

School Board of the City of Roanoke, Virginia
Component Unit of the City of Roanoke, Virginia

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024



40 Douglass Avenue, NW
Roanoke, VA 24012
www.rcps.info

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PHOTO CREDITS

Cover and Section Dividers: Our students and staff
Photographs by the Roanoke City Schools Communications and Marketing Department

School Board of the City of Roanoke, Virginia,
A Component Unit of the City of Roanoke, Virginia

Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

Roanoke City School Board

Eli C. S. Jamison, Ph.D., Chairperson

Joyce W. Watkins, Vice Chairperson

Franny Apel, Member

Diane M. Casola, Member

Mark K. Cathey, Member

Michael L. Cherry II, Member

Natasha N. Saunders, Member

Verletta White, Ed.D., Superintendent

**Prepared by the Accounting Department and
The Chief Financial Officer**

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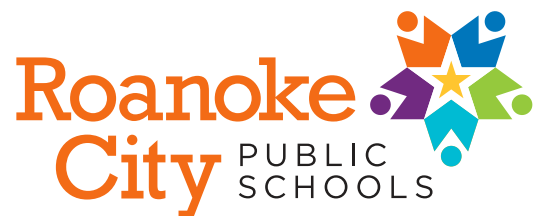
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INTRODUCTORY SECTION



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October 31, 2024

The School Board of the City of Roanoke, Virginia and Citizens of the City of Roanoke

The Annual Comprehensive Financial Report (ACFR) for the School Board of the City of Roanoke, Virginia (School Board), a Component Unit of the City of Roanoke, Virginia, for the fiscal year ended June 30, 2024, is herein submitted. Please note that the School Board is more commonly known as "Roanoke City Public Schools" or "RCPS."

The report contains a complete set of basic financial statements presented in conformity with U.S. generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and audited 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 by a firm of licensed certified public accountants. The GASB 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), which can be found following the report of the independent auditors. The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The report was prepared by the School Board's Accounting Department in conjunction with the Chief Financial Officer.

The School Board is considered a discretely presented component unit of the City of Roanoke (City) and, accordingly, the financial position and results of operations of the School Board are reflected in the Annual Comprehensive Financial Report of the City. The City is an independent full-service municipality with sole government taxing power within its boundaries. The School Board is a legally separate entity, which is fiscally dependent upon the City. The City Council of the City of Roanoke (City Council) appoints the seven members of the School Board and makes the annual appropriation for the School Board's operating budget. The City levies taxes for School Board operations, issues debt for capital projects, and retains ownership of school property and buildings. The buildings range in age from 2 to 102 years and it is the school board's responsibility to maintain and upgrade the buildings as needed. The City Council is prohibited, however, from exercising control over School Board expenditures at the functional and budgetary line item levels of School Board funds.

Budgetary comparison schedules for the General and Food Services funds can be found in the Required Supplementary Information Section of the ACFR.

This report consists of management's representations concerning the finances of the School Board of the City of Roanoke, Virginia. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the School Board has established a comprehensive internal control framework that is designed both to protect the School Board's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the School Board's basic financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh the benefits, the School Board'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.

Profile of the School District

Roanoke City Public Schools is a progressive urban school division nestled in the heart of the Blue Ridge Mountains in the City of Roanoke, Virginia. Roanoke, the largest city in the Commonwealth of Virginia (Commonwealth) west of Richmond, is located at the southern end of the Shenandoah Valley, approximately 170 miles west of Richmond and 235 miles southwest of Washington, DC. Roanoke's 2023 population as per the Decennial Census from the U.S. Census Bureau was 97,847 which accounts for approximately 31% of the 314,314 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.

In the 2023-2024 school year, RCPS provided a comprehensive program of study for 13,709 students in grades pre-kindergarten through twelve (based on fall membership counts). The school division is made up of seventeen elementary schools, five middle schools, two high schools, the Roanoke Valley Governor's School for Science and Technology, two vocational schools, two alternative education facilities, adult education programs, and preschool programs for at-risk children.

Roanoke's student population represents a diversity of cultures and ethnic groups. Approximately 39.2% of students are black, 29.8% are white, 20.7% are Hispanic, 6.5% are two or more races, and 3.8% are Asian or another race. Once overwhelmingly comprised of black and white students, RCPS's diversity has broadened in the last decade through decreases in the percentage of students identified as black or white and increases in the percentage of students who are Hispanic, Asian, two or more races, or another race.

