based on projected pay-as-you-go financing requirements under which contributions are made in amounts sufficient to cover benefits paid, administrative costs, and anticipated inflationary increases. For the fiscal year ended June 30, 2024, members of the plan did not contribute. The City did not contribute to the Line of Duty plan for death benefits and health insurance based on projected pay-as-you-go financing. It is the City's intent to fully fund the actuarially determined contribution each year.

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

At June 30, 2024 the City reported a Net OPEB liability of \$426,398. The net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Line of Duty Benefits (Continued)

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

For the year ended June 30, 2024, the City recognized OPEB expense of \$114,519. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 893,513
Changes in assumptions	201,750	-
Net difference between projected and actual earnings on pension plan investments	76,637	-
City contributions and administrative fees subsequent to the measurement date	<u>958</u>	<u>-</u>
Total	<u><u>\$ 279,345</u></u>	<u><u>\$ 893,513</u></u>

The City reported \$958 as deferred outflows of resources, resulting from the City's contributions subsequent to the measurement date, will be recognized as a reduction of the Net OPEB Liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the City's OPEB will be recognized in the City's OPEB expense in future reporting periods as follows:

<u>Year Ending June 30,</u>	<u>Amounts</u>
2025	\$ (120,684)
2026	(138,008)
2027	(27,263)
2028	(123,825)
2029	(70,314)
Thereafter	(135,032)

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Line of Duty Benefits (Continued)

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

The components of the net OPEB liability as of June 30, 2024, were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2022	\$ 3,705,772	\$ 2,808,727	\$ 897,045
Changes for the year:			
Service cost	153,492	-	153,492
Interest	260,218	-	260,218
Changes in experience	(457,031)	-	(457,031)
Changes in assumptions	67,004	-	67,004
Contributions – employer	-	283,700	(283,700)
Net investment income	-	214,039	(214,039)
Benefit payments	(283,700)	(283,700)	-
Administrative expenses	-	(3,409)	3,409
Net changes	(260,017)	210,630	(470,647)
Balances at June 30, 2023	\$ 3,445,755	\$ 3,019,357	\$ 426,398

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Line of Duty Benefits (Continued)

Actuarial Method and Significant Assumptions

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

Valuation Date	July 1, 2023
Measurement Date	June 30, 2023
Valuation Method	Entry Age Actuarial Cost
Investment Rate of Return	7.00%
Long-term projected salary increase	None Assumed
Healthcare cost trend rates	A range of 7.50% in 2023 to 4.50% in 2030 and beyond for Pre-Medicare and 5.75% in 2023 to 4.50% in 2030 and beyond for Post-Medicare.
Pre-retirement mortality	Pub-2010 Public Retirement Plans Safety mortality table projected generationally with Scale MP-2021.
Post-retirement mortality	Pub-2010 Public Retirement Plans Safety mortality table projected generationally with Scale MP-2021.
Disabled mortality	Pub-2010 Public Retirement Plans Safety mortality table projected generationally with Scale MP-2021.

Rate of Return

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Line of Duty Benefits (Continued)

Rate of Return (Continued)

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

Discount Rate

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

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
Net OPEB liability	\$ 801,189	\$ 426,398	\$ 113,383

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

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

	1.00% Decrease (6.50%)	Current Healthcare Cost Trend Rate (7.50%)	1.00% Increase (8.50%)
Net OPEB liability	\$ 78,219	\$ 426,398	\$ 843,607

As mentioned previously, the Health OPEB and LODA OPEB are indeed two separate plans, but are included in one single trust. The City's OPEB Plan does not issue a stand-alone financial report, therefore financial statements for this plan are presented earlier in this Note 12.

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

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

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

Plan Descriptions

Group Life Insurance Program

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

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

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

General Employee Health Insurance Credit Program

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

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>102</u>
Inactive members:	
Vested inactive members	<u>3</u>
Total inactive members	105
Active members	<u>256</u>
Total covered employees	<u><u>361</u></u>

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Other Postemployment Benefits Liability – Virginia Retirement System Plans – Primary Government (Continued)

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2021 (General Employee HIC Program and GLI Program). The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

Group Life Insurance Program

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2024 Contribution	\$449,660
June 30, 2023 Contribution	\$446,597

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session.

General Employee Health Insurance Credit Program

Governed by:	<i>Code of Virginia 51.1-1400 and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.21% of covered employee compensation.
June 30, 2024 Contribution	\$36,420
June 30, 2023 Contribution	\$55,021

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Other Postemployment Benefits Liability – Virginia Retirement System Plans – Primary Government (Continued)

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

The net OPEB liabilities were measured as of June 30, 2023, and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the net OPEB liabilities, except for LODA, were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. LODA proportion was determined based on pay-as-you-go employer contributions instead of actuarially determined contributions.

Group Life Insurance Program

June 30, 2024 proportionate share of liability	\$4,229,229
June 30, 2023 proportion	0.3559%
June 30, 2022 proportion	0.3596%
June 30, 2024 expense	\$65,135

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Other Postemployment Benefits Liability – Virginia Retirement System Plans – Primary Government (Continued)

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

General Employee Health Insurance Credit Program

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2022	\$ 772,634	\$ 232,573	\$ 540,061
Changes for the year:			
Service cost	5,407	-	5,407
Interest	51,515	-	51,515
Differences between expected and actual experience	(340,289)	-	(340,289)
Assumption changes	-	-	-
Contributions – employer	-	27,695	(27,695)
Net investment income	-	15,574	(15,574)
Benefit payments	(29,700)	(29,700)	-
Administrative expenses	-	(402)	402
Other changes	-	(89,096)	89,096
Net changes	(313,067)	(75,929)	(237,138)
Balances at June 30, 2023	\$ 459,567	\$ 156,644	\$ 302,923

In addition, for the year ended June 30, 2024, the City recognized OPEB expense of \$104,639 related to the General Employee Health Insurance Credit Program.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Other Postemployment Benefits Liability – Virginia Retirement System Plans – Primary Government (Continued)

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

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 422,249	\$ 128,581
Change in assumptions	90,290	293,583
Net difference between projected and actual earnings on OPEB plan investments	-	169,782
Changes in proportion	19,460	340,550
Employer contributions subsequent to the measurement date	449,660	-
Total	<u>\$ 981,659</u>	<u>\$ 932,496</u>

General Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 171,462	\$ 301,697
Change in assumptions	32,728	-
Net difference between projected and actual earnings on OPEB plan investments	-	4,115
Employer contributions subsequent to the measurement date	36,420	-
Total	<u>\$ 240,610</u>	<u>\$ 305,812</u>

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Other Postemployment Benefits Liability – Virginia Retirement System Plans – Primary Government (Continued)

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

The deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net OPEB Liability in the Fiscal Year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

Group Life Insurance Program

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2025	\$ (135,873)
2026	(261,202)
2027	1,421
2028	(31,774)
2029	35,758
Thereafter	-

General Employee Health Insurance Credit Program

Year Ending June 30,	Amount
2025	\$ (29,307)
2026	(30,503)
2027	(23,879)
2028	(26,697)
2029	(4,601)
Thereafter	13,365

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Other Postemployment Benefits Liability – Virginia Retirement System Plans – Primary Government (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liabilities were determined using the following assumptions based on an actuarial valuation date of June 30, 2021, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

Inflation	2.50%
Salary increases, including inflation:	
• Locality – general employees	3.50 – 5.35%
• Locality – hazardous duty employees	3.50 – 4.75%
• Teachers	3.50 – 5.95%
Healthcare cost trend rates:	
• Under age 65	7.00 – 4.75%
• Ages 65 and older	5.25 – 4.75%
Investment rate of return, net of expenses, including inflation	GLI & HIC: 6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans.

Net OPEB Liabilities

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance Program
Total OPEB liability	\$ 3,907,052
Plan fiduciary net position	<u>2,707,739</u>
Employers' net OPEB liability	<u>\$ 1,199,313</u>
Plan fiduciary net position as a percentage of total OPEB liability	69.30%

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

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Other Postemployment Benefits Liability – Virginia Retirement System Plans – Primary Government (Continued)

Group Life Insurance and Health Insurance Credit Programs

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

Discount Rate

The discount rate used to measure the GLI and HIC OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2023, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate for GLI and 100% of the actuarially determined contribution rate for all other OPEB plans. From July 1, 2023 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability	\$ 6,268,112	\$ 4,229,229	\$ 2,279,648
General Employee HIC Net OPEB liability	\$ 354,905	\$ 302,923	\$ 259,258

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

Other Postemployment Benefits Liability – Virginia Retirement System Plans – Primary Government (Continued)

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

School Board – Virginia Retirement System Plans

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

Plan Descriptions

Group Life Insurance Program

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

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

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

Teacher Employee Health Insurance Credit Program

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

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

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

General Employee Health Insurance Credit Program

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

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	29
Total inactive members	29
Active members	133
Total covered employees	<u>162</u>

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2021. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

Group Life Insurance Program

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2024 Contribution	\$686,878
June 30, 2023 Contribution	\$695,403

In June 2023, the Commonwealth made a special contribution of approximately \$10.1 million to the Group Life Insurance plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

Contributions (Continued)

Teacher Health Insurance Credit Program

Governed by:	<i>Code of Virginia 51.1-1401 and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.</i>
Total rate:	1.21% of covered employee compensation.
June 30, 2024 Contribution	\$1,429,905
June 30, 2023 Contribution	\$1,387,693

In June 2023, the Commonwealth made a special contribution of approximately \$4.0 million to the VRS Teacher Health Insurance Credit Program. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session and is classified as a non-employer contribution.

General Employee Health Insurance Credit Program

Governed by:	<i>Code of Virginia 51.1-1400 and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.12% of covered employee compensation.
June 30, 2024 Contribution	\$6,705
June 30, 2023 Contribution	\$6,011

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

The net OPEB liabilities were measured as of June 30, 2023 and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2022 and rolled forward to the measurement date of June 30, 2023. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

Group Life Insurance Program

	<u>Teacher GLI</u>	<u>Non-Teacher GLI Plan 1</u>	<u>Non-Teacher GLI Plan 2</u>
June 30, 2024 proportionate share of liability	\$ 5,651,765	\$ 340,125	\$ 80,474
June 30, 2023 proportion	0.47125%	0.02836%	0.00671%
June 30, 2022 proportion	0.41805%	0.02194%	0.00617%
June 30, 2024 expense (income)	\$ 342,528	\$ 41,377	\$ (11,566)

Teacher Health Insurance Credit Program

June 30, 2024 proportionate share of liability	\$ 13,485,862
June 30, 2023 proportion	1.11323%
June 30, 2022 proportion	0.97564%
June 30, 2024 expense	\$ 1,244,102

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

General Employee Health Insurance Credit Program

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) – (b)
Balances at June 30, 2022	\$ 75,170	\$ 95,667	\$ (20,497)
Changes for the year:			
Service cost	4,597	-	4,597
Interest	5,362	-	5,362
Changes in benefit terms	-	-	-
Assumption changes	-	-	-
Differences between expected and actual experience	(6,852)	-	(6,852)
Contributions – employer	-	10,017	(10,017)
Net investment income	-	6,357	(6,357)
Benefit payments	(650)	(650)	-
Administrative expenses	-	(165)	165
Other changes	-	(30)	30
Net changes	2,457	15,529	(13,072)
Balances at June 30, 2023	\$ 77,627	\$ 111,196	\$ (33,569)

For the year ended June 30, 2023, the School Board recognized OPEB revenue of \$1,614 related to the General Employee Health Insurance Credit Program.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

At June 30, 2024 the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following sources:

Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 606,480	\$ 184,328
Change in assumptions	129,799	420,717
Net difference between projected and actual earnings on OPEB plan investments	-	244,022
Changes in proportion	727,220	113,441
Employer contributions subsequent to the measurement date	686,878	-
Total	<u>\$ 2,150,377</u>	<u>\$ 962,508</u>

Teacher Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 593,581
Change in assumptions	313,928	13,590
Net difference between projected and actual earnings on OPEB plan investments	6,768	-
Changes in proportion	1,577,525	226,674
Employer contributions subsequent to the measurement date	1,429,905	-
Total	<u>\$ 3,328,126</u>	<u>\$ 833,845</u>

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

General Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,822	\$ 9,973
Change in assumptions	389	10,811
Net difference between projected and actual earnings on OPEB plan investments	-	824
Employer contributions subsequent to the measurement date	6,705	-
Total	<u>\$ 8,916</u>	<u>\$ 21,608</u>

The deferred outflows of resources related to OPEB resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Group Life Insurance Program

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2025	\$ 70,901
2026	(130,627)
2027	238,550
2028	136,910
2029	185,257
Thereafter	-

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

Teacher Health Insurance Credit Program

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2025	\$ 137,573
2026	152,212
2027	215,520
2028	191,622
2029	181,464
Thereafter	185,985

General Employee Health Insurance Credit Program

Year Ending June 30,	Increase (Reduction) to OPEB Expense
2025	\$ (4,867)
2026	(4,973)
2027	(2,930)
2028	(3,749)
2029	(2,878)
Thereafter	-

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2022, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023:

Inflation	2.50%
Salary increases, including inflation:	
• Locality – general employees	3.50 – 5.35%
• Teachers	3.50 – 5.95%
Healthcare cost trend rates:	
• Under age 65	7.00 – 4.75%
• Ages 65 and older	5.25 – 4.75%
Investment rate of return, net of expenses, including inflation	GLI & HIC: 6.75%

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

Net OPEB Liabilities

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2023, net OPEB liability amounts for the various VRS OPEB programs are as follows:

	Group Life Insurance Program	Teacher Employee HIC OPEB Plan
Total OPEB liability	\$ 3,907,052,043	\$ 1,475,471,416
Plan fiduciary net position	<u>2,707,738,599</u>	<u>264,054,015</u>
Employers' net OPEB liability	<u>\$ 1,199,313,444</u>	<u>\$ 1,211,417,401</u>
Plan fiduciary net position as a percentage of total OPEB liability	69.30%	17.90%

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

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

Long-Term Expected Rate of Return

Group Life Insurance and Health Insurance Credit Programs

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

Discount Rate

The discount rate used to measure the GLI and HIC OPEB liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2023, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate for GLI and 100% of the actuarially determined contribution rate for all other OPEB plans. From July 1, 2023 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB Liability	\$ 8,612,719	\$ 6,072,364	\$ 3,700,208
Teacher HIC Net OPEB Liability	15,670,825	13,485,862	12,407,713
General Employee HIC Net OPEB Asset	(20,473)	(33,569)	(44,283)
	<u>\$ 24,263,071</u>	<u>\$ 19,524,657</u>	<u>\$ 16,063,638</u>

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

(13) Risk Management

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

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

The City self-insures general liability and automotive liability insurance with a self-insured retention of \$1,000,000 per occurrence; worker's compensation has a self-insured retention of \$1,250,000 per occurrence. The City purchases excess liability and worker's coverage to protect against settlements that exceed the amount of the self-insured retention. The amount of settlements did not exceed insurance coverage.

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

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

Included in long-term liabilities at June 30, 2024 were claims payables of \$14,436,024 as a provision for unasserted claims. Other risks insured through the City's self-insurance program adequately covered any claims incurred over each of the past 14 years.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(13) Risk Management (Continued)

Changes in the reported liability during the past two years are shown in the following tabulation:

	<u>2023-2024</u>	<u>2022-2023</u>
Claims liability at July 1	\$ 13,767,228	\$ 14,453,690
Claims incurred	17,883,616	19,069,044
Claims payments	<u>(17,214,820)</u>	<u>(19,755,506)</u>
Claims liability at June 30	<u>\$ 14,436,024</u>	<u>\$ 13,767,228</u>

Surety Bond coverage is as follows:

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

GAAP addresses the requirements for reporting liabilities related to cleaning up pollution and/or contamination. The City has evaluated the requirements of GAAP and determined the City had no material liability.

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

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(13) Risk Management (Continued)

The minimum funding level for The Risk Management Reserve is:

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

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

School Board Component Unit

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

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

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

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

	<u>2023-2024</u>	<u>2022-2023</u>
Claims liability at July 1	\$ 5,562,859	\$ 6,796,469
Claims incurred	30,499,450	27,151,281
Claims payments	<u>(31,443,101)</u>	<u>(28,384,891)</u>
Claims liability at June 30	<u>\$ 4,619,208</u>	<u>\$ 5,562,859</u>

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(14) Tax Abatements

As of June 30, 2024, the City provides tax abatements through four programs:

Tax Abatement Programs	Taxes Abated for FY 2024
Real Estate Rehabilitation Abatements	\$ 1,5601,117
Solar Energy Equipment, Facilities, and Devices Exemption	\$ 4,662
Energy Efficient Buildings Special Rate	\$ 501
Economic Development Grants	\$ 569,415

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

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

Program Application Fees:

- a. Residential Single Family Buildings (Must have assessed value of \$250,000 or less to qualify) \$175.00
- b. Multi-Family Residential: \$250.00*
- c. Commercial – Mixed Use: \$250.00*

*per principle structure in application

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(14) Tax Abatements (Continued)

3. A partial real property tax exemption for commercial, mixed-use commercial, and industrial properties in Enterprise Zone One A to encourage rehabilitation of existing structures. To receive this exemption, the property must be no less than 15 years in age, be renovated so as to increase the assessed value of the structure by at least \$50,000, have not received another exemption under Division 5 of the Code, and the rehabilitation must be completed within two years after the date of the application. Additionally, mixed-use commercial property must not be more than 80% residential use in order to qualify. Lastly, residential and non-residential (Commercial/mixed use) buildings must be constructed prior to January 1, 1970.
4. A partial real property tax exemption for residential and commercial properties in redevelopment and conservation areas, as well as rehabilitation districts, to encourage the construction of new structures or other improvements.
5. The following timelines on Real Estate Tax Abatement durations will apply to those granted herein as follows:
 - a. Five years for eligible buildings city-wide;
 - b. Seven years for eligible buildings located within the H-1 and H-2 local historic districts;
 - c. Seven years for eligible buildings located within a designated redevelopment, rehabilitation or conservation district

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

For both residential and commercial properties, the construction or improvement must be completed within 2 years after the date of the application.

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

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

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(14) Tax Abatements (Continued)

The **Energy-Efficient Buildings** program provides a special classification to buildings certified as energy-efficient, which provides for a lower tax rate than that applied to other real property. Applications are reviewed by the City's Department of Planning, Building, and Development, as specified under Chapter 32, Article II, Division 9 of the Code of the City of Roanoke. If approved, the building is given the special classification for five years. For the year ended June 30, 2024, the real estate tax rate applicable to Energy-Efficient Buildings was \$1.10 per \$100 of assessed value.

Economic Development Grants are provided to local developers who complete projects that promote economic development within the city, as determined in advance by the city administration in accordance with the Code of Ordinances for the City of Roanoke, Ordinance Numbers 40709 and 39447. Such projects are expected to provide additional tax revenue, jobs, and services that will benefit city residents. The local taxes collected from businesses located in these developments are used to fund the grants. Applicable local taxes include real estate tax, local option sales tax, business professional and occupational license tax, tangible personal property tax, and prepared food and beverage tax. Payments to developers are based on the taxes collected the preceding fiscal year. Grants paid during the fiscal year ended June 30, 2024, were between 50 and 75% of the local tax revenues generated from applicable projects.

(15) Joint Ventures

Blue Ridge Behavioral Healthcare

The counties of Botetourt, Craig and Roanoke, and the cities of Roanoke and Salem formed Blue Ridge Behavioral Health Care (BRBH) a community services board, to provide a system of comprehensive community mental health, intellectual disability and substance abuse services. BRBH is governed by a 16 -member board. Roanoke City Council appoints three members. Each locality's financial obligation is based on the type and amount of services performed for individuals in the locality. For the fiscal year ended June 30, 2024, the City remitted approximately \$1,256,516 to BRBH. Financial statements may be obtained from Blue Ridge Behavioral Healthcare, 611 McDowell Avenue, Roanoke, Virginia 24016.

Hotel Roanoke Conference Center Commission

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

The intention of the HRCCC is to be self-supporting through its user fees. The City and Virginia Tech share equally in any operating deficit or if additional funding is needed for capital expenditures. The City has no equity interest in the HRCCC; however, as previously mentioned, additional funding or subsidies may be necessary to support ongoing operations. For the fiscal year ended June 30, 2024, the City contributed \$100,000 to the HRCCC. Financial statements may be obtained from the Hotel Roanoke Conference Center Commission, 106 Shenandoah Avenue, Roanoke, Virginia 24016.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(15) Joint Ventures (Continued)

Roanoke Valley Broadband Authority

The Roanoke Valley Broadband Authority (Authority) was created under the Virginia Wireless Services Facilities Act by the cities of Roanoke and Salem, and the counties of Botetourt and Roanoke. The Authority was formed in order to provide quality affordable access to broadband technologies. The Board of the Authority consists of five members of which the City appoints one member for a four-year term. The Authority is in the process of engineering a 46 mile network in the Valley that will serve business parks, large institutions, government facilities, and businesses. For the fiscal year ended June 30, 2024, the City remitted \$319,414 to Roanoke Valley Broadband Authority for bond payments and \$100,000 for its commitment for the broadband project. Financial statements may be obtained from Roanoke Valley Broadband Authority, 601 South Jefferson Street, Suite 110, Roanoke, Virginia 24011.

Roanoke Valley Regional Fire-EMS Training Center

The City, along with the County of Roanoke, City of Salem, and Town of Vinton, jointly operate a Fire-EMS training center (Center). The Center is governed by a committee of eight members, designated by the participating jurisdictions. New Fire-EMS recruits are required to take a 17 week training course at the facility before being assigned to a station. Upon completion of the training, the new recruits are state certified. Each jurisdiction is responsible for a percentage of the annual operating costs of the facility. The City is responsible for 44% of the annual operating costs. For the fiscal year ended June 30, 2024, the City paid \$39,000 of the total annual operating costs. Financial statements may be obtained from the Roanoke Valley Regional Fire-EMS Training Center, 1220 Kessler Mill Road, Salem, Virginia 24153.