In 2023-24, all RCPS students qualified for free or reduced-price school lunch based on the overall needs in the community as determined through the United States Department of Agriculture (USDA) Community Eligibility Provision (CEP). RCPS began participating in the CEP in the fall of 2015, providing free lunch for 84.7% of the overall student population through 19 school locations. In 2018-19, student needs led RCPS to apply and receive approval to expand participation and include all but two school sites in the CEP program. The final two schools were added as CEP schools at the beginning of the 2020-21 school year, making it possible for all RCPS students to have access to free breakfast and lunch daily without having to apply or provide individual family needs.

For the 2023-2024 school year all Roanoke City schools were accredited by VDOE. Accreditation ratings are based on performance during the previous school year. Student performance on SOL tests in English, mathematics and science are key metrics in the State Board of Education's school accreditation standards. These ratings are based on the school quality indicators.

The Roanoke City Public Schools Strategic Plan, *The Roadmap to Student Success* has affirmed that the school division's mission is to provide an inclusive and equitable, student-centered culture that empowers lifelong learning. Through meaningful, relevant, and engaging learning opportunities, we will empower all students to dream, excel, and meet their full potential to benefit our city and its citizens. The plan also establishes RCPS' vision, which is to provide all students with a strong educational foundation that enables them to become lifelong learners and contributing members and leaders of the global community. RCPS believes that we owe it to our children to set a very high bar.

The decisions, direction, and actions of RCPS are guided by five core beliefs, as follows:

- We put students first.
- We embrace equity and celebrate diversity.
- We value effective, high-quality instruction.
- We value our community.
- We value YOU!

The Roadmap to Student Success established the “Theory of Action” for students in Roanoke City Public Schools, which is to graduate our students with a diploma and resume of skills and experiences that are based on effective daily instruction and relationship building. It is also steeped in our values of:

- Equity
- Collective teacher efficacy
- Community engagement and involvement
- Organizational trust

These practices will be evident in a literacy-rich learning environment for all students.

Narrowing the Achievement Gap. Roanoke City Public Schools is working to help all students achieve and improve with a special focus on closing achievement gaps between subgroups of students. In total, 23 of 24 schools are fully accredited and one is accredited with conditions. The Virginia Department of Education revised its accreditation standards to provide a more comprehensive view of school quality while encouraging continuous improvement for all schools and placing increased emphasis on closing achievement gaps.

**Roanoke City Public Schools
Accreditation Status for 2023-2024**

School	Accreditation Status
Crystal Spring Elementary	Accredited
Fairview Elementary	Accredited
Fallon Park Elementary	Accredited
Fishburn Park Elementary	Accredited
Garden City Elementary	Accredited
Grandin Court Elementary	Accredited
Highland Park Elementary	Accredited
Hurt Park Elementary	Accredited with Conditions
Lincoln Terrace Elementary	Accredited
Monterey Elementary	Accredited
Morningside Elementary	Accredited
Preston Park Elementary	Accredited
Roanoke Academy Elementary	Accredited
Round Hill Elementary	Accredited
Virginia Heights Elementary	Accredited
Wasena Elementary	Accredited
Westside Elementary	Accredited
Lucy Addison Middle	Accredited
James Breckinridge Middle	Accredited
John P. Fishwick Middle	Accredited
James Madison Middle	Accredited
Woodrow Wilson Middle	Accredited
Patrick Henry High	Accredited
William Fleming High	Accredited

SAT Results 2024
Roanoke City Public Schools

One hundred ninety-one (191) Roanoke City students took the SAT Reasoning Test. The division’s mean Evidence-Based Reading and Writing (ERW) score was five hundred fifty-three (553), the mean mathematics score was five hundred twenty (520). The difference in scores over time in RCPS should be compared to Virginia and U. S. in order to compare the magnitude of the change.

The students by ethnic group who took the SAT in 2024:

	<u>Roanoke</u>	<u>Virginia</u>	<u>U.S.</u>
African American	20%	15%	12%
Other Ethnicities	18%	30%	40%
White	46%	45%	37%
<i>“No Response” in Ethnicity: Roanoke 16%, Virginia 9% and U.S. 12%</i>			

Mean scores of all students tested:

SAT Results	Roanoke		Virginia		U.S.		Difference	
	Mean		Mean		Mean		RCPS vs	
	2023	2024	2023	2024	2023	2024	VA	US
ERW	532	553	569	564	520	519	-11	+34
Mathematics	511	520	544	537	508	505	-17	+15
Total Score	1043	1073	1113	1101	1028	1024	-28	+49

The mean scores for Evidence-Based Reading and Writing and Math at times do not add up to the total mean score because of rounding.