Roanoke Valley Resource Authority

The City of Roanoke, the County of Roanoke, and the Town of Vinton jointly participate in the Roanoke Valley Resource Authority (Authority), which operates the regional sanitary landfill, waste collection and transfer station, and related treatment facilities. The Authority is governed by a board composed of seven members designated by the participating jurisdictions. Roanoke City Council appoints two members. The City has control over the budget and financing for the Authority only to the extent of representation by the board members appointed. The participating localities are each responsible for their pro rata share, based on population, of any year-end operating deficit. For the fiscal year ended June 30, 2024, the City remitted \$2,745,132 to the Authority for services. Financial statements may be obtained from Roanoke Valley Resource Authority, 1020 Hollins Road, Roanoke, Virginia 24012.

Regional Center for Animal Care and Protection

The City of Roanoke, along with the Counties of Roanoke and Botetourt, and the Town of Vinton, jointly participate on the Advisory Board which is responsible for the general fiscal and management policies for the Regional Center for Animal Care and Protection (RCACP). The regional care center is comprised of an animal control and animal education facilities that are adjacent to each other and are owned and operated by the Roanoke Valley Society for the Prevention of Cruelty to Animals, Inc. (RVSPCA). The animal control facility was financed by bonds in the amount of \$3.5 million which were issued by the RVSPCA. This debt was defeased and reissued by the participating localities in connection with the purchase and operations of the control facility. Each participating locality pays monthly amounts for its share of operating costs, debt service, and to fund reserves for operating and maintenance needs of the RCACP based on the locality's average use of the facility. During the year ended June 30, 2024, the City's share was 58% on debt payments and 58.7% for operation, and the City remitted approximately \$1,589,345 for its share of RCACP expenses.

CITY OF ROANOKE, VIRGINIA

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

(15) Joint Ventures (Continued)

Western Virginia Regional Industrial Facility Authority

The Western Virginia Regional Industrial Facility Authority was created as a combined effort with Roanoke City, Roanoke County, the City of Salem, Botetourt County, Franklin County and the Town of Vinton to enhance these localities economic base and stimulate economic growth by developing new opportunities in these areas. For fiscal year ended June 30, 2024, the City remitted \$81,565 for services and \$314,717 for capital reimbursements.

(16) Jointly Governed Organizations

Roanoke Valley Detention Commission

The Counties of Botetourt, Franklin and Roanoke and the Cities of Roanoke and Salem formed the Roanoke Valley Detention Commission (Commission) in 1998 to renovate, expand and operate a detention facility for juveniles. The Commission is governed by a six member board. Roanoke City Council appoints two members. Localities using the facility are guaranteed a number of beds according to the terms of the agreement. Each locality's financial obligation is based on the number of juveniles housed at the 81 bed facility. The Commission has the authority to issue debt, and such debt is the responsibility of the Commission. For the fiscal year ended June 30, 2024, the City remitted \$1,282,874 to the Roanoke Valley Detention Commission in per diem charges for juveniles housed by the Commission.

Western Virginia Water Authority

The City and the County of Roanoke combined its water and water pollution control functions to form the Western Virginia Water Authority (WVWA). The WVWA is responsible for the supply, treatment, distribution, and transmission of water and the collection and treatment of wastewater. In November 2009, Franklin County joined the WVWA to provide services to the western side of the County. The WVWA is governed by a seven-member board consisting of three City of Roanoke appointees, three County of Roanoke appointees, and one Franklin County appointee. The City has control over the budget and financing for the WVWA only to the extent of representation by the board members appointed. Upon formation of the WVWA, the City retained \$38 million of general obligation bonds, which are to be repaid contractually by the WVWA in accordance with its operating agreement. During fiscal year 2024, the WVWA paid \$958,995 to the City in principal and interest payments on the bonds. As of June 30, 2024, the remaining principal balance of these bonds was \$-0-. This amount was recorded as a Due from Other Governments in the Statement of Net Position of the basic financial statements.

Virginia's First Regional Industrial Facility Authority

The Cities of Radford, Roanoke and Salem; the Counties of Bland, Craig, Giles, Montgomery, Pulaski, Roanoke and Wythe; and the Towns of Christiansburg, Dublin, Narrows, Pearisburg and Pulaski all participate in the Virginia's First Regional Industrial Facility Authority (Authority). The Authority's purpose is to enhance the member localities economic base in Virginia's First Region. The Authority is governed by a board composed of twenty-nine members, two of which are appointed by Roanoke City Council. The City has control over the budget and financing for the Authority only to the extent of representation by the board members appointed. Each locality is obligated to annual dues of \$5,000. Authority member localities, who are also participants in the Regional Commerce Park like the City, are obligated to an annual amount based on the number of shares owned. The City owns 10,000 shares and has an annual obligation of \$27,500. For the fiscal year ended June 30, 2024, the City remitted \$32,500 to Virginia's First Regional Industrial Facility Authority.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(16) Jointly Governed Organizations (Continued)

Market Building Foundation Inc.

The Market Building Foundation Inc., is a public non-profit entity created and incorporated to ensure the preservation of the City Market Building in Downtown Roanoke. The Foundation manages the rehabilitation, maintenance, and operation of the City Market Building. The Foundation has a board of seven members representing individuals from several organizations in the downtown area. These organizations include the City of Roanoke, Downtown Roanoke, Inc., the Roanoke Regional Chamber of Commerce and the private business community. Those board members are responsible for the oversight and governance of the facility, as well as the management, leasing, and operational performance of the City Market Building. The City does not have authority to override the Foundation board regarding decisions about rates or operations but it is obligated to finance deficits of the Foundation. The City has an annual obligation to the Market Building of \$300,000 for an operating contribution. For the fiscal year ended June 30, 2024, the City paid the Market Building Foundation Inc. \$300,000 for the annual operating contribution and equipment replacement services.

(17) Related Organizations

Economic Development Authority

The Economic Development Authority issues low-interest, tax-free industrial revenue bonds in its name for the construction or renovation of properties sold or leased to enterprises locating to or remaining in the City. City Council is responsible for appointing the seven-member board; however, the City, the state, and any political subdivision thereof are not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2024, there were twelve series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately \$488.7 million.

Roanoke Redevelopment and Housing Authority

The Roanoke Redevelopment and Housing Authority (Housing Authority) is a political subdivision of the Commonwealth of Virginia created to provide low income and subsidized housing, promote self-sufficiency and foster economic development. Commissioners of the Housing Authority are appointed by City Council. The Housing Authority is financially independent of the City and has administrative control of its operations, but its overall housing plans require the approval of City Council. The City provides a financial benefit through federal pass-through grant funds awarded to the Housing Authority on a contractual basis to implement certain grant programs. The Housing Authority also directly receives other federal and state subsidies and rents for operating its housing programs. During the year ended June 30, 2024, the City remitted \$117,648 to the Housing Authority.

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(17) Related Organizations (Continued)

Roanoke Regional Airport Commission

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

(18) Commitments, Contingencies and Other Matters

Litigation

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

Grants

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

(19) New Accounting Standards

In June 2022, the GASB issued **Statement No. 101**, *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

In December 2023, the GASB issued **Statement No. 102**, *Certain Risk Disclosures*. This statement defines and requires governments to disclose the risks related to concentrations of inflows or outflows of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024.

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

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

CITY OF ROANOKE, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

(20) Subsequent Events

Management has evaluated subsequent events through May 15, 2025, the date the financial statements were available to be issued.

The City issued a Bond Anticipation Note (BAN) in September 2024. The issuance is for governmental and business activities and totals approximately \$94 million. The net proceeds of the BAN are being used to pay the costs of various public improvement projects of and for the City and to pay certain costs of issuance associated with the BAN.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF ROANOKE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
Resources (Inflows):				
Local Taxes	\$ 250,332,400	\$ 250,332,400	\$ 253,656,558	\$ 3,324,158
Permits, Fees, and Licenses	1,932,500	1,932,500	2,512,099	579,599
Fines and Forfeitures	769,000	769,000	815,265	46,265
Rental Income	252,000	252,000	227,738	(24,262)
Investment Income	1,484,000	1,484,000	4,765,890	3,281,890
Intergovernmental	81,899,000	86,104,664	91,520,254	5,415,590
Charges for Services	17,672,000	17,672,000	19,811,577	2,139,577
Miscellaneous	1,059,100	995,100	1,067,849	72,749
Transfers from Other Funds	-	1,316,353	1,878,339	561,986
Amounts Available for Appropriation	\$ 355,400,000	\$ 360,858,017	\$ 376,255,569	\$ 15,397,552
Charges to Appropriations (Outflows):				
General Government				
City Treasurer	\$ 2,284,419	\$ 2,372,549	\$ 2,171,484	\$ 201,065
Commissioner of the Revenue	1,786,706	1,806,020	1,733,641	72,379
City Council	31,250	29,999	23,290	6,709
City Council - Mayor - Lea	48,280	50,447	39,449	10,998
City Council - Vice Mayor - Cobb	43,651	43,345	39,794	3,551
City Council - Council Member - Priddy	43,651	40,145	38,420	1,725
City Council - Council Member - Volosin	43,651	46,545	46,812	(267)
City Council - Council Member - White-Boyd	43,651	43,345	30,581	12,764
City Council - Council Member - Sanchez-Jones	43,651	43,345	37,070	6,275
City Council - Council Member - Moon-Reynolds	43,651	43,014	37,989	5,025
City Attorney	1,179,076	1,189,762	1,138,169	51,593
City Clerk	551,881	560,119	525,186	34,933
Municipal Auditing	951,236	1,117,649	1,077,274	40,375
Department of Finance	2,462,518	2,476,297	2,610,230	(133,933)
Real Estate Valuation	1,687,131	1,707,058	1,616,322	90,736
Board of Equalization	8,501	8,501	7,962	539
Electoral Board	1,082,109	1,370,180	884,744	485,436
City Manager	1,562,228	1,606,142	1,862,491	(256,349)
Citizen Engagement	814,927	871,732	836,559	35,173
Human Resources	2,162,452	2,302,381	2,259,466	42,915
Employee Health Services	940,349	1,134,933	1,049,795	85,138
Department of Management and Budget	869,898	869,898	763,585	106,313
Information Technology	6,196,995	6,080,476	5,398,285	682,191
DOT Capital Outlay	1,000,000	-	-	-
Purchasing	773,536	778,042	823,804	(45,762)
Risk Management	1,798,250	1,828,250	1,805,025	23,225
Environmental Management	450,238	476,238	526,298	(50,060)
Fleet Management - Op	5,410,072	6,147,749	7,731,535	(1,583,786)
Fleet Management - NonOp	1,668,934	4,634,327	4,577,263	57,064
Total General Government	35,982,892	39,678,488	39,692,523	(14,035)

(Continued)

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

CITY OF ROANOKE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
Charges to Appropriations (Outflows): (Continued)				
Judicial Administration				
Clerk of Circuit Court	2,047,609	2,052,009	1,933,114	118,895
Juvenile and Domestic Relations Court Services	1,441,829	1,441,829	1,448,498	(6,669)
Juvenile and Domestic Relations Court Clerk	56,920	56,920	54,796	2,124
Magistrates Office	5,244	5,244	4,345	899
General District Court	90,914	150,614	146,342	4,272
Circuit Court	580,833	580,833	594,274	(13,441)
Sheriff	3,834,833	3,918,012	4,829,044	(911,032)
Commonwealth's Attorney	2,164,381	2,191,741	2,201,181	(9,440)
Law Library	147,200	147,200	182,172	(34,972)
Total Judicial Administration	10,369,763	10,544,402	11,393,766	(849,364)
Public Safety				
Jail	18,747,424	21,239,072	19,688,793	1,550,279
E911	3,470,578	3,555,357	3,596,308	(40,951)
E911 - Wireless	776,523	776,523	206,148	570,375
E911/VA811 Shared Expenses	407,280	423,358	400,311	23,047
Fire - Administration	929,289	937,509	1,107,125	(169,616)
Fire - Support	2,804,597	2,900,062	2,473,554	426,508
Fire - Operations	22,209,092	23,395,187	25,837,086	(2,441,899)
Emergency Management	218,575	222,497	272,354	(49,857)
Development Services	1,833,596	1,657,646	2,291,227	(633,581)
Outreach Detention	349,676	309,676	361,083	(51,407)
Youth Haven I	325,686	314,736	112,789	201,947
Enhanced Community Services	91,127	10,345	10,344	1
Substance Abuse Services	66,857	68,907	75,582	(6,675)
Police - Administration	3,650,559	3,656,585	3,296,850	359,735
Police - Investigation	2,247,718	2,434,945	3,010,958	(576,013)
Police - Patrol	18,931,175	19,561,173	19,353,132	208,041
Police - Services	1,582,805	1,559,160	1,303,434	255,726
Police - Training	484,231	484,571	628,373	(143,802)
Police - RESET	97,287	97,662	91,764	5,898
Police - Animal Control	1,943,159	2,153,956	2,323,964	(170,008)
Radio Technology	706,839	547,656	506,706	40,950
Total Public Safety	81,874,073	86,306,583	86,947,885	(641,302)
Public Works				
Director of General Services	196,024	187,624	205,108	(17,484)
Custodial Services	1,101,114	1,113,054	920,564	192,490
Building Maintenance	4,950,853	5,320,455	5,977,185	(656,730)
Director of Public Works	246,961	170,521	230,887	(60,366)
Transportation - Streets and Traffic	6,405,730	6,786,070	5,840,394	945,676
Transportation - Paving Program	4,288,924	4,332,541	4,323,617	8,924
Transportation - Snow Removal	169,233	231,633	306,003	(74,370)
Transportation - Street Lighting	1,169,426	1,609,263	1,475,638	133,625
Solid Waste Management	6,844,408	6,952,344	7,356,396	(404,052)
Engineering	1,714,329	1,851,100	1,523,847	327,253
Total Public Works	27,087,002	28,554,605	28,159,639	394,966

(Continued)

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

CITY OF ROANOKE, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
Charges to Appropriations (Outflows): (Continued)				
Health and Welfare				
Human Services Support	324,847	388,050	336,625	51,425
Health Department	1,447,015	1,447,015	1,411,121	35,894
Blue Ridge Behavioral Health Care	936,794	936,794	936,794	-
Human Services Committee	435,000	435,000	430,000	5,000
Social Services	29,488,120	30,205,904	30,293,806	(87,902)
VJCCA Truancy Intervention	-	129,732	129,671	61
Children's Services Act	15,655,687	16,155,687	21,023,985	(4,868,298)
Total Health and Welfare	48,287,463	49,698,182	54,562,002	(4,863,820)
Parks, Recreation and Cultural				
Roanoke Arts Commission	336,500	336,500	330,500	6,000
Landscape Management	1,004,248	1,015,268	904,601	110,667
Park Management	881,479	891,479	805,491	85,988
Parks & Recreation - Community Recreation	439,859	442,701	343,631	99,070
Parks & Recreation -Park Programming	820,539	862,651	700,732	161,919
Parks & Recreation -Outdoor Education	279,855	279,855	307,938	(28,083)
Parks & Recreation - Athletics	724,210	724,210	413,220	310,990
Youth Development	351,717	601,717	754,505	(152,788)
Greenways and Trails	478,897	501,297	789,205	(287,908)
Events	434,829	464,829	166,935	297,894
Parks & Recreation - Administration	1,663,640	1,748,122	1,736,673	11,449
Libraries	4,484,366	4,543,423	4,390,005	153,418
Total Parks, Recreation, and Cultural	11,900,139	12,412,052	11,643,436	768,616
Community Development				
Memberships and Affiliations	4,997,705	4,997,705	5,178,646	(180,941)
Economic Development	3,223,040	3,227,915	2,888,902	339,013
Community Services	1,583,956	1,833,383	964,745	868,638
Strategic Management & Administration	1,031,869	1,366,129	1,592,076	(225,947)
Virginia Cooperative Extension	91,338	91,392	89,292	2,100
Total Community Development	10,927,908	11,516,524	10,713,661	802,863
Nondepartmental				
Residual Fringe Benefits	5,092,635	5,092,635	252,929	4,839,706
Transfers to Other Funds	6,975,028	14,405,938	14,821,462	(415,524)
Transfers to Debt Service Fund	14,910,662	15,061,192	15,149,157	(87,965)
Transfers to Component Units	103,644,211	103,644,211	105,001,770	(1,357,559)
Funding for Reserves	1,625,000	1,625,000	1,625,000	-
Contingency	(3,276,776)	(3,645,407)	3,435	(3,648,842)
Total Nondepartmental	128,970,760	136,183,569	136,853,753	(670,184)
Total Charges to Appropriations	355,400,000	374,894,405	379,966,665	(5,072,260)
Net Resources Over (Under) Expenditures	\$ -	\$ (14,036,388)	\$ (3,711,096)	\$ 20,469,812

See Accompanying Note to Budgetary Comparison Schedule (RSI 2)

(Continued)

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

CITY OF ROANOKE, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
Year Ended June 30, 2024

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

Sources/Inflows of Resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 376,255,569
Transfers from other funds are a budgetary resource, but not a revenue for financial reporting purposes (Exhibit E)	<u>(1,878,339)</u>
Total general fund revenues as reported on the statement of revenues, expenditures, and changes in fund balances (Exhibit E).	<u><u>\$ 374,377,230</u></u>

Uses/Outflows of Resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 379,966,665
Transfers to other funds are outflows of budgetary resources, but are not expenditures for financial reporting purposes (Exhibit E).	(31,595,619)
Encumbrances for goods and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but are reported in the year goods and services are received for GAAP purposes (Exhibit C).	<u>(6,160,335)</u>
Total general fund expenditures as reported on the statement of revenues, expenditures, and changes in fund balances (Exhibit E).	<u><u>\$ 342,210,711</u></u>

See Accompanying Note to Budgetary Comparison Schedule.

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION NOTE TO BUDGETARY COMPARISON SCHEDULE – GENERAL FUND Year Ended June 30, 2024

Budgets and Budgetary Accounting

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

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

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

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

4. Amendment – The City Manager is authorized to transfer any amount, within or between funds and departments during the fiscal year. The Director of Finance reports to City Council on a quarterly basis all transfers in excess of \$100,000 between funds, as well as between project and program accounts in the Capital Project Fund and Grant Fund. All other transfers or supplemental appropriations must be approved by City Council. During the year, \$19,494,405 in supplemental appropriations were approved by City Council. These amendments consisted primarily of appropriations of prior year encumbrances, the appropriation of restricted, committed or assigned fund balance, and the appropriation of additional intergovernmental grants received during the year. However, for fiscal year 2024 actual expenditures exceeded original adopted budget by \$24,566,665 and exceeded the final adopted budget with the additional appropriations as noted by \$5,072,260.

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

CITY OF ROANOKE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
INFRASTRUCTURE ASSETS UNDER MODIFIED APPROACH
Year Ended June 30, 2024**

INFRASTRUCTURE – FLOOD REDUCTION

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

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

<u>Condition</u>	<u>Rating</u>
Good	3
Fair	2
Poor	1

Assessment Ratings of Infrastructure Components

	<u>Number Assessed</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Training Walls	2	2	2	2	2	2	2
Bench Cuts	15	2.8	2.3	3	2.5	2	2.8

Comparison of Estimated to Actual Maintenance Costs

	<u>2019</u>	<u>2020</u>	<u>2021*</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Estimated	\$54,599	\$317,338	\$ 61,507	\$142,346	\$82,850	\$15,541
Actual	\$12,454	\$295,772	\$104,943	\$ 1,795	\$19,271	\$ 7,083

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

CITY OF ROANOKE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PENSION CONTRIBUTIONS – CITY PLAN
Year Ended June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 17,677,181	\$ 11,111,368	\$ 10,981,232	\$ 11,148,229	\$ 11,288,966	\$ 11,158,359	\$ 11,345,222	\$ 10,451,101	\$ 10,184,532	\$ 13,122,478
Contributions in Relation to Actuarially Determined Contribution	<u>17,677,181</u>	<u>11,111,368</u>	<u>10,981,232</u>	<u>11,148,229</u>	<u>11,288,966</u>	<u>11,158,359</u>	<u>11,345,222</u>	<u>10,451,101</u>	<u>10,184,532</u>	<u>13,122,478</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered Payroll	\$ 77,328,608	\$ 69,210,727	\$ 68,352,114	\$ 70,205,011	\$ 67,097,768	\$ 68,221,419	\$ 65,579,941	\$ 66,104,371	\$ 65,118,496	\$ 59,030,490
Contributions as a Percentage of Covered Payroll	22.86%	16.05%	16.07%	15.88%	16.82%	16.36%	17.30%	15.81%	15.64%	22.23%

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

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

CITY OF ROANOKE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY – CITY PLAN
Year Ended June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's Proportion of Net Pension Liability	89.78%	89.90%	89.66%	89.66%	89.19%	88.97%	88.53%	87.81%	86.73%	86.38%
City's Proportionate Share of Net Pension Liability	\$ 237,234,223	\$ 223,269,269	\$ 41,615,062	\$ 135,642,864	\$ 123,942,077	\$ 113,060,409	\$ 127,175,183	\$ 148,945,372	\$ 121,555,328	\$ 101,395,947
Covered Payroll	\$ 69,210,727	\$ 68,352,114	\$ 70,205,011	\$ 67,097,768	\$ 68,221,419	\$ 65,579,941	\$ 66,104,371	\$ 65,118,496	\$ 59,030,490	\$ 60,633,287
City's Proportionate Share of Net Pension Liability as a Percentage of Covered Payroll	342.77%	326.65%	59.28%	202.16%	181.68%	172.40%	192.39%	228.73%	205.90%	167.23%
Plan Fiduciary Net Position as a Percentage of Total Net Pension Liability	62.84%	63.67%	92.02%	73.69%	75.62%	77.32%	74.00%	68.70%	73.81%	77.23%

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

CITY OF ROANOKE, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD PENSION CONTRIBUTIONS – CITY PLAN
Year Ended June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 285,022	\$ 187,414	\$ 183,654	\$ 191,759	\$ 200,200	\$ 222,911	\$ 248,488	\$ 257,269	\$ 340,838	\$ 527,115
Contributions in Relation to Actuarially Determined Contribution	<u>285,022</u>	<u>187,414</u>	<u>183,654</u>	<u>191,759</u>	<u>200,200</u>	<u>222,911</u>	<u>248,488</u>	<u>257,269</u>	<u>340,838</u>	<u>527,115</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered Payroll	\$ 1,582,436	\$ 1,643,393	\$ 1,407,674	\$ 1,467,600	\$ 1,515,322	\$ 1,607,148	\$ 1,757,341	\$ 1,985,104	\$ 2,617,813	\$ 2,690,735
Contributions as a Percentage of Covered Payroll	18.01%	11.40%	13.05%	13.07%	13.21%	13.87%	14.14%	12.96%	13.02%	19.59%

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

CITY OF ROANOKE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD'S PROPORTIONATE SHARE OF NET PENSION LIABILITY – CITY PLAN
Year Ended June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School Board's Proportion of Net Pension Liability	1.48%	1.48%	1.55%	1.59%	1.78%	1.95%	2.18%	2.94%	3.48%	3.63%
School Board's Proportionate Share of Net Pension Liability	\$ 4,001,149	\$ 3,679,849	\$ 715,812	\$ 2,405,192	\$ 2,476,003	\$ 2,476,295	\$ 3,130,602	\$ 4,984,640	\$ 4,882,739	\$ 4,256,291
Covered Payroll	\$ 1,643,393	\$ 1,407,674	\$ 1,467,600	\$ 1,515,322	\$ 1,607,148	\$ 1,757,341	\$ 1,985,100	\$ 1,985,104	\$ 2,690,735	\$ 3,005,980
School Board's Proportionate Share of Net Pension Liability as a Percentage of Covered Payroll	243.47%	261.41%	48.77%	158.72%	154.06%	140.91%	157.71%	251.10%	181.46%	141.59%
Plan Fiduciary Net Position as a Percentage of Total Net Pension Liability	62.80%	63.70%	92.00%	73.69%	75.62%	77.32%	74.00%	68.70%	73.81%	77.23%

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PENSION CONTRIBUTIONS – VRS
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Determined Contribution	\$ 2,320,751	\$ 2,121,173	\$ 1,626,093	\$ 1,647,613	\$ 1,490,872	\$ 1,493,066	\$ 1,446,685	\$ 1,443,062	\$ 1,499,615	\$ 1,514,713
Contributions in Relation to Contractually Determined Contribution	2,320,751	2,121,173	1,626,093	1,647,613	1,490,872	1,493,066	1,446,685	1,443,062	1,499,615	1,514,713
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 10,608,786	\$ 9,635,727	\$ 9,180,121	\$ 9,346,540	\$ 9,571,771	\$ 8,994,376	\$ 8,842,818	\$ 8,761,712	\$ 8,537,263	\$ 8,650,983
Contributions as a Percentage of Covered Payroll	21.88%	22.01%	17.71%	17.63%	15.58%	16.60%	16.36%	16.47%	17.57%	17.51%

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD'S PENSION CONTRIBUTIONS – VRS NON-PROFESSIONALS' PLAN
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 153,133	\$ 144,787	\$ 100,737	\$ 96,613	\$ 109,376	\$ 109,254	\$ 98,135	\$ 93,497	\$ 126,073	\$ 126,993
Contributions in Relation to Contractually Determined Contribution	153,133	144,787	100,737	96,613	109,376	109,254	98,135	93,497	126,073	126,993
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 7,450,579	\$ 6,682,549	\$ 4,771,350	\$ 4,466,752	\$ 4,331,920	\$ 4,300,605	\$ 3,688,153	\$ 2,615,319	\$ 2,662,777	\$ 2,505,966
Contributions as a Percentage of Covered Payroll	2.06%	2.17%	2.11%	2.16%	2.52%	2.54%	2.66%	3.57%	4.73%	5.07%

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

CITY OF ROANOKE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN CITY'S NET PENSION LIABILITY AND RELATED RATIOS – VRS
Year Ended June 30, 2024**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 1,631,660	\$ 1,426,161	\$ 1,493,366	\$ 1,419,883	\$ 1,347,664	\$ 1,337,903	\$ 1,348,893	\$ 1,380,941	\$ 1,312,849	\$ 1,333,127
Interest	5,501,863	5,143,430	4,768,599	4,631,232	4,539,086	4,339,444	4,195,752	4,042,340	3,859,768	3,680,676
Changes of Assumptions	-	-	2,654,951	-	2,014,530	-	(159,919)	-	-	-
Differences Between Expected and Actual Experience	2,355,615	3,381,250	(463,814)	(318,271)	(717,393)	430,539	(320,535)	(396,031)	101,336	-
Benefit Payments, Including Refunds of Employee Contributions	(4,926,920)	(4,765,524)	(3,886,896)	(3,508,646)	(3,325,626)	(3,186,070)	(2,836,839)	(2,834,452)	(2,497,107)	(2,413,588)
Net Change in Total Pension Liability	4,562,218	5,185,317	4,566,206	2,224,198	3,858,261	2,921,816	2,227,352	2,192,798	2,776,846	2,600,215
Total Pension Liability - Beginning	82,340,884	77,155,567	72,589,361	70,365,163	66,506,902	63,585,086	61,357,734	59,164,936	56,388,090	53,787,875
Total Pension Liability - Ending	\$ 86,903,102	\$ 82,340,884	\$ 77,155,567	\$ 72,589,361	\$ 70,365,163	\$ 66,506,902	\$ 63,585,086	\$ 61,357,734	\$ 59,164,936	\$ 56,388,090
Plan Fiduciary Net Position										
Contributions - Employer	\$ 2,142,924	\$ 1,609,437	\$ 1,639,152	\$ 1,582,180	\$ 1,490,872	\$ 1,444,142	\$ 1,439,698	\$ 1,499,615	\$ 1,514,713	\$ 1,460,269
Contributions - Employee	475,267	465,622	466,590	476,302	451,026	440,860	451,501	428,612	432,153	424,175
Net Investment Income (Loss)	4,626,977	(32,704)	16,484,646	1,159,696	3,869,084	4,102,791	6,147,715	872,926	2,245,173	6,752,670
Benefit Payments, Including Refunds of Employee Contributions	(4,926,920)	(4,765,524)	(3,886,896)	(3,508,646)	(3,325,626)	(3,186,070)	(2,836,839)	(2,834,452)	(2,497,107)	(2,413,588)
Administrative Expense	(46,913)	(47,517)	(41,627)	(39,947)	(38,781)	(35,783)	(35,693)	(31,738)	(30,828)	(36,491)
Other	1,856	1,708	1,548	(1,371)	(2,440)	(3,643)	(5,465)	(372)	(473)	356
Net Change in Plan Fiduciary Net Position	2,273,191	(2,768,978)	14,663,413	(331,786)	2,444,135	2,762,297	5,160,917	(65,409)	1,663,631	6,187,391
Plan Fiduciary Net position - Beginning	72,693,427	75,462,405	60,798,992	61,130,778	58,686,643	55,924,346	50,763,429	50,828,838	49,165,207	42,977,816
Plan Fiduciary Net Position - Ending	\$ 74,966,618	\$ 72,693,427	\$ 75,462,405	\$ 60,798,992	\$ 61,130,778	\$ 58,686,643	\$ 55,924,346	\$ 50,763,429	\$ 50,828,838	\$ 49,165,207
Total Net Pension Liability - Beginning	\$ 9,647,457	\$ 1,693,162	\$ 11,790,369	\$ 9,234,385	\$ 7,820,259	\$ 7,660,740	\$ 10,594,305	\$ 8,336,098	\$ 7,222,883	\$ 10,810,059
Total Net Pension Liability - Ending	\$ 11,936,484	\$ 9,647,457	\$ 1,693,162	\$ 11,790,369	\$ 9,234,385	\$ 7,820,259	\$ 7,660,740	\$ 10,594,305	\$ 8,336,098	\$ 7,222,883
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.26%	88.28%	97.81%	83.76%	86.88%	88.24%	87.95%	82.73%	85.91%	87.19%
Covered Payroll	\$ 9,635,727	\$ 9,180,121	\$ 9,346,540	\$ 9,571,771	\$ 8,994,376	\$ 8,842,818	\$ 8,761,712	\$ 8,537,263	\$ 8,650,983	\$ 8,430,964
Net Pension Liability as a Percentage of Covered Payroll	123.88%	105.09%	18.12%	123.18%	102.67%	88.44%	87.43%	124.09%	96.36%	85.67%

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD'S PENSION CONTRIBUTIONS – VRS TEACHERS' RETIREMENT PLAN
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 18,616,272	\$ 17,455,716	\$ 14,482,200	\$ 13,896,958	\$ 12,870,331	\$ 12,653,417	\$ 12,842,165	\$ 11,471,695	\$ 11,164,143	\$ 11,825,296
Contributions in Relation to Contractually Determined Contribution	18,616,272	17,455,716	14,482,200	13,896,958	12,870,331	12,653,417	12,842,165	11,471,695	11,164,143	11,825,296
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 118,215,227	\$ 110,322,533	\$ 90,904,849	\$ 86,869,983	\$ 85,100,982	\$ 82,767,236	\$ 80,236,536	\$ 79,683,440	\$ 76,869,589	\$ 74,342,482
Contributions as a Percentage of Covered Payroll	15.75%	15.82%	15.93%	16.00%	15.12%	15.29%	16.01%	14.40%	14.52%	15.91%

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD'S PROPORTIONATE SHARE OF NET PENSION LIABILITY – TEACHERS' RETIREMENT PLAN
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's Proportion of Net Pension Liability	1.11%	0.98%	0.98%	0.97%	0.99%	0.99%	1.01%	1.01%	1.00%	0.98%
Employer's Proportionate Share of Net Pension Liability	\$ 112,518,457	\$ 92,947,701	\$ 76,257,682	\$ 141,329,284	\$ 129,942,187	\$ 116,773,000	\$ 123,985,000	\$ 141,324,000	\$ 125,881,000	\$ 118,679,000
Covered Payroll	\$ 110,322,533	\$ 90,904,849	\$ 86,962,725	\$ 85,100,982	\$ 82,767,236	\$ 80,236,536	\$ 79,683,440	\$ 76,869,589	\$ 74,342,482	\$ 71,721,119
Employer's Proportionate Share of Net Pension Liability as a Percentage of Covered Payroll	101.99%	102.25%	87.69%	166.07%	157.00%	145.54%	155.60%	183.85%	169.33%	165.47%
Plan Fiduciary Net Position as a Percentage of Total Net Pension Liability	82.45%	84.70%	85.46%	71.47%	73.51%	74.81%	72.92%	68.28%	70.68%	70.88%

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD'S CHANGES IN NET PENSION ASSET AND RELATED RATIOS – VRS
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 507,416	\$ 380,028	\$ 350,268	\$ 341,743	\$ 330,934	\$ 303,752	\$ 327,500	\$ 292,621	\$ 250,347	\$ 238,778
Interest	341,673	287,728	226,226	193,074	157,720	137,429	115,185	90,855	75,430	57,278
Changes in Assumptions	-	-	(55,829)	-	95,414	-	(95,226)	-	-	-
Differences Between Expected and Actual Experience	249,532	130,110	107,958	35,755	77,685	(108,492)	22,079	3,596	(71,963)	-
Benefit Payments, Including Refunds of Employee Contributions	(144,308)	(107,825)	(87,207)	(71,644)	(37,449)	(48,197)	(55,331)	(23,660)	(43,270)	(30,199)
Net Change in Total Pension Liability	954,313	690,041	541,416	498,928	624,304	284,492	314,207	363,412	210,544	265,857
Total Pension Liability - Beginning	4,626,556	3,936,515	3,395,099	2,896,171	2,271,867	1,987,375	1,673,168	1,309,756	1,099,212	833,355
Total Pension Liability - Ending	\$ 5,580,869	\$ 4,626,556	\$ 3,936,515	\$ 3,395,099	\$ 2,896,171	\$ 2,271,867	\$ 1,987,375	\$ 1,673,168	\$ 1,309,756	\$ 1,099,212
Plan Fiduciary Net Position										
Contributions - Employer	\$ 144,691	\$ 100,742	\$ 96,613	\$ 103,807	\$ 109,376	\$ 98,135	\$ 93,237	\$ 114,441	\$ 103,468	\$ 167,937
Contributions - Employee	289,903	208,626	198,042	195,784	195,963	169,352	164,828	145,769	131,040	112,035
Net Investment Income (Loss)	408,957	(13,490)	1,249,405	81,372	255,942	238,823	332,502	48,318	99,131	259,744
Benefit Payments, Including Refunds of Employee Contributions	(144,308)	(107,825)	(87,207)	(71,644)	(37,449)	(48,197)	(55,331)	(23,660)	(43,270)	(30,199)
Administrative Expense	(3,728)	(3,545)	(2,826)	(2,482)	(2,153)	(1,842)	(1,688)	(1,296)	(1,144)	(1,173)
Other	167	142	120	(99)	(164)	(222)	(306)	(19)	(21)	14
Net Change in Plan Fiduciary Net Position	695,682	184,650	1,454,147	306,738	521,515	456,049	533,242	283,553	289,204	508,358
Plan Fiduciary Net Position - Beginning	6,049,124	5,864,474	4,410,327	4,103,589	3,582,074	3,126,025	2,592,783	2,309,230	2,020,026	1,511,668
Plan Fiduciary Net Position - Ending	\$ 6,744,806	\$ 6,049,124	\$ 5,864,474	\$ 4,410,327	\$ 4,103,589	\$ 3,582,074	\$ 3,126,025	\$ 2,592,783	\$ 2,309,230	\$ 2,020,026
Total Net Pension Asset - Beginning	\$ (1,422,568)	\$ (1,927,959)	\$ (1,015,228)	\$ (1,207,418)	\$ (1,310,207)	\$ (1,138,650)	\$ (919,615)	\$ (999,474)	\$ (920,814)	\$ (678,313)
Total Net Pension Asset - Ending	\$ (1,163,937)	\$ (1,422,568)	\$ (1,927,959)	\$ (1,015,228)	\$ (1,207,418)	\$ (1,310,207)	\$ (1,138,650)	\$ (919,615)	\$ (999,474)	\$ (920,814)
Plan Fiduciary Net Position as a of Total Percentage Pension Asset	120.86%	130.75%	148.98%	129.90%	141.69%	157.67%	157.29%	154.96%	176.31%	183.77%
Covered Payroll	\$ 6,682,549	\$ 4,771,350	\$ 4,466,752	\$ 4,331,920	\$ 4,300,605	\$ 3,688,153	\$ 2,615,319	\$ 2,099,489	\$ 2,291,710	\$ 2,220,265
Net Pension Asset as a Percentage of Covered Payroll	(17.42%)	(29.81%)	(43.16%)	(23.44%)	(28.08%)	(35.52%)	(43.54%)	(43.80%)	(43.61%)	(41.47%)

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

CITY OF ROANOKE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
Year Ended June 30, 2024**

City of Roanoke – OPEB Trust

	<u>June 30, 2024</u>	<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>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Annual money weighted rate of return, net of investment expense	9.51%	7.62%	-13.26%	30.05%	3.01%	4.67%	9.52%	13.04%

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

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

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S OPEB CONTRIBUTIONS – EMPLOYEE'S POST-RETIREMENT HEALTH PLAN
Year Ended June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 652,000	\$ 808,000	\$ 479,000	\$ 808,000	\$ 1,023,000	\$ 976,000	\$ 898,000	\$ 947,000	\$ 1,071,000	\$ 982,000
Contributions in Relation to Actuarially Determined Contribution	<u>652,000</u>	<u>808,000</u>	<u>479,000</u>	<u>808,000</u>	<u>1,023,000</u>	<u>976,000</u>	<u>898,000</u>	<u>947,000</u>	<u>1,071,000</u>	<u>982,000</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered Payroll	\$ 87,203,291	\$ 78,431,560	\$ 76,894,042	\$ 79,460,497	\$ 75,773,316	\$ 75,773,316	\$ 73,943,000	\$ 73,167,000	\$ 71,512,000	\$ 69,346,000
Contributions as a Percentage of Covered Payroll	0.75%	1.03%	0.62%	1.02%	1.35%	1.29%	1.21%	1.29%	1.50%	1.42%

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S OPEB CONTRIBUTIONS – LINE OF DUTY BENEFITS
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 222,000	\$ 253,600	\$ 180,200	\$ 228,800	\$ 222,500	\$ 204,200	\$ 334,900	\$ 328,000	\$ 367,100	\$ 370,900
Contributions in Relation to Actuarially Determined Contribution	222,000	253,600	180,200	228,800	222,500	204,200	334,900	328,000	367,100	370,900
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 41,892,481	\$ 40,236,105	\$ 35,090,473	\$ 33,268,489	\$ 35,283,151	\$ 33,943,700	\$ 34,133,600	\$ 33,524,900	\$ 33,268,489	\$ 32,577,300
Contributions as a Percentage of Covered Payroll	0.53%	0.63%	0.51%	0.69%	0.63%	0.60%	0.98%	0.98%	1.10%	1.14%

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

CITY OF ROANOKE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS OPEB TRUST –
EMPLOYEES' POST -RETIREMENT HEALTH PLAN
Year Ended June 30, 2024**

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	\$ 377,595	\$ 249,673	\$ 293,635	\$ 370,617	\$ 339,171	\$ 314,967	\$ 307,511
Interest	874,079	703,780	834,791	949,632	925,050	840,955	852,459
Differences Between Expected and Actual Experience	(1,813,768)	(1,458,041)	(2,317,557)	(2,155,356)	(163,990)	798,742	(602,777)
Changes of Assumptions	299,149	3,365,005	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(523,000)	(588,000)	(689,000)	(768,000)	(793,000)	(762,000)	(696,000)
Net Change in Total OPEB Liability (Assets)	(785,945)	2,272,417	(1,878,131)	(1,603,107)	307,231	1,192,664	(138,807)
Total OPEB Liability - Beginning	12,370,741	10,098,324	11,976,455	13,579,562	13,272,331	12,079,667	12,218,474
Total OPEB Liability - Ending	\$ 11,584,796	\$ 12,370,741	\$ 10,098,324	\$ 11,976,455	\$ 13,579,562	\$ 13,272,331	\$ 12,079,667
Plan Fiduciary Net Position							
Contributions - Employer	\$ 808,000	\$ 839,000	\$ 808,000	\$ 1,023,000	\$ 976,000	\$ 898,000	\$ 947,000
Net Investment Income (Loss)	504,694	(661,707)	1,601,840	155,467	216,095	384,002	430,894
Benefit Payments, Including Refunds of Employee Contributions	(523,000)	(588,000)	(689,000)	(768,000)	(793,000)	(762,000)	(696,000)
Administrative Expense	(7,260)	(8,041)	(6,499)	(5,936)	(5,395)	(4,961)	(4,408)
Net Change in Plan Fiduciary Net Position	782,434	(418,748)	1,714,341	404,531	393,700	515,041	677,486
Plan Fiduciary Net position - Beginning	6,619,938	7,038,687	5,324,346	4,919,815	4,526,115	4,011,074	3,333,588
Plan Fiduciary Net position - Ending	\$ 7,402,372	\$ 6,619,939	\$ 7,038,687	\$ 5,324,346	\$ 4,919,815	\$ 4,526,115	\$ 4,011,074
Total Net OPEB Liability - Beginning	5,750,803	3,059,637	6,652,109	8,659,747	8,746,216	8,068,593	8,884,886
Total Net OPEB Liability - Ending	\$ 4,182,424	\$ 5,750,802	\$ 3,059,637	\$ 6,652,109	\$ 8,659,747	\$ 8,746,216	\$ 8,068,593
 Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	 63.90%	 53.51%	 69.70%	 44.46%	 36.23%	 34.10%	 33.21%
Covered Payroll	\$ 78,431,560	\$ 76,894,072	\$ 79,460,497	\$ 75,773,316	\$ 75,773,316	\$ 73,943,000	\$ 73,167,000
Net OPEB Liability as a Percentage of Covered Payroll	5.33%	7.48%	3.85%	8.78%	11.43%	11.83%	11.03%