Mean Scores of tested students by ethnicity:

SAT Results	Roanoke		Virginia		U.S.		Difference			
	Black	White	Black	White	Black	White	RCPS vs		RCPS vs	
	Mean	Mean	Mean	Mean	Mean	Mean	VA	US	VA	US
ERW	481	609	494	587	467	551	-13	+14	+22	+58
Mathematics	437	588	461	554	440	532	-24	-3	+34	+56
Total Score	918	1197	956	1142	907	1083	-38	+11	+55	+114

The mean score for Evidence-Based Reading and Writing at times do not add up to the total mean score because of rounding.

Mean scores of students tested by high school:

SAT Results	Patrick Henry			William Fleming		
	Mean	Difference VA US		Mean	Difference VA US	
ERW	593	+29	+74	493	-71	-26
Mathematics	565	+28	+60	452	-85	-53
Total Score	1159	+58	+135	945	-156	-79

**SAT I: Reasoning Test Scores for Graduating Seniors
Roanoke City Public Schools 2014-2024**

Mean Scores on SAT

	2014	2015	2016	2017*	2018*	2019*	2020*	2021*	2022*	2023*	2024*
Mean Reading *ERW SAT Score	487	483	464	522	527	514	518	556	540	532	553
Mean Mathematics SAT Score	479	477	457	502	507	497	492	535	513	511	520
Writing	464	461	433	-	-	-	-	-	-	-	-
Total	1430	1421	1354	1025	1034	1011	1009	1091	1053	1043	1073

~SAT data historically has included students who took the SAT at any point in high school through March of their senior year. Starting with 2012 the SAT data includes all students who tested through June of their senior year.

	Black											White										
	14	15	16	17*	18*	19*	20*	21*	22*	23*	24*	14	15	16	17*	18*	19*	20*	21*	22*	23*	24*
Mean Reading *ERW SAT Score	410	422	417	456	462	460	458	484	460	484	481	551	543	535	599	603	577	592	608	609	582	609
Mean Mathematics SAT Score	404	419	411	445	443	438/	437	463	439	448	437	540	537	531	565	577	560	558	587	576	570	588
Writing	395	404	388	-	-	-	-	-	-	-	-	522	519	507	-	-	-	-	-	-	-	-
Total	1209	1245	1216	901	905	898	895	947	899	932	918	1613	1599	1573	1164	1180	1137	1151	1195	1186	1152	1197

*ERW is **Evidence-Based Reading and Writing**. It is replacing the separate Reading and Writing tests from 2011-2016. Source: Roanoke City Public Schools – Office of Accountability and Strategic Initiatives Support

2024 ACT Results

Participation in ACT Testing among Roanoke City Public Schools graduates increased during the school year 2023-2024. During the 2023-2024 school year 21 graduates participated in ACT, while 11 students took ACT in 2022-2023.

Total Participants: 21

Separate high school data will not be displayed due to low participation and the possibility of identifying scores of individual students.

Percentage of Students Meeting College Readiness Benchmarks 2023 | 2024

	Roanoke City		State		National	
	2023	2024	2023	2024	2023	2024
English	73	76	83	85	51	51
Mathematics	27	33	61	60	30	29
Reading	73	52	72	73	40	40
Science	55	57	63	64	31	30
Composite	27	24	50	49	21	20

Comparison of Average ACT Scores 2023 | 2024

	Roanoke City		State		National	
	2023	2024	2023	2024	2023	2024
English	21.6	20.7	24.6	24.8	18.6	18.6
Mathematics	19.5	19.8	23.4	23.5	19	19
Reading	23.2	21.4	25.8	26.1	20.1	20.1
Science	21.8	22.6	24.3	24.5	19.6	19.6
Composite	21.6	21.2	24.6	24.8	19.5	19.4

Benchmarks: English = 18; Math = 22; Reading = 22; Science = 23

The ACT reports **College Readiness Benchmark Scores** – A benchmark score is the minimum score needed on an ACT subject-area test to indicate a 50% chance of obtaining a B or higher or about a 75% chance of obtaining a C or higher in the corresponding credit-bearing college courses, which include English Composition, Algebra, Social Science, Biology, STEM and ELA. These scores were empirically derived based on the actual performance of students in college.