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

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CITY OF ROANOKE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS OPEB TRUST – LINE OF DUTY ACT
Year Ended June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service Cost	\$ 153,492	\$ 137,665	\$ 134,425	\$ 127,731	\$ 105,329	\$ 161,651	\$ 149,688
Interest	260,218	247,845	239,306	236,788	236,984	284,709	266,113
Changes of Benefit Terms	-	-	-	-	-	(412,038)	-
Differences Between Expected and Actual Experience	(457,031)	(137,490)	(13,020)	(124,956)	(182,205)	(490,047)	(30,411)
Changes of Assumptions	67,004	182,817	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(283,700)	(256,100)	(227,800)	(192,800)	(177,800)	(161,700)	(101,700)
Net Change in Total OPEB Liability (Assets)	(260,017)	174,737	132,911	46,763	(17,692)	(617,425)	283,690
Total OPEB Liability - Beginning	3,705,772	3,531,035	3,398,124	3,351,361	3,369,053	3,986,478	3,702,788
Total OPEB Liability - Ending	\$ 3,445,755	\$ 3,705,772	\$ 3,531,035	\$ 3,398,124	\$ 3,351,361	\$ 3,369,053	\$ 3,986,478
Plan Fiduciary Net Position							
Contributions - Employer	\$ 283,700	\$ 256,100	\$ 228,800	\$ 222,500	\$ 204,200	\$ 334,900	\$ 328,000
Net Investment Income (Loss)	214,039	(285,752)	716,525	70,492	100,571	174,061	183,124
Benefit payments, including refunds of employee contributions	(283,700)	(256,100)	(227,800)	(192,800)	(177,800)	(161,700)	(101,700)
Administrative Expense	(3,409)	(3,827)	(3,197)	(3,037)	(2,822)	(2,504)	(2,137)
Net Change in Plan Fiduciary Net Position	210,630	(289,579)	714,328	97,155	124,149	344,757	407,287
Plan Fiduciary Net position - Beginning	2,808,727	3,098,306	2,383,978	2,286,823	2,162,674	1,817,917	1,410,630
Plan Fiduciary Net position - Ending	\$ 3,019,357	\$ 2,808,727	\$ 3,098,306	\$ 2,383,978	\$ 2,286,823	\$ 2,162,674	\$ 1,817,917
Total Net OPEB Liability - Beginning	897,045	432,729	1,014,146	1,064,538	1,206,379	2,168,561	2,292,170
Total Net OPEB Liability - Ending	\$ 426,398	\$ 897,045	\$ 432,729	\$ 1,014,146	\$ 1,064,538	\$ 1,206,379	\$ 2,168,561
 Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	 87.63%	 75.79%	 87.74%	 70.16%	 68.24%	 64.19%	 45.60%
 Covered Payroll	 \$ 40,236,105	 \$ 35,090,473	 \$ 33,268,489	 \$ 35,283,151	 \$ 33,943,700	 \$ 34,133,600	 \$ 33,524,900
 Net OPEB Liability as a Percentage of Covered Payroll	 1.06%	 2.56%	 1.30%	 2.87%	 3.14%	 3.53%	 6.47%

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CITY OF ROANOKE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS VRS HEALTH INSURANCE CREDIT
Year Ended June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service Cost	\$ 5,407	\$ 6,086	\$ 5,560	\$ 5,452	\$ 5,183	\$ 5,416	\$ 5,836
Interest	51,515	31,579	30,381	28,456	26,787	25,772	25,637
Differences Between Expected and Actual Experience	(340,289)	235,440	(32,714)	(5,099)	6,868	6,681	-
Changes of Assumptions	-	37,779	8,716	-	10,417	-	(6,386)
Benefit Payments, Including Refunds of Employee Contributions	(29,700)	-	(570)	-	(20,719)	(26,022)	(20,294)
Net Change in Total OPEB Liability	(313,067)	310,884	11,373	28,809	28,536	11,847	4,793
Total OPEB Liability - Beginning	772,634	461,750	450,377	421,568	393,032	381,185	376,392
Total OPEB Liability - Ending	\$ 459,567	\$ 772,634	\$ 461,750	\$ 450,377	\$ 421,568	\$ 393,032	\$ 381,185
Plan Fiduciary Net Position							
Contributions - Employer	\$ 27,695	\$ 26,635	\$ 27,165	\$ 27,760	\$ 26,085	\$ 22,982	\$ 22,904
Net Investment Income	15,574	(359)	40,488	2,391	6,415	6,618	9,633
Benefit Payments, Including Refunds of Employee Contributions	(29,700)	-	(570)	-	(20,719)	(26,022)	(20,294)
Administrative Expense	(402)	(419)	(557)	(268)	(143)	(153)	(158)
Other	(89,096)	-	-	(1)	(8)	(480)	480
Net Change in Plan Fiduciary Net Position	(75,929)	25,857	66,526	29,882	11,630	2,945	12,565
Plan Fiduciary Net position - Beginning	232,573	206,716	140,190	110,308	98,678	95,733	83,168
Plan Fiduciary Net position - Ending	\$ 156,644	\$ 232,573	\$ 206,716	\$ 140,190	\$ 110,308	\$ 98,678	\$ 95,733
Total Net OPEB Liability - Beginning	540,061	255,034	310,187	311,260	294,354	285,452	293,224
Total Net OPEB Liability - Ending	\$ 302,923	\$ 540,061	\$ 255,034	\$ 310,187	\$ 311,260	\$ 294,354	\$ 285,452
 Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	 34.09%	 30.10%	 44.77%	 31.13%	 26.17%	 25.11%	 25.11%
Covered Payroll	\$ 9,635,727	\$ 9,180,121	\$ 9,361,803	\$ 9,571,771	\$ 9,586,952	\$ 9,000,883	\$ 8,761,712
Net OPEB Liability as a Percentage of Covered Payroll	3.14%	5.88%	2.72%	3.24%	3.25%	3.27%	3.26%

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

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

CITY OF ROANOKE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS – VRS HEALTH INSURANCE CREDIT
Year Ended June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially Determined Contribution	\$ 36,420	\$ 55,021	\$ 26,789
Contributions in Relation to Actuarially Determined Contribution	<u>36,420</u>	<u>55,021</u>	<u>26,789</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 10,608,786	\$ 9,635,727	\$ 9,180,121
Contributions as a Percentage of Covered Payroll	0.34%	0.57%	0.29%

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET OPEB LIABILITY – VRS GROUP LIFE INSURANCE
Year Ended June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's Proportion of Net OPEB Liability	0.356%	0.360%	0.359%	0.370%	0.414%	0.384%	0.401%
City's Proportionate Share of Net OPEB Liability	\$ 4,229,229	\$ 4,290,037	\$ 4,355,330	\$ 6,357,814	\$ 6,266,774	\$ 5,938,000	\$ 6,029,685
Covered Payroll	\$ 83,983,799	\$ 78,854,104	\$ 76,217,724	\$ 78,488,269	\$ 75,810,385	\$ 74,813,846	\$ 73,908,260
City's Proportionate Share of Net OPEB Liability as a Percentage of Covered Payroll	5.04%	5.44%	5.71%	8.10%	8.27%	7.94%	8.16%
Plan Fiduciary Net Position as a Percentage of Total Net OPEB Liability	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

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

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

CITY OF ROANOKE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS – VRS GROUP LIFE INSURANCE
Year Ended June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 449,660	\$ 446,597	\$ 422,658	\$ 408,527	\$ 408,139	\$ 394,214	\$ 389,032
Contributions in Relation to Actuarially Determined Contribution	<u>449,660</u>	<u>446,597</u>	<u>422,658</u>	<u>408,527</u>	<u>408,139</u>	<u>394,214</u>	<u>389,032</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered Payroll	\$ 92,616,606	\$ 83,983,799	\$ 78,854,104	\$ 76,217,724	\$ 78,488,269	\$ 75,810,385	\$ 74,813,846
Contributions as a Percentage of Covered Payroll	0.49%	0.53%	0.54%	0.54%	0.52%	0.52%	0.52%

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

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD CONTRIBUTIONS – VRS GROUP LIFE INSURANCE (NON-PROFESSIONALS)
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 48,515	\$ 44,608	\$ 33,018	\$ 30,409	\$ 30,491	\$ 30,717	\$ 28,263
Contributions in Relation to Actuarially Determined Contribution	48,515	44,608	33,018	30,409	30,491	30,717	28,263
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 8,984,328	\$ 8,260,731	\$ 6,114,380	\$ 6,047,907	\$ 5,866,775	\$ 5,907,182	\$ 4,535,214
Contributions as a Percentage of Covered Payroll	0.54%	0.54%	0.54%	0.52%	0.52%	0.52%	0.62%

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

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CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD CONTRIBUTIONS – VRS GROUP LIFE INSURANCE (PROFESSIONALS)
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 638,363	\$ 595,742	\$ 523,904	\$ 452,211	\$ 442,525	\$ 430,624	\$ 417,241
Contributions in Relation to Actuarially Determined Contribution	638,363	595,742	523,904	452,211	442,525	430,624	417,241
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 118,215,227	\$ 110,322,533	\$ 90,904,849	\$ 86,963,725	\$ 85,100,982	\$ 82,812,213	\$ 80,238,605
Contributions as a Percentage of Covered Payroll	0.54%	0.54%	0.58%	0.52%	0.52%	0.52%	0.52%

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD CONTRIBUTIONS – VRS GENERAL EMPLOYEE HEALTH INSURANCE CREDIT
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 6,705	\$ 6,011	\$ 3,815	\$ 3,573	\$ 5,207	\$ 5,161	\$ 4,036
Contributions in Relation to Actuarially Determined Contribution	6,705	6,011	3,815	3,573	5,207	5,161	4,036
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 7,450,579	\$ 6,682,549	\$ 4,771,350	\$ 4,466,752	\$ 4,300,605	\$ 4,096,741	\$ 3,877,422
Contributions as a Percentage of Covered Payroll	0.09%	0.09%	0.08%	0.08%	0.12%	0.11%	0.10%

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CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD CONTRIBUTIONS – VRS TEACHER HEALTH INSURANCE CREDIT
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 1,429,905	\$ 1,387,693	\$ 1,100,269	\$ 1,051,413	\$ 1,021,183	\$ 993,285	\$ 987,227
Contributions in Relation to Actuarially Determined Contribution	1,429,905	1,387,693	1,100,269	1,051,413	1,021,183	993,285	987,227
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 118,215,227	\$ 110,322,533	\$ 90,904,849	\$ 86,869,983	\$ 85,100,982	\$ 82,812,213	\$ 80,238,605
Contributions as a Percentage of Covered Payroll	1.21%	1.22%	1.21%	1.21%	1.20%	1.23%	1.23%

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CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD'S PROPORTIONATE SHARE OF THE NET VRS GROUP LIFE INSURANCE LIABILITY –
NON-PROFESSIONAL EMPLOYEES
Year Ended June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
School Board's Proportion of Net OPEB Liability	0.031%	0.028%	0.029%	0.028%	0.030%	0.029%	0.028%
School Board's Proportionate Share of Net OPEB Liability	\$ 421,000	\$ 339,000	\$ 330,000	\$ 476,000	\$ 490,000	\$ 434,000	\$ 425,000
Covered Payroll	\$ 6,682,549	\$ 6,114,380	\$ 6,047,907	\$ 5,866,775	\$ 5,907,182	\$ 5,435,214	\$ 5,205,263
School Board's Proportionate Share of Net OPEB liability as a Percentage of Covered Payroll	6.30%	5.54%	5.46%	8.11%	8.29%	7.98%	8.16%
Plan Fiduciary Net Position as a Percentage of Total Net OPEB Liability	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

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CITY OF ROANOKE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD'S PROPORTIONATE SHARE OF THE NET VRS GROUP LIFE INSURANCE LIABILITY -
PROFESSIONAL EMPLOYEES
Year Ended June 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
School Board's Proportion of Net OPEB Liability	0.47%	0.42%	0.42%	0.41%	0.42%	0.42%	0.43%
School Board's Proportionate Share of Net OPEB Liability	\$ 5,652,000	\$ 5,034,000	\$ 4,904,000	\$ 6,904,000	\$ 6,875,000	\$ 6,410,000	\$ 6,504,000
Covered Payroll	\$ 110,322,533	\$ 90,904,849	\$ 86,963,725	\$ 85,100,982	\$ 82,812,213	\$ 80,238,605	\$ 79,683,440
School Board's Proportionate Share of Net OPEB liability as a Percentage of Covered Payroll	5.12%	5.54%	5.64%	8.11%	8.30%	7.99%	8.16%
Plan Fiduciary Net Position as a Percentage of Total Net OPEB Liability	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

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

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CITY OF ROANOKE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD'S PROPORTIONATE SHARE OF THE NET VRS HEALTH INSURANCE CREDIT LIABILITY -
TEACHERS
Year Ended June 30, 2024**

	2024	2023	2022	2021	2020	2019	2018
School Board's Proportion of Net OPEB Liability	1.11%	0.98%	0.98%	0.97%	0.99%	0.99%	1.01%
School Board's Proportionate Share of Net OPEB Liability	\$ 13,486,000	\$ 12,186,000	\$ 12,608,000	\$ 12,700,000	\$ 12,919,000	\$ 12,597,000	\$ 12,810,000
Covered Payroll	\$110,322,533	\$ 90,904,849	\$ 86,869,983	\$ 85,100,982	\$ 82,812,213	\$ 80,238,605	\$ 79,683,440
School Board's Proportionate Share of Net OPEB Liability as a Percentage of its Covered Payroll	12.22%	13.41%	14.51%	14.92%	15.60%	15.70%	16.08%
Plan Fiduciary Net Position as a Percentage of Total Net OPEB Liability	17.90%	15.08%	13.15%	9.95%	8.97%	8.08%	7.04%

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CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN SCHOOL BOARD'S NET OPEB LIABILITY AND RELATED RATIOS – VRS HEALTH INSURANCE CREDIT
Year Ended June 30, 2024

	2024	2023	2022	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	\$ 4,597	\$ 3,178	\$ 4,449	\$ 4,174	\$ 4,467	\$ 4,524	\$ 5,042
Interest	5,362	3,605	3,118	3,126	2,384	2,324	2,032
Changes of Benefit Terms	-	31,151	-	(902)	-	-	-
Differences Between Expected and Actual Experience	(6,852)	551	(1,284)	(6,394)	4,849	-	-
Changes of Assumptions	-	(13,471)	(2,097)	-	1,324	(3,907)	(1,356)
Benefit Payments, Including Refunds of Employee Contributions	(650)	(141)	(141)	(135)	(1,400)	(2,754)	(358)
Net Change in Total OPEB Liability (Asset)	2,457	24,873	4,045	(131)	11,624	187	5,360
Total OPEB Liability - Beginning	75,170	50,297	46,252	46,383	34,759	34,572	29,212
Total OPEB Liability - Ending	\$ 77,627	\$ 75,170	\$ 50,297	\$ 46,252	\$ 46,383	\$ 34,759	\$ 34,572
Plan Fiduciary Net Position							
Contributions - Employer	\$ 10,017	\$ 5,613	\$ 3,573	\$ 5,207	\$ 5,161	\$ 4,036	\$ 3,534
Net Investment Income	6,357	(36)	18,713	1,307	3,762	3,664	5,134
Benefit Payments, Including Refunds of Employee Contributions	(650)	(141)	(141)	(135)	(1,400)	(2,754)	(358)
Administrative Expense	(165)	(171)	(232)	(132)	(84)	(88)	(88)
Other	(30)	(583)	-	(1)	(5)	(247)	247
Net Change in Plan Fiduciary Net Position	15,529	4,682	21,913	6,246	7,434	4,611	8,469
Plan Fiduciary Net position - Beginning	95,667	90,985	69,072	62,826	55,392	50,781	42,312
Plan Fiduciary Net position - Ending	\$ 111,196	\$ 95,667	\$ 90,985	\$ 69,072	\$ 62,826	\$ 55,392	\$ 50,781
Total Net OPEB Asset - Beginning	(20,497)	(40,688)	(22,820)	(16,443)	(20,633)	(16,209)	(13,100)
Total Net OPEB Asset - Ending	\$ (33,569)	\$ (20,497)	\$ (40,688)	\$ (22,820)	\$ (16,443)	\$ (20,633)	\$ (16,209)
 Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	 143%	 127%	 181%	 149%	 135%	 159%	 147%
Covered Payroll	\$ 6,682,549	\$ 4,466,752	\$ 4,335,058	\$ 4,300,605	\$ 4,096,741	\$ 3,877,422	\$ 3,211,898
Net OPEB Asset as a Percentage of Covered Payroll	-1%	0%	-1%	-1%	0%	-1%	-1%

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

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

CITY OF ROANOKE, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2024

Note 1. Changes of Benefit Terms

Pension and Other Postemployment Benefits (OPEB)

There have been no actuarially material changes to the Virginia Retirement System (System) benefit provisions since the prior actuarial valuation.

Note 2. Changes of Assumptions

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 – Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Largest 10 – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

(Continued)

CITY OF ROANOKE, VIRGINIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2024

Note 2. Changes of Assumptions (Continued)

All Others (Non 10 Largest) – Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to line of duty rates.
- No change to discount rate.

All Others (Non 10 Largest) – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Teacher cost-sharing pool

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to discount rate.

**OTHER
SUPPLEMENTARY INFORMATION**

CITY OF ROANOKE, VIRGINIA

STATEMENT OF NET POSITION –
COMBINING FIDUCIARY FUNDS
June 30, 2024

	Pension Trust Fund	OPEB Trust Fund	Total Pension and OPEB Trust Funds	Hotel Roanoke Conference Center Fund	Roanoke City Jail Inmate Fund	Total Hotel and Inmate Custodial Funds
<u>Assets</u>						
Cash and Cash Equivalents	\$ 646,219	\$ -	\$ 646,219	\$ 3,104,765	\$ 97,228	\$ 3,201,993
Receivables:						
Employer Contributions	1,071,333	-	1,071,333	-	-	-
Employee Contributions	219,405	-	219,405	-	-	-
Investment Income	803,999	-	803,999	-	-	-
Receivable for Security Transactions	-	-	-	-	57,410	57,410
Total Receivables	2,094,737	-	2,094,737	-	57,410	57,410
Investments Held by Trustee, at Fair Value:						
Cash Equivalents	4,738,605	-	4,738,605	-	-	-
U.S. Government Securities	18,297,522	-	18,297,522	-	-	-
Municipal and Agency Bonds	30,652,663	-	30,652,663	-	-	-
Corporate Bonds	19,544,801	-	19,544,801	-	-	-
Common Stocks	63,076,042	-	63,076,042	-	-	-
Domestic Mutual Funds	232,686,830	-	232,686,830	-	-	-
International Mutual Funds	72,772,898	-	72,772,898	-	-	-
Real Estate Mutual Funds	29,335,608	-	29,335,608	-	-	-
Investment in Pooled Funds	-	11,557,286	11,557,286	-	-	-
Total Investments	471,104,969	11,557,286	482,662,255	-	-	-
Total Assets	473,845,925	11,557,286	485,403,211	3,104,765	154,638	3,259,403
<u>Liabilities</u>						
Accounts Payable and Accrued Expenses	281,014	-	281,014	-	77,056	77,056
Payable for Security Transactions	507,257	-	507,257	-	-	-
Total Liabilities	788,271	-	788,271	-	77,056	77,056
Net Position, Restricted	\$ 473,057,654	\$ 11,557,286	\$ 484,614,940	\$ 3,104,765	\$ 77,582	\$ 3,182,347

CITY OF ROANOKE, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
COMBINING FIDUCIARY FUNDS
Year Ended June 30, 2024

	Pension Trust Fund	OPEB Trust Fund	Total Pension and OPEB Trust Funds	Hotel Roanoke Conference Center Fund	Roanoke City Jail Inmate Fund	Total Hotel and Inmate Custodial Funds
<u>Additions/(Reductions)</u>						
Contributions from Employer	\$ 19,518,437	\$ 908,400	\$ 20,426,837	\$ -	\$ -	\$ -
Contributions from Employee	4,435,383	-	4,435,383	-	-	-
Contributions from Inmates	-	-	-	-	852,689	852,689
Investment Income						
Net Appreciation (Depreciation) in Fair Value of Investments	39,384,721	988,796	40,373,517	11,940	-	11,940
Interest	3,409,571	1,240	3,410,811	162,192	-	162,192
Dividends	6,800,088	-	6,800,088	-	-	-
Other	4,426	-	4,426	138,688	-	138,688
Total Investment Income	49,598,806	990,036	50,588,842	312,820	-	312,820
Less: Investment Expenses	(1,050,368)	(11,282)	(1,061,650)	-	-	-
Net Investment Income	48,548,438	978,754	49,527,192	312,820	-	312,820
Total Additions	72,502,258	1,887,154	74,389,412	312,820	852,689	1,165,509
<u>Deductions</u>						
Benefit Payments	45,846,333	751,400	46,597,733	-	-	-
Administrative Expenses	494,034	-	494,034	2,606	795,279	797,885
Total Deductions	46,340,367	751,400	47,091,767	2,606	795,279	797,885
Change in Net Position	26,161,891	1,135,754	27,297,645	310,214	57,410	367,624
Fiduciary Net Position at Beginning of Year	446,895,763	10,421,532	457,317,295	2,794,551	20,172	2,814,723
Fiduciary Net Position at End of Year	\$ 473,057,654	\$ 11,557,286	\$ 484,614,940	\$ 3,104,765	\$ 77,582	\$ 3,182,347

STATISTICAL SECTION

The Statistical Section of the Annual Comprehensive Financial Report for the City of Roanoke, Virginia, presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about the City's overall financial condition.

Table

Financial Trends 1-2

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 3-5

These schedules contain information to help the reader assess the City's most significant local revenue source.

Debt Capacity 6-11

The City's levies taxes and issues debt for City's operations and capital projects. These schedules 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.