Factors Affecting Financial Condition

The information presented in the basic financial statements is best understood when it is considered from the broader perspective of the specific environment within which the School Board operates.

Economic Condition and Outlook

The school division's ability to fund its major educational initiatives adequately is significantly affected by the City's economic outlook. City funding for public education in fiscal year 2024 continued to follow the funding formula established in 2012, which stipulates that (a) the schools receive 40% of property and other local tax receipts levied by the City of Roanoke and (b) the schools pay 100% of the debt service associated with school projects (up from approximately 50% under the previous funding arrangement). Revenue projections for 2023-24 were up year-over-year and were much closer to actual than in recent years. Shortages in materials and labor have continued to affect resource availability and inflation, resulting in continued increases in personal property values and tax revenues. Similarly, real estate values continued to increase at a higher-than-average rate in 2023-24, resulting in continued increases in local tax revenue.

Though the 2024-25 budget had to be finalized before final year-end 2023-24 revenue numbers were known, the City of Roanoke anticipated a revenue increase and the school division's 40% share of budgeted revenue for 2024-25 reflects a budget-to-budget increase of 5.3% year-over-year.

2023-24 was the second year in the two-year budget cycle adopted by the Commonwealth of Virginia General Assembly. The state experienced significantly higher than anticipated revenues during the year, resulting in amendments to the budget that were debated and adopted in spring 2024. Because the General Assembly was also developing a new biennial budget for 2024-2026 during that period, amendments to the 2023-24 budget were a lesser focus during the 2024 General Assembly session. The 2024-25 budget that was ultimately approved included less funding for Roanoke City Public Schools than either of the proposals that were approved by the House of Delegates and Virginia Senate, respectively, during the budget development process. This is a concerning new trend in budget negotiations and development at the state level as it is the second year in a row that the final state budget was decidedly different from what each House had previously approved.

Average Daily Membership (ADM), as measured annually on March 31, is a significant factor in state funding formulas for public education. RCPS enrollment was on a strong upward trajectory pre-pandemic but has fluctuated significantly with a declining overall trend since 2019-20; the year when K-12 funded ADM was at its highest point in two decades at 13,109.99. March 31 ADM in 2023-24 was 12,789.40. Total average daily membership including pre-K was 13,610. The declining enrollment trend directly impacts funding for the division, given that most state funds are calculated on a per-pupil basis and funded accordingly. State funding during this biennium is over \$10,000 per pupil, so the enrollment loss experienced since 2019-20 averages approximately \$3 million per year in reduced funding. RCPS budgeted for 2024-25 using a projected ADM of 12,812.90.

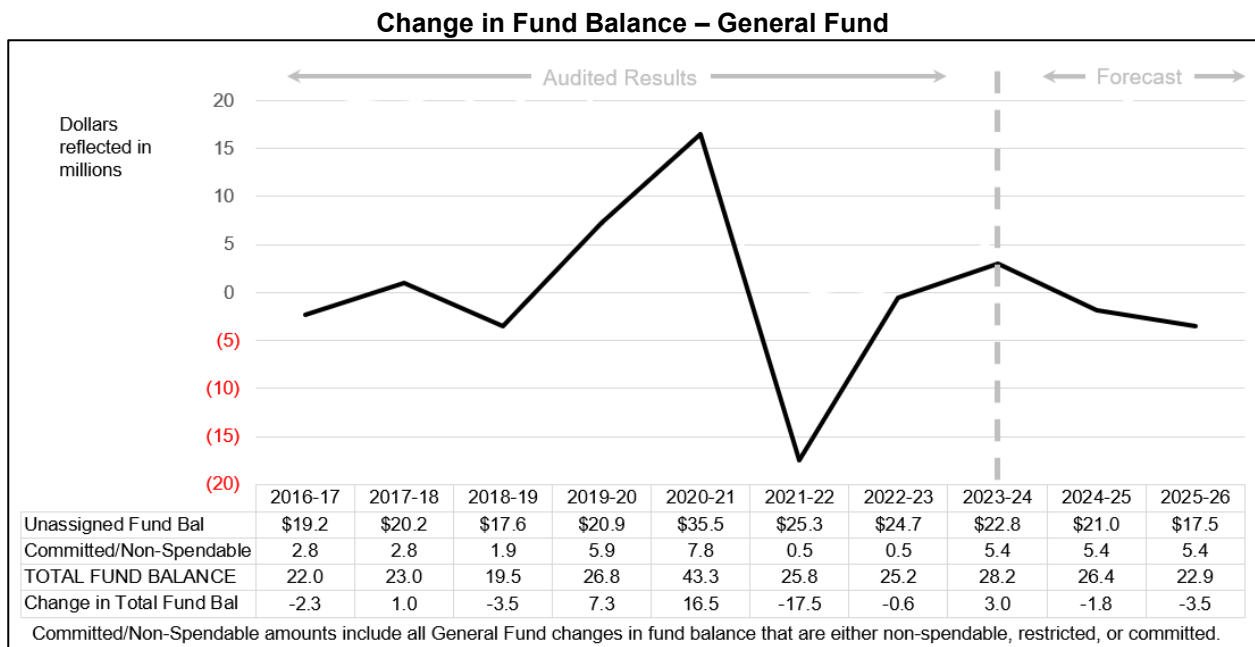
The Every Student Succeeds Act (ESSA), which replaced the No Child Left Behind Act of 2002, was signed into law on December 10, 2015. The Commonwealth of Virginia has an approved plan, and RCPS utilizes these important sources of federal funding, such as Title I-A, to supplement local and state-funded efforts to meet student needs. Additional entitlement funds support Roanoke City schools with teacher professional development and class-size reduction (Title II-A), supporting students who are English learners (Title III-A), and providing well-rounded educational opportunities, services that develop safe and healthy students, and programs that support the effective use of technology (Title IV-A).

Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding was awarded to public school divisions using the Title I allocation formula in late spring 2020. The portion of relief under this Act that is for school divisions is identified as the Elementary and Secondary School Emergency Relief (ESSER) Fund. Further support through the Coronavirus Relief Fund was made available to localities and direct aid from the state to public school divisions in the fall of 2020. The Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, which was passed in late December 2020, included a second round of ESSER funding for school divisions. A third round of ESSER funding was approved through the American Rescue Plan (ARP) Act which was approved in March 2021. ESSER I funds were available through

September 30, 2022, and ESSER II funds were available through September 30, 2023. The final round of pandemic-relief funding, ESSER III, was available through September 30, 2024. These funds have provided tremendously valuable support for schools, but now that the final sunset date has passed, RCPS is working to sustain valuable instructional efforts that were put in place with those temporary funds.

Though a teacher shortage has been a growing struggle for school divisions across the nation for some time, the pandemic has exacerbated shortages across all industries. The level of vacancies that RCPS experienced in 2021-22 was unprecedented, at least over the last several decades. Establishing and maintaining a more competitive teacher salary scale became imperative. RCPS set out to adjust teacher pay to make it the highest in the region for the 2022-23 budget. This effort was successful. Additionally, RCPS adjusted classified position pay scales to ensure that no position has a minimum wage of less than \$15 per hour. Pay and other recruitment efforts across all positions are of significant importance. The school division has been more successful in filling positions since that time, yet opening schools with at least some unfilled vacancies is now the norm. Other school divisions in our region have also adjusted their pay to become more competitive with RCPS over the last few years, and most are close to catching up, or already caught up, to our teacher salary scale at this point.

Considering the above, and in order to continue providing instruction at the level necessary to help students achieve their highest potential, RCPS expects to be in a deficit spending position during fiscal year 2025, if current trends continue. The following chart illustrates the projected impact of this deficit spending on total General Fund fund balance (note that establishment of a Capital Projects Fund in 2021-22 resulted in transfers from General Fund for facility improvements that also impacted available fund balance in the General Fund):



Accounting System and Budgetary Controls

The School Board has established a comprehensive internal control framework designed to both safeguard the district's assets against loss from unauthorized use or theft and to properly record and adequately document transactions in order to compile information for the presentation of the School Board's financial statements in conformity with GAAP.

The School Board maintains budgetary controls to ensure compliance with the annual appropriated categorical budget adopted by the School Board. In accordance with state law, the advertised and adopted budget is submitted to City Council for adoption and appropriation. City Council includes the School Board adopted budget with the city budget, which is, in turn, advertised and adopted by May 15. The School Board exercises management control over the budget at the cost center level within each fund, however, the budget is legally adopted at the fund level. Activities of the General Fund and Food Service Fund are included in the annual appropriated budget approved by City Council. Multi-year programs are appropriated separately for the School Grants Fund as awards are received. The School Board also maintains an encumbrance accounting system as an additional method of accomplishing budgetary control.