Demographic and Economic Indicators 12-15

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 16-21

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services provided and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

Table 1

CITY OF ROANOKE, VIRGINIA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Governmental Activities										
Net Investment in Capital Assets	\$ 447,594,613	\$ 427,100,720	\$ 434,624,666	\$ 440,976,044	\$ 444,848,704	\$ 432,942,418	\$ 411,618,245	\$ 391,326,816	\$ 386,671,621	\$ 371,085,207
Restricted for:										
Debt Service	174,957	83,740	235,769	76,819	17,215	17,890	41,733	539,265	1,011,031	1,508,122
Other Purposes	-	-	-	-	-	-	-	-	48,411	-
Unrestricted (deficit)	(36,316,744)	(15,488,470)	(26,039,717)	(55,662,499)	(85,719,784)	(92,944,533)	(114,223,642)	(98,655,788)	(100,167,028)	(99,306,461)
Total Governmental Activities										
Net Position	\$ 411,452,826	\$ 411,695,990	\$ 408,820,718	\$ 385,390,364	\$ 359,146,135	\$ 340,015,775	\$ 297,436,336	\$ 293,210,293	\$ 287,564,035	\$ 273,286,868
Business-type Activities										
Net Investment in Capital Assets	\$ 54,581,364	\$ 54,554,100	\$ 51,520,071	\$ 48,697,000	\$ 47,102,962	\$ 44,847,603	\$ 44,576,168	\$ 41,274,658	\$ 35,765,948	\$ 35,092,265
Unrestricted	7,487,564	6,010,880	6,791,454	3,252,402	4,334,592	6,108,858	3,985,881	4,706,651	2,246,546	1,918,868
Total Business-type Activities										
Net Position	\$ 62,068,928	\$ 60,564,980	\$ 58,311,525	\$ 51,949,402	\$ 51,437,554	\$ 50,956,461	\$ 48,562,049	\$ 45,981,309	\$ 38,012,494	\$ 37,011,133
Primary Government										
Net Investment in Capital Assets	\$ 502,175,977	\$ 481,654,820	\$ 486,144,737	\$ 489,673,044	\$ 491,951,666	\$ 477,790,021	\$ 456,194,413	\$ 432,601,474	\$ 422,437,569	\$ 406,177,472
Restricted for:										
Debt Service	174,957	83,740	235,769	76,819	17,215	17,890	41,733	539,265	1,011,031	1,508,122
Other Purposes	-	-	-	-	-	-	-	-	48,411	-
Unrestricted (deficit)	(28,829,180)	(9,477,590)	(19,248,263)	(52,410,096)	(81,385,192)	(86,835,675)	(110,237,761)	(93,949,137)	(97,920,482)	(97,387,593)
Total Primary Government										
Net Position	\$ 473,521,754	\$ 472,260,970	\$ 467,132,243	\$ 437,339,767	\$ 410,583,689	\$ 390,972,236	\$ 345,998,385	\$ 339,191,602	\$ 325,576,529	\$ 310,298,001

(1) Ending Net Position was restated for implementation of GASB statements No. 68 and No. 71

Table 2

CITY OF ROANOKE, VIRGINIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	2023-24	2022-23	2021-22 (1)	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Expenses										
Governmental Activities:										
General Government	\$ 54,268,244	\$ 55,616,106	\$ 40,853,813	\$ 41,736,392	\$ 27,158,236	\$ 24,187,074	\$ 24,328,091	\$ 17,492,500	\$ 16,832,704	\$ 14,277,141
Judicial Administration	13,611,531	11,768,024	9,050,694	10,425,618	10,364,530	8,770,903	9,467,166	9,547,223	9,399,253	8,581,552
Public Safety	105,986,562	92,394,611	65,150,329	77,451,522	77,543,957	76,422,012	74,345,373	76,212,279	72,549,379	64,530,235
Public Works	39,232,907	45,760,816	50,764,844	42,429,891	40,141,167	41,407,772	37,807,388	28,640,405	34,278,578	27,794,564
Health and Welfare	59,471,112	51,161,057	47,317,251	46,977,761	45,196,737	41,146,481	44,859,128	44,873,765	40,378,769	38,466,658
Parks, Recreation and Cultural	17,639,165	17,752,125	12,757,143	12,611,253	12,210,560	7,691,899	11,933,151	12,675,738	12,193,652	11,427,529
Community Development	33,222,023	17,220,324	16,784,692	16,931,466	13,345,284	12,902,803	16,736,291	12,966,412	12,812,996	11,853,575
Education	105,934,431	104,777,341	87,535,037	-	-	-	-	-	1,812,105	1,754,105
Interest and Fiscal Charges	8,355,386	7,071,278	6,912,120	4,413,316	8,721,727	8,594,427	9,050,841	9,108,045	10,924,644	10,156,610
Economic Development	-	-	-	150,510	155,659	183,755	287,114	4,998,061	853,466	1,167,670
Other	-	-	-	-	2,031,161	1,996,965	1,911,156	2,013,693	-	3,056
Total Governmental Activities Expenses	437,721,361	403,521,682	337,125,923	343,175,710	326,670,498	311,917,167	317,526,237	302,370,722	296,413,740	271,419,491
Business-type Activities:										
Civic Facilities	19,823,411	18,570,002	19,218,277	4,074,368	11,740,778	11,302,943	6,444,174	5,683,284	4,759,841	4,843,800
Parking	4,264,438	3,964,666	3,258,667	3,361,375	3,999,771	3,404,310	3,542,666	3,283,745	3,449,510	3,362,282
Stormwater Utility	7,719,296	7,192,474	5,449,142	6,621,182	6,178,250	5,040,114	4,860,983	4,076,625	2,863,855	1,802,924
Total Business-type Activities Expenses	31,807,145	29,727,142	27,926,086	14,056,925	21,918,799	19,747,367	14,847,823	13,043,654	11,073,206	10,009,006
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	1,626,226	2,484,800	2,615,099	5,970,491	4,273,796	4,488,371	4,739,554	2,287,076	4,730,687	4,404,474
Judicial Administration	1,587,680	1,627,642	1,661,186	2,623,500	2,398,626	2,816,512	2,820,550	1,984,517	3,124,725	3,547,051
Public Safety	11,023,840	8,669,058	8,687,292	16,880,169	17,365,172	18,365,518	17,607,863	8,180,496	5,336,837	5,080,861
Public Works	5,315,474	5,323,300	4,867,991	6,358,176	6,697,115	6,497,541	4,523,202	309,576	270,402	340,693
Health and Welfare	4,376,109	3,994,016	1,403,535	4,396,349	3,995,491	4,150,671	4,045,350	1,514,952	30,606	26,363
Parks, Recreation and Cultural	614,112	795,763	805,158	1,458,092	1,601,120	1,855,019	1,732,638	778,101	557,759	578,905
Community Development	557,898	662,223	408,360	1,087,390	943,623	1,084,811	939,662	511,681	169,656	299,571
Interest and Fiscal Charges	-	-	-	11,614	142,513	239,376	82,445	-	-	-
Operating Grants and Contributions	119,209,312	97,442,433	83,843,137	88,305,978	72,050,962	68,311,913	71,235,623	70,782,914	66,228,087	66,929,796
Capital Grants and Contributions	9,120,688	22,339,928	7,824,790	7,251,238	9,339,243	13,353,527	6,725,666	7,105,056	13,695,997	5,673,238
Total Governmental Activities Program Revenues	153,431,339	143,339,163	112,116,548	134,342,997	118,807,661	121,163,259	114,452,553	93,454,369	94,144,756	86,880,952
Business-type Activities:										
Charges for Services:										
Civic Facilities	15,282,135	11,255,742	11,885,770	982,756	5,912,920	7,630,029	2,675,281	2,358,795	2,151,235	2,238,759
Parking	4,047,368	3,597,219	3,321,975	3,166,494	3,978,149	3,675,298	3,471,777	3,240,441	3,195,168	2,987,015
Stormwater Utility	8,195,768	7,167,617	6,203,298	6,214,077	6,160,617	6,053,348	-	-	-	-
Operating Grants and Contributions	-	2,164,319	5,863,805	749,360	887,295	305,302	1,830,854	2,128,772	-	-
Capital Grants and Contributions	1,376,761	4,058,514	3,079,353	-	-	307,366	-	1,110,542	1,116,640	811,558
Total Business-type Activities Program Revenues	28,902,032	28,243,411	30,354,201	11,112,687	16,938,981	17,971,343	7,977,912	8,838,550	6,463,043	6,037,332
Total Primary Government Program Revenues	182,333,371	171,582,574	142,470,749	145,455,684	135,746,642	139,134,602	122,430,465	102,292,919	100,607,799	92,918,284
Net (Expense)/Revenue:										
Governmental Activities	(284,290,022)	(260,182,519)	(225,009,375)	(208,832,713)	(207,862,837)	(190,753,908)	(203,073,684)	(208,916,353)	(202,268,984)	(184,538,539)
Business-type Activities	(2,905,113)	(1,483,731)	2,428,115	(2,944,238)	(4,979,818)	(1,776,024)	(6,869,911)	(4,205,104)	(4,610,163)	(3,971,674)
Total Primary Government Net Expense	<u>\$ (287,195,135)</u>	<u>\$ (261,666,250)</u>	<u>\$ (222,581,260)</u>	<u>\$ (211,776,951)</u>	<u>\$ (212,842,655)</u>	<u>\$ (192,529,932)</u>	<u>\$ (209,943,595)</u>	<u>\$ (213,121,457)</u>	<u>\$ (206,879,147)</u>	<u>\$ (188,510,213)</u>

(1) Economic Development combined with Community Development starting in 2022.

Table 2

CITY OF ROANOKE, VIRGINIA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)**

	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
General Property - Real Estate and Personal Property	\$160,377,907	\$ 140,928,953	\$ 136,787,729	\$ 131,885,066	\$ 124,453,259	\$ 120,503,375	\$ 116,947,597	\$ 114,172,203	\$ 109,218,854	\$ 108,241,653
Local Portion of State Sales	28,382,022	28,038,520	26,412,560	24,115,939	22,192,411	22,389,566	21,426,783	19,696,458	20,600,395	20,564,044
Business and Professional Occupational License	16,908,146	15,800,550	15,310,717	14,134,730	14,667,288	13,755,818	13,557,252	12,932,282	12,421,851	12,731,564
Utility	8,343,782	9,165,773	9,355,793	9,295,425	9,271,091	9,579,846	10,118,287	9,726,709	9,828,466	9,870,443
Prepared Food and Beverage	21,662,618	20,810,566	19,248,569	15,977,939	15,545,028	17,335,596	16,609,514	15,996,897	15,705,629	13,857,569
Commonwealth Share - Personal Property	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,133,906	8,075,992	8,075,992	8,075,992
Cigarette	1,410,431	1,624,895	1,804,158	1,819,497	1,969,011	2,108,127	2,152,811	2,267,939	2,371,201	2,256,249
Transient Room	5,590,631	5,438,880	4,746,104	2,945,250	3,678,683	4,784,182	5,375,713	4,317,618	4,305,977	4,162,522
Telecommunications	4,533,662	4,824,376	4,968,579	5,119,041	5,763,219	5,897,696	6,357,300	6,562,456	6,727,824	6,933,071
Motor Vehicle License Tax	3,157,603	3,402,539	2,684,923	3,214,542	2,630,898	2,914,811	2,955,266	2,765,343	2,594,635	2,123,181
Other Taxes and Fees	5,353,918	5,053,868	5,730,847	4,617,449	4,147,754	5,312,113	4,311,908	3,514,679	5,851,370	6,717,642
Recovered Costs	-	58,729	266,435	1,519,437	-	-	-	-	-	-
State Aid Not Restricted to a Specific Program	2,117,753	2,393,484	1,126,731	1,331,857	-	-	-	-	-	-
Payment from Component Unit	11,482,558	12,686,378	12,674,638	12,041,842	12,523,896	13,244,672	13,867,878	14,261,464	15,072,438	14,621,813
Grants and Contributions Not Restricted to Specific Program	1,415,826	1,399,043	1,480,598	1,225,713	2,806,078	3,239,161	4,166,455	4,084,439	-	-
Interest and Investment Income	7,548,064	5,767,924	269,930	123,992	452,756	1,084,321	499,454	260,051	798,323	1,634,045
Miscellaneous	759,278	239,763	346,783	450,264	1,986,905	5,890,514	1,860,958	1,800,886	4,117,156	-
Transfers	(3,073,333)	(2,652,442)	(2,851,357)	(2,817,032)	(3,171,072)	(2,782,443)	(2,884,671)	(2,328,398)	(1,143,960)	(3,290,944)
Total Governmental Activities	284,046,858	263,057,791	248,439,729	235,076,943	226,993,197	233,333,347	225,456,411	218,107,018	216,546,151	208,498,844
Business-type Activities:										
Stormwater Fee (1)	-	-	-	-	-	-	6,074,799	6,041,973	3,979,349	2,049,963
Grants and Contributions Not Restricted to Specific Program	-	-	-	-	-	-	138,229	-	-	-
Interest and Investment Income	896,481	505,040	22,383	190,777	616,517	342,277	226,209	215,141	190,765	170,634
Miscellaneous	439,247	579,704	1,060,265	448,280	1,673,322	1,045,716	478,154	(202,445)	-	-
Transfers	3,073,333	2,652,442	2,851,357	2,817,032	3,171,072	2,782,443	2,884,671	2,328,398	1,143,960	3,290,944
Transfers - Capital Assets	-	-	-	-	-	-	-	-	297,450	-
Total Business-type Activities	4,409,061	3,737,186	3,934,005	3,456,089	5,460,911	4,170,436	9,802,062	8,383,067	5,611,524	5,511,541
Total Primary Government	\$ 288,455,919	\$ 266,794,977	\$ 252,373,734	\$ 238,533,032	\$ 232,454,108	\$ 237,503,783	\$ 235,258,473	\$ 226,490,085	\$ 222,157,675	\$ 214,010,385
Change in Net Position										
Governmental Activities	\$ (243,164)	\$ 2,875,272	\$ 23,430,354	\$ 26,244,230	\$ 19,130,360	\$ 42,579,439	\$ 22,382,727	\$ 9,190,665	\$ 14,277,167	\$ 23,984,931
Business-type Activities	1,503,948	2,253,455	6,362,120	511,851	481,093	2,394,412	2,932,151	4,424,408	1,001,361	1,539,867
Total Primary Government	\$ 1,260,784	\$ 5,128,727	\$ 29,792,474	\$ 26,756,081	\$ 19,611,453	\$ 44,973,851	\$ 25,314,878	\$ 13,615,073	\$ 15,278,528	\$ 25,524,798

(1) Stormwater Fees reclassified to Charges for Service beginning in 2018-19

Table 3

CITY OF ROANOKE, VIRGINIA

GOVERNMENTAL ACTIVITIES' TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
General Property Tax-Real Estate and										
Personal Property	\$ 160,204,614	\$ 140,928,953	\$ 128,573,877	\$ 131,885,066	\$ 124,453,259	\$ 120,503,375	\$ 116,947,597	\$ 114,172,203	\$ 109,218,854	\$ 108,241,653
Sales Tax	28,382,022	28,038,520	26,412,560	24,115,939	22,192,411	22,389,566	21,426,783	19,696,458	20,600,395	20,564,044
Business License Tax	17,625,897	15,800,550	15,310,717	14,134,730	14,667,288	13,755,818	13,557,252	12,932,282	12,421,851	12,731,564
Utility Consumer Tax	8,343,782	9,165,773	9,355,793	9,295,425	9,271,091	9,579,846	10,118,287	9,726,709	9,828,466	9,870,443
Prepared Food and Beverage Tax	21,662,618	20,810,566	19,248,569	15,977,939	15,545,028	17,335,596	16,609,514	15,996,897	15,705,629	13,857,569
Commonwealth Share Personal										
Property Tax	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,133,906	8,075,992	8,075,992	8,075,992
Cigarette Tax	1,410,431	1,624,895	1,804,158	1,819,497	1,969,011	2,108,127	2,152,811	2,267,939	2,371,201	2,256,249
Transient Room Tax (1)	5,590,631	5,438,880	4,746,104	2,945,250	3,678,683	4,784,182	5,375,713	4,317,618	4,305,977	4,162,522
Telecommunications	4,533,662	4,824,376	4,968,579	5,119,041	5,763,219	5,897,696	6,357,300	6,562,456	6,727,824	6,933,071
Motor Vehicle License Tax	3,157,603	3,402,539	2,684,923	3,214,542	2,630,898	2,914,811	2,955,266	2,765,343	2,594,635	2,123,181
Other Taxes	4,809,460	5,053,868	5,730,847	4,617,449	4,147,754	5,312,113	4,311,906	3,514,679	5,851,370	6,717,642
Total Governmental Activities										
Tax Revenues	<u>\$ 263,796,712</u>	<u>\$ 243,164,912</u>	<u>\$ 226,912,119</u>	<u>\$ 221,200,870</u>	<u>\$ 212,394,634</u>	<u>\$ 212,657,122</u>	<u>\$ 207,946,335</u>	<u>\$ 200,028,576</u>	<u>\$ 197,702,194</u>	<u>\$ 195,533,930</u>

(1) Effective January 1, 2013, the Transient Room Tax increased from 7% to 8%.

Table 4

CITY OF ROANOKE, VIRGINIA

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)**

	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18 (2)	2016-17 (1)	2015-16	2014-15
General Fund										
Nonspendable	\$ 68,001	\$ 96,398	\$ 16,335	\$ 16,336	\$ 38,499	\$ 91,868	\$ 85,885	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	48,411	-
Committed	6,160,335	3,815,400	4,101,428	4,621,850	3,713,461	4,955,894	4,904,658	3,523,769	2,593,822	1,750,624
Assigned	15,814,416	23,634,277	12,665,149	10,277,378	-	-	-	-	-	-
Unassigned	50,427,303	42,474,741	41,587,688	47,392,703	43,036,776	39,465,308	34,854,168	29,757,294	28,795,510	28,050,350
Total General Fund	<u>\$ 72,470,055</u>	<u>\$ 70,020,816</u>	<u>\$ 58,370,600</u>	<u>\$ 62,308,267</u>	<u>\$ 46,788,736</u>	<u>\$ 44,513,070</u>	<u>\$ 39,844,711</u>	<u>\$ 33,281,063</u>	<u>\$ 31,437,743</u>	<u>\$ 29,800,974</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ 62,291	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	20,283,118	14,799,909	49,036,911	41,611,685	19,425,244	2,976,975	5,656,989	11,909,625	8,332,563	11,788,796
Committed	31,786,777	16,208,381	11,982,841	4,043,472	7,025,589	16,789,504	7,059,280	13,507,663	7,521,487	4,225,885
Assigned	12,645,650	8,779,475	-	-	-	-	-	-	-	-
Unassigned	-	-	1,896,299	-	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Fund	-	-	-	-	374	-	-	-	-	-
Capital Projects Fund	-	-	-	-	3,213,039	(7,210,907)	-	-	-	-
Total All Other Governmental Funds	<u>\$ 64,715,545</u>	<u>\$ 39,850,056</u>	<u>\$ 62,916,051</u>	<u>\$ 45,655,157</u>	<u>\$ 29,664,246</u>	<u>\$ 12,555,572</u>	<u>\$ 12,716,269</u>	<u>\$ 25,417,288</u>	<u>\$ 15,854,050</u>	<u>\$ 16,014,681</u>

(1) For fiscal year 2016-17 the beginning fund balance was restated for stormwater debt and related assets moved to the Stormwater Fund.

(2) For fiscal year 2017-18 the beginning fund balance was restated due to GASB 75 implementation and dissolving the Internal Service Funds into the General Fund.

Table 5

CITY OF ROANOKE, VIRGINIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	2023-24	2022-23	2021-22 (3)	2020-21 (4)	2019-20	2018-19	2017-18	2016-17 (2)	2015-16 (1)	2014-15
Revenues										
Local Taxes	\$ 253,656,558	\$ 236,692,813	\$ 224,628,930	\$ 212,256,761	\$ 204,306,603	\$ 204,319,350	\$ 199,197,682	\$ 191,055,771	\$ 191,205,770	\$ 184,464,956
Permits, Fees and Licenses	2,512,099	1,413,767	1,949,141	1,324,087	1,202,393	1,182,535	1,415,842	1,014,623	888,328	1,140,606
Fines and Forfeitures	815,265	637,786	758,877	863,283	1,061,114	1,183,005	1,167,250	1,211,208	1,014,511	1,188,103
Rental Income	227,738	306,140	277,138	161,481	137,561	279,409	190,533	208,127	150,923	166,025
Investment Income	7,338,970	5,559,609	269,930	124,251	598,196	1,089,913	502,541	167,716	172,510	92,447
Intergovernmental	151,323,634	124,487,146	109,325,778	119,008,063	102,643,797	106,339,039	102,660,298	106,245,943	103,474,969	98,349,593
Charges for Services	19,811,577	18,992,808	18,263,122	17,174,267	17,162,967	17,302,622	15,138,288	11,970,192	11,010,903	10,812,015
Miscellaneous	2,339,528	2,023,389	1,832,420	4,026,400	4,071,165	6,760,262	4,608,137	1,450,370	4,808,427	1,086,545
Operating	-	-	-	39,253	-	-	-	-	-	-
Total Revenues	438,025,369	390,113,458	357,305,336	354,977,846	331,183,796	338,456,135	324,880,571	313,323,950	312,726,341	297,300,290
Expenditures										
Current Operating:										
General Government	47,752,831	43,813,578	30,975,865	31,321,203	22,629,570	19,754,792	19,734,967	15,951,767	15,857,483	14,397,926
Judicial Administration	11,904,911	10,308,819	9,954,133	8,913,036	9,359,555	9,038,700	8,475,762	8,905,780	8,917,856	8,621,436
Public Safety	88,982,703	79,688,818	73,786,172	63,534,889	68,818,114	68,516,177	67,098,311	70,411,215	69,892,637	67,358,507
Public Works	31,951,004	30,907,132	32,824,811	31,028,249	31,008,020	32,770,988	28,327,969	25,406,877	25,253,641	24,328,878
Health and Welfare	55,307,935	48,725,817	48,810,229	43,931,241	42,909,005	41,641,883	42,765,196	43,850,760	39,346,495	38,777,239
Parks, Recreation and Cultural	14,393,700	13,679,308	11,313,746	10,086,328	9,951,790	9,648,344	9,445,923	10,529,089	10,301,293	10,162,961
Community Development	30,623,289	14,926,408	15,704,041	16,228,475	12,841,277	13,376,493	12,849,049	12,701,995	12,251,778	11,645,063
Transportation	102,839,462	-	-	-	2,031,161	1,991,161	1,899,605	1,899,605	1,812,105	1,754,105
Education	-	96,213,282	91,289,843	88,960,453	83,444,670	83,383,419	81,289,167	78,429,620	79,053,977	76,371,925
Other	1,401,831	1,358,278	1,411,889	1,181,823	5,926	5,804	11,551	114,088	-	-
Debt Service:										
Principal Retirement	19,576,056	19,071,971	18,949,133	17,562,964	19,659,044	20,053,892	20,898,484	20,004,267	21,778,211	20,348,785
Interest and Other Charges	8,579,890	7,865,276	7,404,701	4,413,316	7,183,199	7,728,888	8,467,108	7,632,824	8,306,238	8,593,585
Bond Issuance Cost	-	-	-	-	395,939	166,024	121,399	348,146	1,493,517	823,289
Capital Outlays	36,051,194	41,668,137	24,048,351	27,443,255	39,850,527	45,200,609	40,383,339	24,214,097	33,858,879	32,624,252
Total Expenditures	449,364,806	408,226,824	366,472,914	344,605,232	350,087,797	353,277,174	341,767,830	320,400,130	328,124,110	315,807,951
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,339,437)	(18,113,366)	(9,167,578)	10,372,614	(18,904,001)	(14,821,039)	(16,887,259)	(7,076,180)	(15,397,769)	(18,507,661)
Other Financing Sources (Uses)										
Issuance of Bonds/Anticipation Note	38,245,000	10,135,000	23,732,335	25,085,496	39,559,603	22,111,144	7,479,800	20,980,000	15,170,000	17,420,000
Issuance of Refunding Bonds	-	-	-	7,839,384	47,671,451	-	-	-	15,710,000	12,870,000
Payment to Refunded Bond Escrow	-	-	-	-	(47,874,217)	-	-	-	(15,275,000)	(12,655,000)
Payment to Refunded Bond Escrow Agent	-	-	-	(15,042,801)	-	-	-	-	-	-
Premium on Sale of Bonds	1,722,356	-	2,219,827	8,067,016	1,458,833	-	-	1,251,508	2,368,860	1,279,190
Issuance of Leases	3,533,142	-	-	-	649,509	-	-	-	1,681,463	-
Issuance of Subscription Liability	-	713,029	-	-	-	-	-	-	-	-
Transfers In	29,062,543	22,069,847	34,677,203	20,978,682	27,697,468	20,706,574	22,008,923	14,747,887	15,861,385	16,237,615
Transfers Out	(33,908,876)	(26,220,289)	(38,138,560)	(25,795,714)	(30,868,540)	(23,489,017)	(24,893,593)	(18,387,991)	(18,642,801)	(20,426,489)
Total Other Financing Sources, net	38,654,165	6,697,587	22,490,805	21,132,063	38,294,107	19,328,701	4,595,130	18,591,404	16,873,907	14,725,316
Net Change in Fund Balances	27,314,728	(11,415,779)	13,323,227	31,504,677	19,390,106	4,507,662	(12,292,129)	11,515,224	1,476,138	(3,782,345)
Fund Balances--Beginning of Year	109,870,872	121,286,651	107,963,424	76,458,748	57,068,642	52,560,980	64,853,109	47,291,793	45,815,655	49,598,000
Fund Balances--End of Year	\$ 137,185,600	\$ 109,870,872	\$ 121,286,651	\$ 107,963,424	\$ 76,458,748	\$ 57,068,642	\$ 52,560,980	\$ 58,807,017	\$ 47,291,793	\$ 45,815,655
Total Debt Service	\$ 28,155,946	\$ 26,937,247	\$ 26,353,834	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	449,364,806	408,226,824	366,472,914	-	-	-	-	-	-	-
Less: Capital Outlay	(36,051,194)	(32,523,077)	(17,429,796)	-	-	-	-	-	-	-
Noncapital Expenditures	\$ 413,313,612	\$ 375,703,747	\$ 349,043,118	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service as a Percentage of Noncapital Expenditures	6.8%	7.2%	7.6%	6.9%	8.7%	9.0%	9.7%	9.3%	10.2%	10.2%

(1) In Fiscal year 2015-16, a Recycling and Disposal lease obligation that is accounted for as a Governmental activity was initiated.

(2) In Fiscal year 2016-17, other Operating Expenses includes payments for Affordable Care Act and Debt Set Off.

(3) In Fiscal year 2021-22, change in presentation of debt service as a percentage of noncapital expenditures.

(4) Transportation combined with Public Works starting in 2021.

See Table 15 for additional information relating to the ratio of debt service expenditures to general expenditures.

Table 6

CITY OF ROANOKE, VIRGINIA
LOCAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)

	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-2018	2016-17	2015-16	2014-15
General Property	\$ 158,313,745	\$ 142,580,439	\$ 134,435,422	\$ 131,250,933	\$ 124,280,901	\$ 120,758,870	\$ 116,465,065	\$ 113,275,390	\$ 113,081,794	\$ 108,639,136
Sales	28,382,022	27,991,127	26,412,560	24,115,939	22,191,888	22,389,378	21,426,783	19,696,458	20,600,395	20,564,044
Business, Professional, and Occupational License	16,908,146	15,800,550	15,300,817	13,887,187	14,810,889	13,893,514	13,425,036	12,932,282	12,421,850	12,731,565
Utility Consumer	8,343,782	9,165,773	9,355,793	9,295,425	9,271,091	9,579,846	9,640,336	9,270,713	9,363,331	9,386,233
Prepared Food and Beverage	21,662,618	20,810,566	19,248,569	15,978,463	15,545,216	17,335,630	16,609,514	15,996,897	15,704,954	13,856,899
Cigarette	1,410,431	1,624,895	1,804,158	1,819,498	1,969,011	2,108,127	2,152,811	2,267,939	2,371,201	2,256,249
Transient Room (1)	5,590,631	5,438,880	4,746,104	2,945,251	3,678,683	4,784,182	5,375,713	4,317,618	4,305,977	4,162,522
Telecommunications	4,533,662	4,824,376	4,968,579	5,119,041	5,763,219	5,897,696	6,357,300	6,562,456	6,727,824	6,933,071
Motor Vehicle License	3,157,603	3,402,539	2,684,923	3,214,542	2,630,898	2,914,811	2,955,266	2,765,343	2,594,635	2,123,181
Recordation and Probate	1,330,312	1,557,525	1,814,416	1,587,259	1,350,270	1,122,549	1,085,920	1,017,518	1,034,652	961,270
Utility Consumption	717,751	421,923	461,335	462,604	455,400	481,088	477,951	455,996	465,136	484,210
Admissions	1,194,662	1,033,039	949,394	117,056	709,614	972,422	992,421	447,622	462,216	443,116
Franchise	280,377	270,601	414,134	354,540	399,756	403,332	482,719	449,488	496,151	338,193
Bank Stock	1,830,816	1,770,580	2,032,726	1,664,928	1,249,767	1,677,904	1,750,847	1,600,050	1,575,655	1,585,268
Skill Games	-	-	-	444,096	-	-	-	-	-	-
Total Local Taxes	\$ 253,656,558	\$ 236,692,813	\$ 224,628,930	\$ 212,256,761	\$ 204,306,603	\$ 204,319,349	\$ 199,197,682	\$ 191,055,770	\$ 191,205,771	\$ 184,464,956

Table 7

CITY OF ROANOKE, VIRGINIA

GENERAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(Unaudited)

	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-2016	2014-15
Total Tax Levies	\$ 163,450,466	\$ 148,193,002	\$ 153,887,747	\$ 136,379,330	\$ 131,348,076	\$ 126,568,227	\$ 123,059,222	\$ 120,894,494	\$ 119,869,392	\$ 115,885,506
Current Tax Collections (1)	148,080,643	133,369,630	123,230,936	118,751,936	113,093,282	108,667,501	106,201,641	103,165,694	102,275,497	98,882,396
Current Tax Collections - State Share	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992	8,075,992
Collections in Subsequent Years (1)	8,236,358	-	5,578,762	2,647,637	6,452,163	4,047,295	3,167,218	3,762,800	3,862,990	3,271,973
Total Tax Collections	\$ 164,392,993	\$ 141,445,622	\$ 136,885,690	\$ 129,475,565	\$ 127,621,437	\$ 120,790,788	\$ 117,444,851	\$ 115,004,486	\$ 114,214,479	\$ 110,230,361
Current Tax Collections As										
Percent of Levies	95.54%	95.45%	85.33%	93.00%	92.25%	92.24%	92.86%	92.02%	92.06%	92.30%
Total Tax Collections As										
Percent of Levies	100.58%	95.45%	88.95%	94.94%	97.16%	95.44%	95.44%	95.13%	95.28%	95.12%

(1) Effective FY23, information collected from the Treasurer's tax collection system and Department of Finance accounting system. Prior data sources were from Department of Finance accounting system.

Table 8

CITY OF ROANOKE, VIRGINIA

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)**

Year	REAL PROPERTY				PERSONAL PROPERTY				PUBLIC SERVICE CORPORATIONS				Total Assessed Value	Total Estimated Actual Value
	Assessed Value	Percentage Growth (Decline)	Estimated Actual Value	Assessment Ratio	Assessed Value	Percentage Growth (Decline)	Estimated Actual Value	Assessment Ratio	Assessed Value	Percentage Growth (Decline)	Estimated Actual Value	Assessment Ratio		
2015	\$ 6,693,874,349	0.21	\$ 6,693,874,349	1.00	\$ 899,096,367	4.57	\$ 1,498,493,945	0.60	\$ 437,573,144	5.45	\$ 441,724,256	0.990	\$ 8,030,543,860	\$ 8,634,092,550
2016	6,724,229,966	0.45	6,724,229,966	1.00	942,611,706	4.84	1,571,019,510	0.60	439,744,208	0.50	447,235,982	0.983	8,106,585,880	8,742,485,458
2017	6,783,463,907	0.88	6,783,463,907	1.00	943,805,249	0.13	1,573,008,748	0.60	451,184,702	2.60	460,658,865	0.979	8,178,453,858	8,817,131,520
2018	6,970,302,556	2.75	6,970,302,556	1.00	956,571,007	1.35	1,594,285,012	0.60	437,557,641	(3.02)	446,411,247	0.979	8,364,431,204	9,010,998,815
2019	7,180,263,331	3.01	7,180,263,331	1.00	993,064,403	3.82	1,655,107,338	0.60	471,816,290	7.83	480,577,945	0.981	8,645,144,024	9,315,948,614
2020	7,444,437,601	3.68	7,444,437,601	1.00	1,031,434,753	3.86	1,719,057,922	0.60	489,031,454	3.65	497,647,214	0.983	8,964,903,808	9,661,142,737
2021	7,764,101,330	4.29	7,764,101,330	1.00	1,083,274,770	5.03	1,805,457,950	0.60	488,147,929	(0.18)	503,508,493	0.969	9,335,524,029	10,073,067,773
2022	8,629,427,867	11.15	8,629,427,867	1.00	1,207,279,732	11.45	2,012,132,887	0.60	450,208,362	(7.77)	468,296,275	0.961	10,286,915,961	11,109,857,029
2023 (1) (2)	8,512,032,700	(1.36)	8,512,032,700	1.00	1,165,244,218	(3.48)	1,942,073,697	0.60	221,613,090	(50.78)	247,098,230	0.897	9,898,890,008	10,701,204,627
2024	9,676,864,200	13.68	9,676,864,200	1.00	1,209,749,741	3.82	2,016,249,568	0.60	483,846,036	118.33	499,955,461	0.968	11,370,459,977	12,193,069,229

(1) Beginning in 2023 reporting on original assessed value.

(2) Beginning in fiscal year 2023, based on a revision of City Code Sec. 32-124, tangible personal property taxes of public service corporations are due on the 5th of December of the tax year for which such taxes are assessed. Therefore, personal property taxes of public service corporations were not assessed and billed in fiscal year 2023. Previously taxes were billed April 5th based upon an estimated assessment with December 5th billing a true-up to actual assessments.

Table 9

CITY OF ROANOKE, VIRGINIA

**PROPERTY TAX RATES AND TAX LEVIES
LAST TEN YEARS
(Unaudited)**

Year	REAL PROPERTY		PERSONAL PROPERTY		PUBLIC SERVICE CORPORATIONS		Total Tax Levies	Total Direct Rate
	Direct Tax Rate Per \$100	Levy	Direct Tax Rate Per \$100	Levy (1)	Direct Tax Rate Per \$100	Levy		
2015	1.19	\$ 79,600,752	3.45	\$ 31,024,476	1.19	\$ 5,260,278	\$ 115,885,506	1.80
2016	1.22	82,035,606	3.45	32,374,952	1.22	5,458,834	119,869,392	1.82
2017	1.22	82,758,259	3.45	32,593,307	1.22	5,542,928	120,894,494	1.82
2018	1.22	85,037,691	3.45	32,639,181	1.22	5,382,350	123,059,222	1.81
2019	1.22	87,599,213	3.45	33,159,157	1.22	5,809,857	126,568,227	1.80
2020	1.22	90,822,140	3.45	34,507,463	1.22	6,018,473	131,348,076	1.81
2021	1.22	94,865,951	3.45	35,505,623	1.22	6,007,756	136,379,330	1.80
2022	1.22	105,279,020	3.45	42,661,925	1.22	5,946,802	153,887,747	1.84
2023	1.22	106,097,610	3.45	38,964,270	1.22	3,130,122 (2)	148,192,002	1.81
2024	1.22	116,803,324	3.45	40,673,359	1.22	5,973,783	163,450,466	1.77

(1) Includes the Personal Property Tax Relief from the Commonwealth.

(2) Beginning in fiscal year 2023, based on a revision of City Code Sec. 32-124, tangible personal property taxes of public service corporations are due on the 5th of December of the tax year for which such taxes are assessed. Therefore, personal property taxes of public service corporations were not assessed and billed in fiscal year 2023. Previously taxes were billed April 5th based upon an estimated assessment with December 5th billing a true-up to actual assessments.

Table 10

CITY OF ROANOKE, VIRGINIA

PRINCIPAL PROPERTY TAXPAYERS

COMPARISON OF JUNE 30, 2024 AND JUNE 30, 2015

(Unaudited)

<u>Taxpayer</u>	<u>Description</u>	2024			2015		
		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Carilion	Healthcare Provider	\$ 293,152,963	1	2.58%	\$ 230,380,441	1	2.87%
Appalachian Power Co. (PSC)	Public Utility	\$ 200,572,352	2	1.76%	153,885,557	3	1.92%
Norfolk Southern Railway	Transportation	\$ 141,754,399	3	1.25%	162,966,307	2	2.03%
Valley View Mall LLC	Shopping Mall	\$ 103,161,100	4	0.91%	75,059,000	4	0.93%
Roanoke Gas Company (PSC)	Public Utility	\$ 71,428,860	5	0.63%	43,980,937	5	0.55%
Roanoke Electric Steel Corp (Steel Dynamics)	Primary Metals	\$ 46,652,900	6	0.41%	-	-	0.00%
HR Foundation Inc	Hotel	\$ 45,258,705	7	0.40%	-	-	0.00%
Advance Auto	Auto Parts	\$ 44,219,619	8	0.39%	24,961,200	9	0.31%
Faison Roanoke Office, LP	Office Building	\$ 42,400,400	9	0.37%	-	-	0.00%
Wholesome Harvest Baking	Bakery	\$ 39,362,921	10	0.35%	23,385,103	10	0.29%
Verizon Virginia, Inc.	Communications	-	-	-	39,239,851	6	0.49%
Maple Leaf Bakery	Bakery	-	-	-	33,902,802	7	0.42%
		-	-	-	29,885,900	8	0.37%
		<u>\$ 1,027,964,219</u>		<u>9.05%</u>	<u>\$ 817,647,098</u>		<u>10.18%</u>

Source: City of Roanoke, Commissioner of the Revenue

Table 11

CITY OF ROANOKE, VIRGINIA

TAXABLE RETAIL SALES

LAST TEN CALENDAR YEARS

(Unaudited)

<u>Calendar Year</u>	<u>Total Retail Sales (1)</u>
2015	\$ 1,752,752,699
2016	1,732,156,837
2017	1,726,342,166
2018	1,839,762,418
2019	1,872,974,553
2020	1,824,837,393
2021	975,251,684
2022	2,021,176,729
2023	2,352,300,649
2024	585,810,722 (2)

(1) Source: State Department of Taxation. Data excludes prescription drug sales.

(2) For 2024 through second quarter.

Table 12

CITY OF ROANOKE, VIRGINIA

**RATIO OF GENERAL BONDED DEBT TO
TOTAL ESTIMATED ACTUAL VALUE AND BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Population (A)	Total Estimated Actual Value	Governmental Activities Gross Bonded Debt (B)	Business-type Activities Gross Bonded Debt (B)	Gross Bonded Debt	Less Bonds Supported By Western Virginia Water Authority	Less Amount Available in Debt Service Fund	Net Bonded Debt	Ratio of General Net Bonded Debt to Total Estimated Actual Value	General Net Bonded Debt Per Capita
2015	99,320 (est.)	\$ 8,634,365,581	\$ 214,885,676	\$ 27,203,128	\$ 242,088,804	\$ 9,968,500	\$ 1,508,122	\$ 230,612,182	2.67	\$ 2,321.91
2016	99,681 (est.)	8,742,785,092	210,393,462	30,109,234	240,502,696	9,405,800	1,011,031	230,085,865	2.63	2,308.22
2017	99,644 (est.)	8,817,419,846	208,814,498	33,675,339	242,489,837	8,213,900	539,265	233,736,672	2.65	2,345.72
2018	99,837 (est.)	9,011,349,475	199,521,519	31,488,513	231,010,032	7,003,200	41,733	223,965,099	2.49	2,243.31
2019	99,920 (est.)	9,316,391,122	200,500,454	30,765,932	231,266,386	5,769,800	17,890	225,478,696	2.42	2,256.59
2020	99,348 (est.)	9,661,222,140	224,716,453	34,585,420	259,301,873	4,515,516	17,215	254,769,142	2.64	2,564.41
2021	99,795 (est.)	10,073,067,733	235,584,388	36,938,205	272,636,568	3,200,614	76,816	269,359,138	2.67	2,699.12
2022	99,058 (est.)	11,109,857,029	239,814,070	36,858,379	276,672,449	1,870,000	235,769	274,566,680	2.47	2,771.78
2023	98,865 (est.)	10,701,204,627	231,023,607	33,955,551	264,979,158	945,000	83,740	263,950,418	2.47	2,669.81
2024	97,847 (est.)	12,193,069,229	251,471,115	36,425,921	287,897,036	-	174,957	287,722,079	2.36	2,940.53

Source (A) Weldon - Cooper Center for Public Service
(B) Gross Bonded Debt includes Bonds and Bond Premiums. See Table 13.

Table 13

CITY OF ROANOKE, VIRGINIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds (2)	Subscriptions	Leases (3)	General Obligation Bonds (2)	Leases (3)			
2014-15	\$ 214,885,676	\$ -	\$ 4,256,650	\$ 27,203,128	\$ 17,507	\$ 246,362,961	6.29	\$ 2,478
2015-16	210,393,463	-	5,356,637	30,109,234	19,412	245,878,746	6.28	2,473
2016-17	208,814,498	-	4,692,759	33,675,339	11,750	247,194,346	6.04	2,474
2017-18	195,557,160	-	3,964,359	31,485,398	3,115	231,010,032	5.48	2,316
2018-19	197,186,001	-	3,314,453	30,765,932	-	231,266,386	5.52	2,315
2019-20	221,385,375	-	3,331,078	34,558,799	26,621	259,301,873	5.97	2,594
2020-21	232,814,909	-	2,493,881	36,922,954	15,251	272,246,995	6.06	2,744
2021-22	239,814,070	-	2,747,891	36,858,379	34,057	279,454,397	6.04	2,822
2022-23	231,023,607	568,123	1,518,854	33,955,551	23,198	267,089,333	5.34	2,702
2023-24	251,471,115	431,034	3,869,249	36,425,921	11,869	292,122,924	5.88	2,987

(1) See Table 16 for Personal Income and Population data.

(2) General Obligation Bonds include Bond Anticipation Notes, Bond Premiums, and Bond Discounts.

(3) Leases includes Financed Purchases and Operating Leases.

Table 14

CITY OF ROANOKE, VIRGINIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Debt Limit	\$ 967,686,420	\$ 851,203,270	\$ 862,942,787	\$ 776,410,133	\$ 744,443,760	\$ 718,026,323	\$ 697,030,256	\$ 678,346,391	\$ 672,422,997	\$ 669,387,435
Total General Net Debt Applicable to Limit	291,947,967	267,067,884	242,561,961	272,170,177	259,284,658	231,248,497	229,932,036	219,172,541	215,556,963	217,064,553
Available Legal Debt Margin	<u>\$ 675,738,453</u>	<u>\$ 584,135,386</u>	<u>\$ 620,380,826</u>	<u>\$ 504,239,956</u>	<u>\$ 485,159,102</u>	<u>\$ 486,777,826</u>	<u>\$ 467,098,220</u>	<u>\$ 459,173,850</u>	<u>\$ 456,866,034</u>	<u>\$ 452,322,882</u>
Total Net Debt										
Applicable to Limit as a Percentage of Debt Limit	30.17%	31.38%	28.11%	35.05%	34.83%	32.21%	32.99%	32.31%	32.06%	32.43%

The Charter of the City of Roanoke limits the Legal Debt to 10% of the Assessed Valuation of Real Estate within the City limits. The City has no overlapping debt.