Financial Policies and Budgetary Initiatives Impacting the Financial Statements

Roanoke City Public Schools' financial statements are presented in accordance with School Board policies that govern the school division's financial practices. School Board policies, in turn, are informed by City Code, and the Code of Virginia. Functional categories presented on Exhibit 2, and expenditure categories on Exhibit 4, are in accordance with budget categories based on budget classifications required by School Board Policy DB and Code of Virginia § 22.1-115. In the spring of 2017, the School Board adopted a new policy, policy DBA, on Fund Balance Management. This policy clarifies definitions of fund balance availability and establishes guidelines for use of fund balance. This policy was amended in 2023 to ensure it continues to provide appropriate levels of stability over time as inflation and enrollment change.

The increase in revenues compared to the prior year have resulted from improved state funding of public education, strong sales tax experience, and increases in property values that resulted in strong local tax performance. Expenditures in the General Fund were below expectations due largely to the school division's inability to fill all vacancies, and partner organizations' struggles to fill vacancies including for student transportation. Though saving money is typically a positive, these are not savings that RCPS sought nor that are sustainable. All the savings incurred due to reduced services negatively impacted the school division's ability to meet its mission and the needs of its students. Federal pandemic relief funding has been a benefit, helping the school division cover a portion of costs needed to maintain school facilities and address individual student learning, and helped ease the pressure on local funds temporarily, but those grants have now ended.

General Operations

Management's Discussion and Analysis, which is contained in the financial section of this report, provides a discussion of financial results for fiscal years 2023 and 2024, as well as summaries of the government-wide financial statements.

Auditing

The School Board appoints an Audit Committee comprised of at least one School Board member. The Audit Committee acts in an advisory capacity to the School Board in all matters relating to the School Board's financial records. The Municipal Auditor, who is appointed by Roanoke City Council, assists the Audit Committee in a continuing review of the internal control and financial operations of the School Board and schools, and regularly reports findings to the Audit Committee.

Federal and state agencies also perform audits and reviews of School Board programs and financial records. The School Board's basic financial statements are audited annually by an independent public accounting firm, including a single audit of expenditures of federal awards. The current year independent auditor's reports are included in the Financial and the Compliance Sections of this report.

Awards and Acknowledgments

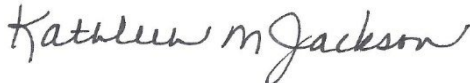
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School Board of the City of Roanoke, Virginia, for its annual comprehensive financial report for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In addition, the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the School Board of the City of Roanoke, Virginia, for its annual comprehensive financial report for the fiscal year ended June 30, 2023. The Certificate of Excellence program is similar to the GFOA Certificate of Achievement program and is an international award recognizing excellence in the preparation and issuance of school system financial reports.

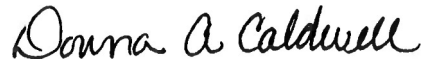
In order to be awarded a Certificate of Achievement, a school board must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such a financial report must satisfy both U. S. generally accepted accounting principles and applicable legal requirements.

The GFOA Certificate of Achievement and the ASBO Certificate of Excellence are valid for a period of one year only. The School Board issued its first annual comprehensive financial report for fiscal year 1994, and the receipt of both certificates for thirty consecutive years is a positive statement about the quality of accounting services provided by the Office of Fiscal Services. We believe our current report continues to conform to the Certificate of Achievement and Certificate of Excellence program requirements, and we are submitting it to both agencies for certification.

Sincerely,



Kathleen M. Jackson, MBA, SFO
Chief Financial Officer



Donna A. Caldwell, CPA
Director of Accounting



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

**School Board of the City of Roanoke,
Virginia**

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.**

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**School Board of the City of Roanoke
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

**Roanoke City Public Schools Officers and Principal Administrators
(July 1, 2023 through June 30, 2024)**

Roanoke City School Board

Eli C. S. Jamison, Ph.D.	Chairperson
Joyce W. Watkins	Vice Chairperson
Franny Apel	Member
Diane Casola	Member
Mark K. Cathey	Member
Michael L. Cherry, II	Member
Natasha N. Saunders	Member
Rita Huffman	Clerk of the Board

Superintendent of Schools

Verletta White, Ed.D.	Superintendent
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Executive Staff