Legal Debt Margin Calculation for Fiscal Year 2024:

Assessed Value of Real Property	\$ 9,676,864,200
Debt Limit - 10% of Assessed Value	967,686,420
Amount of Debt Applicable to Debt Limit	
Gross Total Primary Government Debt (1)	292,122,924
Less: Available Debt Service Fund Balance	(174,957)
General Net Debt Applicable to Limit	<u>291,947,967</u>
Available Legal Debt Margin	<u>\$ 675,738,453</u>

Source: City of Roanoke, Commissioner of the Revenue.

(1) Includes Bonds, Bond Premiums, Lease and Subscription Liabilities.

Table 15

CITY OF ROANOKE, VIRGINIA

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL LONG-TERM DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Principal (1)	Interest (1) (4)	Total Debt Service	Total General Expenditures (2)	Percent of Debt Service to General Expenditures
2014-15	\$ 20,591,147	\$ 8,898,421	\$ 29,489,568	\$ 355,808,118	8.3%
2015-16	22,571,454	8,301,585	30,873,039	347,306,775	8.9
2016-17	20,374,492 (3)	8,009,420	28,383,912	359,445,090	7.9
2017-18	20,922,884	8,622,820	29,545,704	344,489,393	8.6
2018-19	20,025,191	8,045,279	28,070,470	384,480,284	7.3
2019-20	19,595,744	7,943,729	27,539,473	400,927,915	6.9
2020-21	16,989,063	4,706,775	21,695,838	383,666,414	5.7
2021-22	19,036,126	7,753,163	26,789,289	424,029,070	6.3
2022-23	20,879,069	8,076,371	28,955,440	452,821,961	6.4
2023-24	20,084,707	8,954,464	29,039,171	536,366,460	5.4

(1) Principal and interest payments include all general long-term debt payments supported by tax revenues of the City, including those related to leases and subscription liabilities. Debt payments made on behalf of the Civic Facilities Fund and Technology Fund are included. The Technology Fund was closed effective June 30, 2017. Debt payments made by the Parking Fund, Western Virginia Water Authority, and the Hotel Roanoke Conference Center Commission are excluded.

(2) Includes expenditures of the General Funds of the City and School Board, less the transfer from the General Fund to the School Board.

(3) During fiscal year 2017, the Stormwater Fund assumed responsibility for all stormwater debt, including that issued prior to the Fund's formation in fiscal year 2014. Debt payments made by the Roanoke City Stormwater Fund are excluded.

(4) Interest payments exclude federal interest subsidies for Recovery Zone Economic Development (RZED) bonds and Qualified School Construction Bonds (QSCB).

Table 16

CITY OF ROANOKE, VIRGINIA

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Population (1)	Per Capita Income (2)	Personal Income	School Enrollment (3)	Local Unemployment Rate (4)	National Unemployment Rate (5)
2014-15	99,320	\$ 39,385	\$ 3,915,935,000	13,513	5.6	5.5
2015-16	99,681	39,385	3,915,935,000	13,585	4.1	5.1
2016-17	99,644	40,947	4,090,520,000	13,580	4.5	4.5
2017-18	99,837	42,263	4,211,972,000	13,601	3.4	4.2
2018-19	99,920	41,946	4,187,753,000	13,636	2.8	3.4
2019-20	99,348	43,451	4,341,578,000	13,845	7.9	11.1
2020-21	99,795	45,277	4,488,860,000	13,697	4.3	6.1
2021-22	99,058	46,727	4,628,669,000	13,664	3.4	3.8
2022-23	98,865	50,599	5,002,492,000	13,509	3.1	3.6
2023-24	97,847	50,807	4,971,266,000	13,707	3.7	4.5

(1) Source: Weldon - Cooper Center for Public Service, except as noted

(2) Source: Bureau of Economic Analysis

(3) Source: Roanoke City Public Schools

(4) Source: Virginia Employment Commission (Roanoke Metropolitan Statistical Area & USA)-Month of June only

(5) Source: Bureau of Labor Statistics

* Note: Data coming from Bureau of Economic Analysis is lagged one year

Table 17

CITY OF ROANOKE, VIRGINIA

CONSTRUCTION STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	COMMERCIAL CONSTRUCTION		RESIDENTIAL CONSTRUCTION	
	Number of Permits	Value	Number of Permits	Value
2014-15	535	\$ 113,585,224	610	\$ 17,416,192
2015-16	541	128,368,145	625	20,843,406
2016-17	2,302	78,154,510	2,642	43,531,306
2017-18	2,496	179,936,191	1,556	22,051,158
2018-19	1,171	109,105,574	1,664	23,021,002
2019-20	1,155	133,592,810	1,481	29,332,097
2020-21	963	134,905,663	1,708	28,595,264
2021-22	852	364,472,441 (1)	1,789	33,990,995
2022-23	848	114,285,266	1,662	39,360,809
2023-24	690	156,401,968	1,765	49,392,938

(1) Roanoke Memorial Hospital Expansion

Source: City of Roanoke, Planning, Building and Development Department

Table 18

CITY OF ROANOKE, VIRGINIA

PRINCIPAL EMPLOYERS
COMPARISON AS OF DECEMBER 31, FISCAL YEARS 2024 AND 2014
(Unaudited)

Employer	December 31, 2024			December 31, 2014		
	Rank	Ownership	Number of Employees	Rank	Ownership	Number of Employees
Roanoke Memorial Community Hospital	1	Private	1,000+	1	Private	1,000+
Roanoke City Public Schools	2	Local Govt	1,000+	2	Local Govt	1,000+
Carilion Services	3	Private	1,000+	4	Private	1,000+
City of Roanoke	4	Local Govt	1,000+	3	Local Govt	1000+
United Parcel Service	5	Private	500-999	5	Private	500-999
Walmart	6	Private	250-499	6	Private	500-999
United States Postal Service	7	Federal Govt	250-499	9	Federal Govt	500-999
Virginia Transformer Corporation	8	Private	250-499	-	Private	250-499
YMCA	9	Private	250-499	-	Private	250-499
Anthem	10	Private	250-499	-	Private	500-999

Source: Virginia Employment Commission (VEC)

Table 19

CITY OF ROANOKE, VIRGINIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Function:	2024	2023	2022	2021	2020 (2)	2019	2018	2017 (1)	2016	2015
General Government	194	181	189	190	189	184	192	194	204	213
Judicial Administration:										
Sheriff	42	134	49	52	58	31	37	39	34	38
Other	50	48	49	52	50	53	55	54	60	57
Public Safety:										
Police	270	254	247	271	287	306	308	310	313	306
Jail	149	85	176	189	156	159	154	151	173	170
Fire	250	281	270	261	264	241	241	245	253	257
Other	63	25	26	27	60	59	57	62	70	76
Public Works:										
Engineering	9	10	12	13	11	11	13	13	13	14
Maintenance/Other	98	102	93	102	108	98	107	97	113	114
Transportation	57	47	46	59	65	60	65	63	65	65
Stormwater	44	47	40	42	44	33	33	33	37	37
Health and Welfare	219	199	208	214	215	226	209	213	231	234
Parks, Recreation and Cultural	116	104	104	103	106	99	99	99	104	104
Civic Facilities	20	22	22	15	24	25	-	-	-	-
Community Development	65	53	52	54	56	56	53	48	52	52
Total	1,646	1,592	1,583	1,644	1,693	1,641	1,623	1,621	1,722	1,737

(1) Starting with fiscal year 2017, using the guidance of the GFOA General Purpose Checklist, the City went back to reporting full-time employees instead of full-time equivalent positions.

(2) In fiscal year 2020, Civic Facilities included 11 furloughed positions.

Source: City of Roanoke, Department of Finance

Table 20

CITY OF ROANOKE, VIRGINIA

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

Function	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
General Government										
Levied property taxes	\$ 40,673,359	\$ 38,964,270	\$ 42,661,925	\$ 39,263,392	\$ 36,675,751	\$ 34,817,151	\$ 34,027,464	\$ 34,198,200	\$ 33,465,503	\$ 31,719,207
Number of business licenses issued	10,845	7,413	8,139	9,629	8,291	9,780	7,570	6,741	6,989	7,156
Number of property & building permits	2,455	2,510	2,641	2,456	2,032	2,297	2,167	3,837	3,719	4,127
Police										
Number of traffic summons	8,792	4,336	4,579	5,487	9,546	12,606	12,720	8,455	9,535	11,787
Number of assistance call responses	91,029	94,735	97,728	87,258	92,930	92,140	144,678	87,422	88,250	85,307
Number of hours of training conducted	5,608	27,216	14,824	20,833	26,720	29,789	34,232	32,058	26,122	39,990
Fire										
Number of emergency call responses	31,141	32,427	31,764	29,287	28,616	30,191	28,682	28,314	26,900	25,715
Highways and Streets										
Number of lane miles resurfaced	70	55	38	54	57	52	53	40	75	58
Number of street lights added	37	39	19	26	47	16	14	(18)	60	15
Judicial Administration										
Number of criminal cases	4,673	4,892	4,317	5,280	6,867	7,836	7,536	7,350	6,700	7,702
Number of traffic cases	16,238	13,326	8,518	8,173	15,928	19,109	18,323	16,366	16,221	21,435
Number of civil cases	10,432	10,795	10,107	10,593	16,362	19,222	17,926	16,485	18,459	19,750
Parks & Recreation										
Number of participants served	94,831	134,932	84,449	20,867	113,898	174,994	177,500	166,000	163,000	151,673
Education										
Number of instructional personnel	1,365	1,891	1,874	1,768	1,903	1,787	1,688	1,724	1,116	1,123
Number of students	13,707	13,509	13,664	13,697	13,845	13,636	13,601	13,580	13,585	13,513
Libraries										
Number of volumes	156,067	113,519 (1)	225,751	225,516	352,081	288,546	283,291	268,306	258,615	289,979
Number of audio materials	16,171	3,674 (1)	17,986	10,952	25,035	27,261	16,558	14,637	13,355	14,524
Number of video materials	26,035	45,089 (1)	53,845	53,857	46,345	41,993	42,851	36,505	32,435	29,359
Number of annual library visits	553,826	429,310 (1)	333,584	87,656	484,895	679,799	625,586	558,883	554,042	530,295
Economic Development										
Number of business contacts made	796	926	1,349	830	861	1,166	737	808	766	996
Housing and Neighborhood Services										
Total housing units	45,547	45,394	47,201	47,301	47,281	47,210	47,288	47,305	47,381	47,356
Average assessed value of single-family housing units	\$ 161,012	\$ 180,237	\$ 160,296	\$ 144,237	\$ 137,947	\$ 132,091	\$ 128,453	\$ 125,495	\$ 124,482	\$ 125,165

Sources: Various City of Roanoke departments and Roanoke City Public Schools

(1) Library Department switched over to a new management system in FY2023, figures are lower because they removed duplicate materials and discarded materials that were no longer physically in the libraries but still in the our system.

Table 21

CITY OF ROANOKE, VIRGINIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

		<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Function											
Police											
	Number of vehicular units	175	162	162	161	152	163	157	156	161	156
Fire											
	Number of stations (1)	11	11	11	11	11	11	11	11	11	11
	Number of fire trucks	27	26	44	42	30	30	29	29	29	28
Highways and Streets											
	Miles of streets (lane miles)	1,287	1,136	1,130	1,105	1,114	1,054	1,054	1,054	1,054	1,067
	Number of street lights	10,102	10,102	10,074	9,957	10,049	10,014	9,998	9,984	10,002	9,942
Parks and Recreation											
	Parks, plazas and recreation sites	69	69	64	63	70 (2)	71	71	71	71	71
	Playgrounds/play areas	65	66	74	74	73 (3)	97	97	94	94	94
	Football/soccer fields	26	26	27	24	24	28	28	24	24	24
	Baseball/softball fields	27	26	27	27	27	27	27	29	29	29
	Olympic-size swimming pools	2	2	2	2	2	2	2	2	2	2
	Community centers	8	8	8	8	8	8	8	6	6	6
Education											
	Elementary schools	17	17	17	17	17	17	17	17	17	17
	Middle schools	5	5	5	5	5	5	5	5	5	5
	High schools	2	2	2	2	2	2	2	2	2	2
Libraries											
	Libraries	6	6	6	7	7	7	7	7	7	7
	Kiosks	3	3	3	3	2	2	2	2	2	2

(1) Excludes non-staffed fire stations

(2) Historically, fitness stations were counted in three different parks. Effective fiscal year 2020, they were consolidated into one per location.

(3) Effective fiscal year 2020, adjacent playgrounds that were in close proximity to one another were consolidated into one per location.

Source: City of Roanoke - various departments and Roanoke City Public Schools

COMPLIANCE SECTION

CITY OF ROANOKE, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Grant Program	Grant Number	Assistance Listing Number	Federal Award Date	Total Expenditures	Passed through to Subrecipients	Notes
<u>Small Business Administration:</u>						
Virginia Small Business Development Center CY2023	SBAOEDSB230048-01-00	59.037		\$ 47,119	\$ -	
Total Small Business Administration				47,119	-	
<u>Department of Agriculture</u>						
Passed Through Commonwealth of Virginia						
Department of Agriculture:						
Child Nutrition Cluster:						
USDA Foods		10.555		2,204	-	
Subtotal Food Distribution - Commodities				2,204	-	
Total Child Nutrition Cluster				2,204	-	
Subtotal Passed Through Commonwealth of Virginia				2,204	-	
Total Department of Agriculture				2,204	-	
<u>Environmental Protection Agency</u>						
Brownfields Assessment Grant FY23		66.818		18,192	-	
Total Environmental Protection Agency				18,192	-	
<u>Department of Housing and Urban Development</u>						
Direct Programs:						
CDBG Cares Covid-19 F20	B-19-MC-51-0020	14.218		111,671	-	
CDBG Cares Covid-19 F20	B-19-MC-51-0020	14.218		178,258	-	
Community Development Block Grant FY22	B-21-MC-51-0020	14.218		7,596	1,648	
Community Development Block Grant FY23	B-22-MC-51-0020	14.218		23,359	7,444	
Community Development Block Grant FY23	B-22-MC-51-0021	14.218		136,372	136,372	
Community Development Block Grant FY23	B-22-MC-51-0021	14.218		(11,221)	-	
Community Development Block Grant FY23	B-22-MC-51-0021	14.218		(224)	-	
Community Development Block Grant FY23	B-22-MC-51-0024	14.218		780	-	
Community Development Block Grant FY24	B-23-MC-51-0020	14.218		205,720	205,720	
Community Development Block Grant FY24	B-23-MC-51-0020	14.218		34,662	19,061	
Community Development Block Grant FY24	B-23-MC-51-0020	14.218		206,805	126,366	
Community Development Block Grant FY24	B-23-MC-51-0020	14.218		281,045	266,021	
Community Development Block Grant FY24	B-23-MC-51-0020	14.218		239,030	-	
Subtotal Community Development Block Grant Entitlements Cluster				1,413,853	762,632	5.1
Emergency Solutions Cares Covid-19 FY20	E-20-MW-51-0020	14.231		21,288	-	
Emergency Solutions Grant FY23	E-22-MC-51-0020	14.231		30,502	30,502	
Emergency Solutions Grant FY24	E-23-MC-51-0020	14.231		132,251	119,287	
Subtotal Emergency Shelter Grant				184,041	149,789	5.2
HOME Investment in Affordable Housing 21	M-20-MC51-0206	14.239		50,283	50,283	
HOME Investment in Affordable Housing - ARP 22	M-21-MP-51-0206	14.239		5,966	5,966	
HOME Investment in Affordable Housing 22	M-21-MC-51-0206	14.239		-	-	
HOME Investment in Affordable Housing 23	M-22-MC-51-0206	14.239		446,139	446,139	
HOME Investment in Affordable Housing 24	M-23-MC-51-0206	14.239		108,967	108,967	
Subtotal HOME Investment in Affordable Housing				611,355	611,355	5.3

CITY OF ROANOKE, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Grant Program	Grant Number	Assistance Listing Number	Federal Award Date	Total Expenditures	Passed through to Subrecipients	Notes
<u>Department of Housing and Urban Development (Continued)</u>						
Continuum of Care - Planning FY24	VA0453L3F022200	14.267		62,208	62,208	
Continuum of Care - Assessment FY24	VA0300L3F022206	14.267		59,406	-	
Continuum of Care - Homeless Assistance FY23		14.267		3,707	-	
Continuum of Care - Homeless Assistance FY24	VA0031L3F022215	14.267		140,422	-	
Subtotal Continuum of Care				265,743	62,208	5.4
Lead Hazard Control Grant FY21	VALHD044020	14.900		996,032	-	
Healthy Homes Production Grant FY22	VAHHP004522	14.900		281,446	-	
Subtotal Lead Hazard Control				1,277,478	-	
Subtotal Department of Housing and Urban Development Direct Programs				3,752,470	-	
Total Department of Housing and Urban Development				3,752,470	-	
<u>Department of Interior</u>						
State Historic Preservation Grant to Virginia	P23AF01015	15.904		21,797	-	
Total Department of Interior				21,797	-	
<u>Department of Justice</u>						
Direct Programs:						
State Criminal Alien Assistance Program FY20		16.606		8,718	-	
State Criminal Alien Assistance Program FY22		16.606		13,673	-	
State Criminal Alien Assistance Program FY23		16.606		15,027	-	
Subtotal SCAAP Program				37,418	-	
Bulletproof Vest FY24		17.607		-	-	
Byrne/JAG Bike Patrol FY21		16.738		2,363	-	
Byrne JAG Bike Patrol FY20		16.738		-	-	
Byrne JAG Bike Patrol FY23		16.738		19,757	-	
Byrne JAG FY24		16.738		29,310	-	
Byrne Discretionary Community Project Funding		16.738		8,256	-	
Subtotal Justice Assistance				59,686	-	
National Recreation and Park Association Grant	15JDP-22-GG-03735-MENT	16.726		12,600	-	
Subtotal Department of Justice Direct Programs				109,704	-	
Victim Witness FY23		16.575		5,963	-	
Victim Witness FY24		16.575		200,532	-	
Subtotal Victim Witness Assistance				206,495	-	
VSTOP Grant Program FY23		16.588		12,550	-	
VSTOP Grant Program FY24		16.588		23,896	-	
Subtotal VSTOP				36,446	-	
Juvenile Justice and Delinquency Prevention	2018-JX-FX-0016	16.540		42,072	-	
Total Department of Justice				394,717	-	

CITY OF ROANOKE, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Grant Program	Grant Number	Assistance Listing Number	Federal Award Date	Total Expenditures	Passed through to Subrecipients	Notes
Department of Labor						
Passed Through Commonwealth of Virginia:						
Virginia Community College System/USDOL:						
WIA/WIOA Adult Program	LWDA 3-21-01/LWDA 3-22-02/SECURE-3-20-02	17.258		622,708	622,708	
Subtotal Workforce Innovation and Opportunity Act Adult				622,708	622,708	5.6
WIA/WIOA Youth Activities	LWDA 3-21-01/LWDA 3-22-02	17.259		380,720	380,720	
Subtotal Workforce Innovation and Opportunity Act Youth				380,720	380,720	5.6
Cares Act		21-019		-	-	
Subtotal Workforce Innovation and Opportunity Act Dislocated Worker				398,403	398,403	5.6
Subtotal Passed Through Commonwealth of Virginia				1,401,831	1,401,831	
Total Workforce Innovation and Opportunity Act Cluster				1,401,831	1,401,831	
Total Department of Labor				1,401,831	1,401,831	
Department of Transportation						
Passed Through Commonwealth of Virginia:						
Department of Motor Vehicles:						
DMV Alcohol Enforcement FY23		20.600		1,577	-	
DMV Speed Grant FY23		20.600		1,040	-	
DMV Pedestrian/Bike FY23		20.600		-	-	
DMV Pedestrian Safety Campaign FY23		20.600		31,685	-	
DMV Alcohol Enforcement FY24		20.600		12,096	-	
DMV Speed Grant FY24		20.600		23,062	-	
DMV Pedestrian/Bike FY24		20.600		3,385	-	
DMV Highway Safety Grant FY24		20.600		94,340	-	
Subtotal Highway Safety Cluster				167,185	-	
Federal Asset Forfeiture - Department of Transportation						
Aviation Drive Valley View Ped Improvements		20.205		215,644	-	
Franklin Road Sidewalk Improvements		20.205		435,167	-	
Wiley Drive Low Water Bridge		20.205		-	-	
Tinker Creek Greenway		20.205		1,841,640	-	
Roanoke River Greenway - Underhill		20.205		122,369	-	
SmartSCALE Orange - King and Blue Hills Improvement		20.205		445,105	-	
Bennett Springs Trailhead Carvins Cove		20.205		18,218	-	
Greenway Connection - Riverland Road		20.205		76,818	-	
VDOT Highway Safety Improvement Program FY21		20.205		6,386	-	
HSIP Flashing Yellow Arrows		20.205		-	-	
Acquisition of Ceebreeze Property		20.205		2,257	-	
Acquisition of Meadowbrook Road		20.205		-	-	
VDEQ Section 106 Supplemental Disaster Fund		20.205		117,909	-	
Peters Creek Constructed Wetland		20.205		387,377	-	
HGMP 4512 A/D Eight Floodprone Properties		20.205		100,372	-	
PCB Monitoring and Source Tracking		20.205		35,410	-	
Subtotal Highway Planning and Construction				3,804,672	-	
Hazardous Material Response FY21		20.703		27,847	-	
Hazardous Material Response FY22		20.703		977	-	
Subtotal Hazardous Materials Training and Planning Programs				28,824	-	
Subtotal Passed Through Commonwealth of Virginia				4,000,681	-	
Passed Through Federal Highway Administration:						
Safe Streets and Roads for All (SS4A)	693JJ32340224	20.939		121,195	-	
Total Department of Transportation				4,121,876	-	

CITY OF ROANOKE, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Grant Program	Grant Number	Assistance Listing Number	Federal Award Date	Total Expenditures	Passed through to Subrecipients	Notes
<u>Department of Treasury</u>						
Direct Programs:						
Coronavirus State and Local Fiscal Recovery Funds FY21		21.027		-	-	
Coronavirus State and Local Fiscal Recovery Funds FY21		21.027		1,831,500	-	
Coronavirus State and Local Fiscal Recovery Funds FY21		21.027		717,450	-	
Coronavirus State and Local Fiscal Recovery Funds FY21		21.027		-	-	
Coronavirus State and Local Fiscal Recovery Funds FY21		21.027		-	-	
Coronavirus State and Local Fiscal Recovery Funds FY21		21.027		250,000	-	
Coronavirus State and Local Fiscal Recovery Funds FY21		21.027		1,103,619	-	
Coronavirus State and Local Fiscal Recovery Funds FY21		21.027		45,198	-	
Coronavirus State and Local Fiscal Recovery Funds FY21		21.027		2,272,775	-	
Coronavirus State and Local Fiscal Recovery Funds FY22		21.027		39,500	-	
Coronavirus State and Local Fiscal Recovery Funds FY22		21.027		610,553	-	
Coronavirus State and Local Fiscal Recovery Funds FY22		21.027		755,000	-	
Coronavirus State and Local Fiscal Recovery Funds FY22		21.027		170,468	-	
Coronavirus State and Local Fiscal Recovery Funds FY22		21.027		900,603	-	
Coronavirus State and Local Fiscal Recovery Funds FY22		21.027		175,999	-	
Coronavirus State and Local Fiscal Recovery Funds FY22		21.027		160,786	-	
Coronavirus State and Local Fiscal Recovery Funds Revenue Replacement		21.027		85,635	-	
Coronavirus State and Local Fiscal Recovery Funds Revenue Replacement		21.027		48,893	-	
Gun Violence Grant VA OG ARPA		21.027		274,999	-	
Gun Violence Emergency Relocation Project		21.027		73,481	-	
Law Enforcement Equipment and Technology Grant ARPA		21.027		472,575	-	
Coronavirus State and Local Fiscal Recovery Funds		21.027	multiple	61,565	-	
Subtotal Coronavirus State and Local Fiscal Recovery Funds				10,050,599	-	
Equitable Sharing Funds - Department of Treasury		21.016		-	-	
<u>National Endowment of the Arts</u>						
Direct Programs:						
National Endowment of the Arts FY22		45.024		3,326	-	
National Endowment of the Arts and ARP FY22		45.024		6,570	-	
National Endowment of the Arts FY23		45.024		20,000	-	
National Endowment of the Arts FY24		45.024		38,472	-	
National Endowment of the Arts Grants for Arts FY24		45.024		5,000	-	
Subtotal National Endowment of the Arts Programs				73,368	-	
Total National Endowment of the Arts				73,368	-	
<u>Department of Education</u>						
Passed Through Commonwealth of Virginia Department of Education:						
RCPS 21st Century Literacy FY24		84.287C		60,144	-	
Subtotal 21st Century CLC Program				60,144	-	
Subtotal Passed Through Commonwealth of Virginia Department of Education				60,144	-	
Total Department of Education				60,144	-	

CITY OF ROANOKE, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Grant Program	Grant Number	Assistance Listing Number	Federal Award Date	Total Expenditures	Passed through to Subrecipients	Notes
<u>Department of Homeland Security</u>						
Direct Programs:						
State Homeland Security Technical Rescue FY20				-	-	
State Homeland Security Swift Water Rescue FY22		97.042		29,118	-	
State Homeland Security Swift Water Rescue FY23		97.042		43,469	-	
State Homeland Security Technical Rescue FY24		97.067		8,197	-	
State Homeland Security Grant Program FY21		97.067		31,393	-	
State Homeland Security Hazmat Team FY21		97.067		(731)	-	
State Homeland Security Hazmat Team FY22		97.067		10,813	-	
State Homeland Security Hazmat Team FY23		97.067		41,723	-	
State Homeland Security Hazmat Team FY24		97.067		-	-	
Subtotal Department of Homeland Security Direct Programs				<u>163,982</u>	-	
Total Department of Homeland Security				<u>163,982</u>	-	
<u>Department of Health and Human Services</u>						
Passed Through Commonwealth of Virginia:						
Department of Social Services:						
SNAP Cluster		10.561		<u>3,246,303</u>	-	
Subtotal SNAP Cluster				<u>3,246,303</u>	-	
Guardianship Assistance		93.090	multiple	18,956	-	
IV-E Prevention Services		93.472	multiple	30,604	-	
Promoting Safe and Stable Families		93.556	multiple	111,200	-	
Temporary Assistance for Needy Families		93.558	multiple	1,406,964	-	
Refugee Cash Management		93.566	multiple	103,427	-	
Low-Income Home Energy Assistance Program		93.568	multiple	<u>322,272</u>	-	
Subtotal Administrative Funds				<u>1,993,423</u>	-	
Child Care and Development Block Grant		93.575	multiple	(2,653)	-	
Childcare Development Matching		93.596	multiple	<u>328,209</u>	-	
Total CCDF Cluster				<u>325,556</u>	-	
Chafee Education & Training Vouchers		93.599	multiple	12,650	-	
Adoption Incentive		93.603	multiple	4,226	-	
Child Welfare Services - Staff & Operations		93.645	multiple	1,491	-	
Foster Care Title IV-E		93.658	multiple	1,908,697	-	
Adoption Assistance Title IV-E		93.659	multiple	5,263,009	-	
Social Services Block Grant		93.667	multiple	1,291,235	-	
Foster Care Independent Living Program		93.674	multiple	51,462	-	
Elder Abuse Prevention Interventions Program		93.747	multiple	12,889	-	
Family Access Medical Insurance Support		93.767	multiple	32,974	-	
Department of Medical Assistance Services (Medicaid Cluster)		93.778	multiple	<u>2,563,030</u>	-	
Subtotal Passed Through Commonwealth of Virginia				<u>11,141,663</u>	-	
Total Department of Health and Human Services				<u>16,706,945</u>	-	
Grand Total Federal Financial Assistance				<u>\$ 36,815,244</u>	-	

CITY OF ROANOKE, VIRGINIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2024

Note 1. Basis of Accounting

This Schedule of Expenditures of Federal Awards (the “Schedule”) is prepared on the same basis of accounting as the City of Roanoke’s financial statements. The City uses the modified accrual basis of accounting, in which expenditures are generally recognized when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due. Program income earned while administering Federal programs or projects are reported using the additive method. Under this method, expenditures from this income is reported on the Schedule in addition to expenditures made from the original grant.

Note 2. Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City’s portion, are more than shown. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Non-cash Awards – Food Donations

The amount of food commodities reported on the Schedule is the value of the food received by the Roanoke Juvenile Detention Home through the US Department of Agriculture donated food distribution program during current year and priced as net dollar, fair market value as furnished by the US Department of Agriculture.

Note 4. Indirect Cost Rate

The City uses a direct cost method for administrative expenses within Federal programs. The City has not elected to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

CITY OF ROANOKE, VIRGINIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2024

Note 5. Subrecipient Expenditure Summary

The following charts summarizes Federal funds that passed through the City to subrecipients for the fiscal year ended June 30, 2024:

Note	Group	Total Expenditures
5.1	Community Development Block Grants (CDBG)	\$ 762,632
5.2	Emergency Shelter Grants	149,789
5.3	HOME Investments in Affordable Housing (HOME)	611,355
5.4	Continuum of Care Planning	62,208
5.6	Workforce Innovation and Opportunity Act (WIOA)	1,401,831
	Total	\$ 2,987,815

Subrecipient	CDBG	Emergency Shelter	HOME	Continuum of Care	WIOA
Blue Ridge Independent Living Center, Inc.	\$ 32,467	\$ -	\$ -	\$ -	\$ -
Children's Trust Foundation Roanoke Valley	84,215	-	-	-	-
Council of Community Services	78,823	117,025	-	62,208	-
Family Promise of Greater Roanoke	1,648	32,764	-	-	-
Family Service of Roanoke Valley	44,143	-	-	-	-
Renovation Alliance	127,903	-	-	-	-
Total Action for Progress	332,086	-	-	-	-
Habitat for Humanity Western Virginia Workforce Development Board	61,347	-	611,355	-	-
	-	-	-	-	1,401,831
Total	\$ 762,632	\$ 149,789	\$ 611,355	\$ 62,208	\$ 1,401,831

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Roanoke, Virginia (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 15, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Item 2024-001 that we consider to be a significant deficiency.**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. **The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as Items 2024-2004 and 2024-005.**

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
May 15, 2025

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Compliance for Each Major Program

We have audited the City of Roanoke, Virginia's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Roanoke, Virginia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal documentation of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Items 2024-002 and 2024-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. **We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Item 2024-002 to be a significant deficiency.**

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia

May 15, 2025

City of Roanoke, Virginia
Schedule of Findings and Questioned Costs
June 30, 2024

A – Summary of Auditor’s Results

1. The auditor’s report expresses an **unmodified opinion** on the financial statements.
2. **One significant deficiency and no material weaknesses** relating to the audit of the financial statements were reported in the Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. **Two instances of noncompliance** material to the financial statements were disclosed.
4. **One significant deficiency and no material weaknesses** relating to the audit of the major federal award programs were reported in the Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor’s report on compliance for the major federal award programs expresses an **unmodified opinion**.
6. The audit disclosed **two audit findings relating to the major programs**.
7. The programs tested as major were:

Name of Program	Assistance Listing Number
Coronavirus State and Local Fiscal Recovery Funds	21.027
Workforce Innovation and Opportunity Act Cluster:	
WIOA Adult Program	17.258
WIOA Youth Activities	17.259
WIOA Dislocated Worker Formula Grants	17.278
Social Services Block Grant	93.667
Lead Hazard Control	14.900

8. The threshold for distinguishing Type A and B programs was **\$1,106,662**.
9. The City was determined to be a **low-risk auditee**.

B – Findings – Financial Statement Audit

2024-001: Auditor Adjustments (Significant Deficiency)**Condition**

During the audit, we noted that several year-end adjustments were required to ensure that the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. The adjustments were related to capital assets, pensions, accounts payable, fund balance, long-term debt, earned revenue, and unearned revenue.

Criteria

Financial statements should to be prepared in accordance with accounting principles generally accepted in the United States of America.

Cause

With regard to capital assets and long-term debt, it appears that the rollforward workbooks and supporting schedules were not reviewed before year-end entries were made resulting in additional adjustments. Fund balance was not reconciled to prior year financial report.

City of Roanoke, Virginia
Schedule of Findings and Questioned Costs
June 30, 2024

Effect

There is an increased risk of financial statement misstatement.

Recommendation

We recommend establishing procedures in which qualified supervisors are reviewing year-end workpapers and reconciliations that feed into the final general ledger and focusing on the accuracy of year-end balances.

Views of Responsible Officials and Planned Corrective Action

Management understands the issues that presented requiring adjustments brought to the City's attention by the auditors. During the time of work on year end, the City chose to reassign a staff member for more appropriate duties outside of finance. Earlier staffing changes again, contributed to the issues that required correction, and the City believes with a now stable staff and staffing model, and training throughout the year accompanied by checklists and proper supervision and experience at the accounting supervisor and director levels, this will not repeat.

C – Findings and Questioned Costs – Major Federal Award Program Audit

*2024-002: Workforce Investment Opportunity Cluster – Assistance Listing #17.258 / 17.259 / 17.278,
Subrecipient Monitoring (Significant Deficiency)*

Condition

During our review of subrecipient monitoring, we noted that the City's monitoring was not being performed according to the formal written policy. There was a lack of evidence of testing and suggestions to the subrecipient during the fiscal year 2024.

Criteria

According to 2CFR 200.331(a) of the OMB *Compliance Supplement*, the City should make subrecipients aware of award information. According to the City's Program Participant Monitoring Plan, the City is supposed to conduct subrecipient monitoring on a semi-annual basis which should include desk reviews of payroll, disbursements, and other financial items.

Cause

Staff turnover, particularly for the role of grant accountant, caused these procedures to be overlooked. Management prioritized core operating activities with staffing vacancies in lieu of monitoring activities. Management asserts staff went onsite to review key documents, as documented by email activities, but did not document specific items subject to review.

Effect

Noncompliance with federal grant requirements with regard to subrecipient monitoring, as well as an increased risk of subrecipient misusing funds.

Questioned Cost Amount

Not applicable.

City of Roanoke, Virginia
Schedule of Findings and Questioned Costs
June 30, 2024

Perspective Information

Two out of two subawards.

Recommendation

We recommend performing subrecipient monitoring in accordance with the City's guidelines and following the procedures laid out in the Program Participant Monitoring Plan.

Repeat Finding

2023-001

Views of Responsible Officials and Planned Corrective Action

Management concurs with the recommendation. Loss of staff in this accountability area resulted in monitoring conducted by varying personnel the past several fiscal years. In August 2024, Grant accountant left the City, after working in the position for a little over one year. Unfortunately, the spring monitoring had not been done before his departure. After his departure, attempts were made to properly monitor subrecipient program using another staff member; however, with the onboarding of a new accounting manager in March of 24 (second one in just under one year) and the accounting supervisor exiting in December of 2023 with no replacement until September 2024, the lack of monitoring did occur as noted. A new grant accountant was hired in Fall 2024 along with an Accounting Supervisor, and importance of the monitoring process was reviewed and escalated. Grant accountant visited subrecipient's site in November 2024 and is preparing for a follow-up visit in Spring 2025 with expenditure testing.

2024-003: Lead Hazard Control – Assistance Listing #14.900, Reporting

Condition

During our review of reporting, we noted that the City lacked a review process due to departmental constraints. We noted a lack of evidence of review of reporting prior to submission for quarterly reports during the fiscal year 2024.

Criteria

Controls over report review should be in place and documented to ensure timely and accurate reporting.

Cause

Due to the small nature of the department, there is overlap in position responsibilities.

Effect

Increased risk of errors in reporting.

Questioned Cost Amount

Not applicable.

City of Roanoke, Virginia
Schedule of Findings and Questioned Costs
June 30, 2024

Perspective Information

Quarterly Progress Reports to HUD.

Recommendation

We recommend segregating duties appropriately so that reports can be prepared and reviewed prior to submission by separate individuals. We also recommend maintaining evidence of review.

Views of Responsible Officials and Planned Corrective Action

Management concurs with recommendation. The issue is with staffing. The Lead Safe Roanoke program manager should prepare and the Administrator review, but at this time, we have one staff member covering both jobs. This has been noted to the City Manager and an interim plan to alleviate the lack of proper review will be implemented.

D – Findings – Commonwealth of Virginia

2024-004: Commonwealth of Virginia – Disclosure Statements

Condition

In three of 82 instances, disclosure statements were filed after the 2/1/24 deadline.

Recommendation

We recommend ensuring disclosure statements are filed in a timely manner.

Views of Responsible Officials and Planned Corrective Action

Management concurs with the recommendation and will ensure that follow-up occurs regarding information required in a timely manner as has been done in prior years.

2024-005: Commonwealth of Virginia – Appropriations

Condition

Actual expenditures exceeded budget expenditures for several departments of the General Fund.

Recommendation

We recommend reviewing departmental expenditures during the year and making appropriations as necessary.

City of Roanoke, Virginia
Schedule of Findings and Questioned Costs
June 30, 2024

Views of Responsible Officials and Planned Corrective Action

Management concurs with the recommendation. Additional appropriations require a revenue offset to increase and balance. City of Roanoke will return to semi-annual review of revenues and expenditures particularly in the general fund and bring forth to Council for their consideration to avoid any future recurrences of this. Monitoring throughout the year is done by department managers and directors, the budget division staff of Finance and the deputy city managers for their respective department portfolios. Monthly, the finance director presents general fund budget and actual and comparative information to Council and reviews same in preparation for that presentation. With change in personnel in fiscal year 2025 primarily in the Finance department, this review process has been greatly improved.

City of Roanoke, Virginia
Summary Schedule of Prior Audit Findings
June 30, 2024

A – Findings and Questioned Costs – Major Federal Award Program Audit

2023-001: Workforce Investment Opportunity Cluster – Assistance Listing #17.258 / 17.259 / 17.277 / 17.278, Subrecipient Monitoring

Condition

During our review of subrecipient monitoring, we noted that the City’s monitoring was not being performed according to the formal written policy. While monitoring was performed and documented during the second half of fiscal year 2023, there was a lack of evidence of testing and suggestions to the subrecipient during the first half of fiscal year 2023.

Criteria

According to 2CFR 200.331(a) of the OMB *Compliance Supplement*, the City should make subrecipients aware of award information. According to the City’s Program Participant Monitoring Plan, the City is supposed to conduct subrecipient monitoring on a semi-annual basis which should include desk reviews of payroll, disbursements, and other financial items.

Cause

Staff turnover, particularly for the role of grant accountant, caused these procedures to be overlooked. Management prioritized core operating activities with staffing vacancies in lieu of monitoring activities. Management asserts staff went onsite to review key documents, as documented by email activities, but did not document specific items subject to review.

Effect

Noncompliance with federal grant requirements with regard to subrecipient monitoring, as well as an increased risk of subrecipient misusing funds.

Questioned Cost Amount

Not applicable.

Perspective Information

One out of two subawards.

Recommendation

We recommend performing subrecipient monitoring in accordance with the City’s guidelines and following the procedures laid out in the Program Participant Monitoring Plan.

Current Status

Still applicable in the current year. See finding 2024-002.

City of Roanoke, Virginia
Summary Schedule of Prior Audit Findings
June 30, 2024

2023-002: Coronavirus State and Local Fiscal Recovery Funds – Assistance Listing #21.027, Disbursements

Condition

During our review of the locality's disbursements related to the program, it was noted that procurement policies were not being followed. In 3 of 25 instances, credit card purchases were not properly approved.

Criteria

CSLFRF funds may be used for eligible expenses subject to restrictions set forth in Treasury's Interim Final Rule and Final Rule at 31 CFR Part 35. Also, 2 CFR Part 200 section 303 requires effective control over, and accountability for, all funds. According to the City's procurement policy, department managers and directors are supposed to review and approve credit card purchases on a monthly basis. Review includes ensuring appropriate supporting documentation is included. Documentation should support that transactions are for allowable expenses.

Cause

Though the City has controls that push compliance, monitoring and enforcement by Finance is lacking. Additionally, the volume of transactions make monitoring challenging. Some transaction support and approval are routed electronically through US Bank for automation, but there are thousands of monthly transactions.

Effect

Noncompliance with federal grant requirements with regard to disbursements.

Questioned Cost Amount

Not applicable.

Perspective Information

Three out of twenty-five transactions.

Recommendation

We recommend disbursing funds in accordance with the City's procurement policy including a process that requires approval of all credit card purchases.

Current Status

No longer applicable.

City of Roanoke, Virginia
Summary Schedule of Prior Audit Findings
June 30, 2024

2023-003: Coronavirus State and Local Fiscal Recovery Funds – Assistance Listing #21.027, Disbursements

Condition

During our review of the locality's revenue loss calculation, it was noted that one revenue figure was not supported by the City's transmittal form causing the lost revenue available for the City to claim to be understated by approximately \$4.8 million.

Criteria

Under the Final Rule, recipients can elect a one-time "standard allowance" of \$10 million (not to exceed the recipient's award amount) to spend on the "provision of government services" during the period of performance. Alternatively, recipients can calculate lost revenue for the years 2020, 2021, 2022, and 2023 based on the formula provided in the Final Rule to determine the amount of SLFRF funds that can be used for the "provision of government services." According to the OMB *Compliance Supplement* section 4-21.027 section III B, recipients can choose whether to use calendar or fiscal year dates but must be consistent through the period of the performance and must provide auditors with evidence supporting their revenue loss calculation.

Cause

The calculation of revenue loss was performed by staff who was new to their role with the City. All figures agreed with the Auditor of Public Accounts (APA) transmittal except for one section. Supervisory review was performed but did not detect the inconsistency in the calculation with reported figures on the APA transmittal form.

Effect

Noncompliance with federal grant requirements with regard to lost revenue, understating the available revenue loss the City can utilize.

Questioned Cost Amount

Not applicable.

Perspective Information

Not applicable

Recommendation

We recommend that a process be put in place that ties out all amounts used on the lost revenue calculation to amounts on the transmittal form.

Current Status

No longer applicable.

City of Roanoke, Virginia
Summary Schedule of Prior Audit Findings
June 30, 2024

B – FINDINGS – COMMONWEALTH OF VIRGINIA

2023-004: Commonwealth of Virginia – Social Services – Special Welfare

Condition

In one of two instances, Special Welfare accounts did not have receipts accurately credited to the account and had incorrect reimbursement requests.

Recommendations

We recommend the Special Welfare reconciliation spreadsheet be verified against individual accounts on a monthly basis by the Human Services Business Administrator.

Current Status

No longer applicable.

2023-005: Commonwealth of Virginia – Disclosure Statements

Condition

In two of 86 instances, disclosure statements were filed after the 2/1/23 deadline.

Recommendations

We recommend ensuring disclosure statements are filed in a timely manner.

Current Status

Still applicable in the current year.

**Department of Finance
City of Roanoke, Virginia**

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Cindy Kirby

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Accounting & Systems Manager
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Accountant
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Account Technician
Account Technician
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