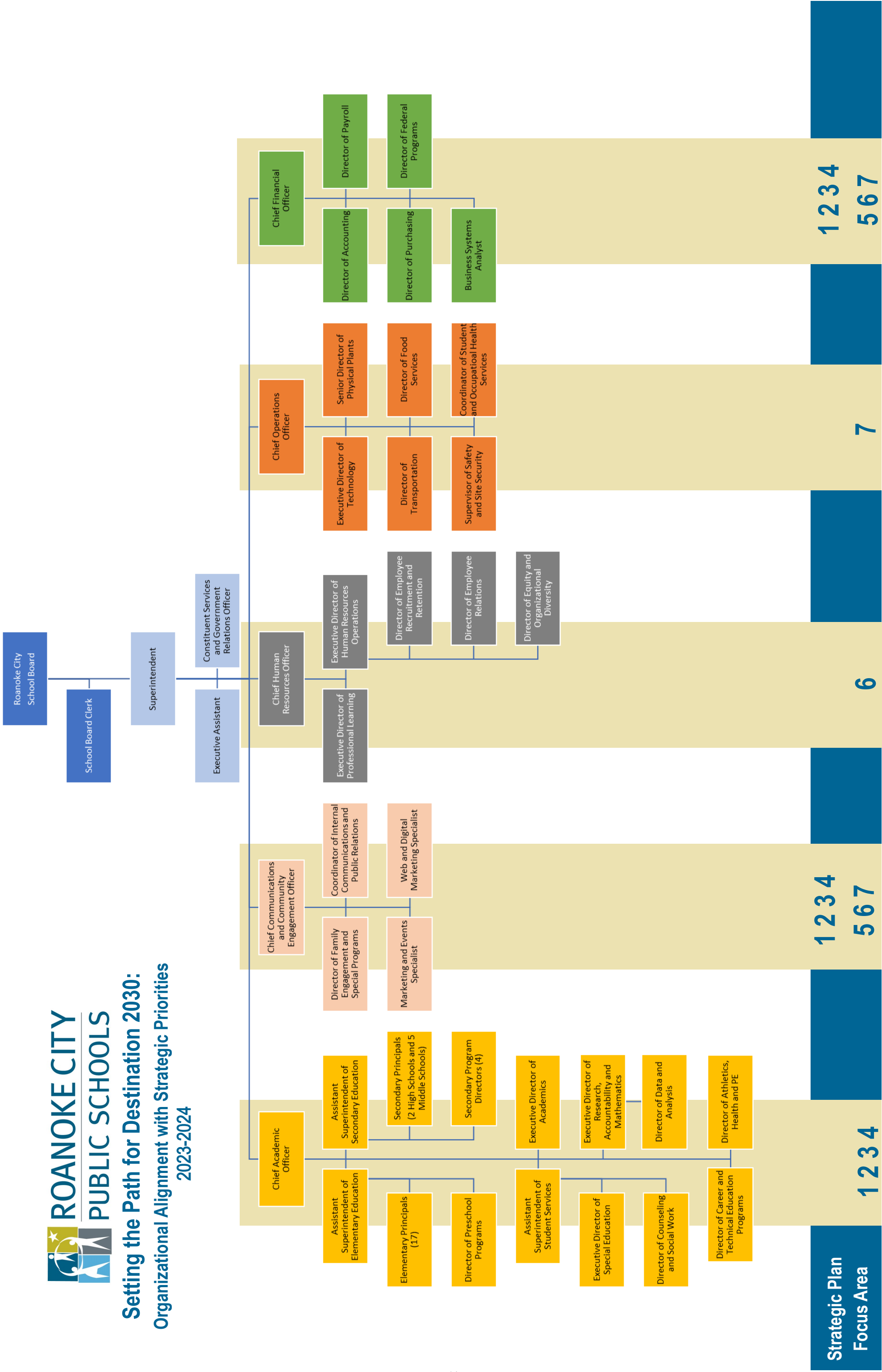
Archie Freeman	Chief Academic Officer
Kathleen M. Jackson	Chief Financial Officer
Dominick McKee	Chief of Human Resources
Chris Perkins	Chief Operations Officer
Kelly Sandridge	Chief Communications and Community Engagement Officer
Hayley Poland, Ed.D.	Assistant Superintendent of Student Services
Eric Anderson, Ph.D.	Assistant Superintendent of Elementary Education
Lori Wimbush, Ed.D.	Assistant Superintendent of Secondary Education
Alan Seibert, Ph.D.	Constituent Services and Government Relations Officer
Kimberlee Brown	Executive Director, Human Resources
Julie Drewry, Ph.D.	Executive Director, Research, Accountability and Mathematics
Cari Gates	Executive Director, Professional Learning
Greg Johnston	Executive Director, Academics
Benjamin Lewis, Ph.D.	Executive Director, Special Education
Wesley Williams	Executive Director, Technology

Roanoke City Public Schools Organizational Structure and Alignment to the Strategic Plan

The organizational chart on the following page illustrates the leadership team structure of Roanoke City Public Schools' administration. It also illustrates the Strategic Plan pathways that each organizational area chiefly works towards achieving. The Roanoke City Public Schools 2022-2028 Strategic Plan, *The Roadmap to Student Success*, can be found on the school division's web site at https://www.rcps.info/departments/superintendent/strategic_plan for a more thorough explanation of the goals and strategies included, but the seven strategic pathways to which the organizational structure is aligned are:

- Pathway 1: Early Literacy
- Pathway 2: Academics
- Pathway 3: Post-Secondary Success
- Pathway 4: Overall Well-Being and Sense of Belonging
- Pathway 5: Communications and Community Engagement
- Pathway 6: Recruitment, Retention, and Talent Development
- Pathway 7: Operations

**Setting the Path for Destination 2030:
Organizational Alignment with Strategic Priorities
2023-2024**



FINANCIAL SECTION



We Are One #RCPS Proud

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the School Board of the City of Roanoke, Virginia (the "School Board"), a component unit of the City of Roanoke, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School Board, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School Board of the City of Roanoke 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 School Board's ability to

continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 School Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Board's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying schedule of insurance coverage 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 schedule of insurance coverage 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 opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over

financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
October 31, 2024

**The School Board of the City of Roanoke, Virginia
A Component Unit of the City of Roanoke, Virginia
Management's Discussion and Analysis
For the Year Ended June 30, 2024**

As management of the School Board of the City of Roanoke, Virginia (School Board), we offer readers of the financial statements this narrative overview and analysis for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

At the entity-wide level, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources at the close of the most recent fiscal year by (\$7,860,964) (net position). Of this amount, \$31,264,470 was the net investment in capital assets, \$1,197,506 was restricted for pension and other post-employment benefits, leaving unrestricted net position totaling (\$40,322,940). Unrestricted net position is normally used to meet the School Board's ongoing obligations to citizens and creditors. Although the entity-wide statements reflect a negative net position, the School Board recognizes this is due to deferred inflows and outflows of pension and other post-employment liabilities. As a result of favorable experience in deferred outflows of pension liability and pension revenue during the year, net position did increase by \$11,400,822 from the prior year.

The general fund experienced an overall increase in net operating revenues due to increased funding from the City of Roanoke because of better than anticipated local tax revenue collected during the year over and above the budgeted amount allotted to the School Board. Investment income averaged over 5.0% during the year which also contributed to an increase in revenue. Additionally, state funded revenue exceeded prior year funding by almost \$2.0 million for at risk-youth programs, employee compensation adjustments, and better than anticipated sales tax revenue.

Federal revenue decreased largely due to the elimination of funding from various pandemic relief grants that were one-time stimulus packages for School Boards to combat the impacts of the COVID-19 pandemic. A significant portion of the revenue was reflected in previous years and resulted in higher-than-normal grant revenue. The last expenditure window for the pandemic-relief funds closed in September 2024.

The capital fund was established during the 2021-22 fiscal year to provide the school division with the ability to commit funds for the purpose of capital outlays, including the acquisition or construction of capital facilities and other capital assets, and to be able to separately account for such funding and expenditures. The capital fund experienced a net operating decrease of \$2,755,878. During the year, \$5.04 million was transferred from the general fund balance to the capital fund balance for facilities renovations. The decrease in capital fund balance is due to the increased use of those funds during the year for ongoing projects.

Overall revenues were approximately \$305 million, \$29,689 more than expenditures. The minimal impact year over year resulted from less revenue from program revenues of approximately \$15.8 million due to the elimination of ESSER funding that was recognized as an increase in prior years, offset by increases in general revenue funding from the City of Roanoke and the Commonwealth of Virginia.

The total cost of basic programs was approximately \$294 million. Since a portion of those costs were paid with charges, fees and intergovernmental aid, the net cost to the School Board to operate basic programs was \$183 million.

At the end of the current fiscal year, unassigned fund balance for the general fund was approximately \$22.9 million, or 10.25% of total general fund expenditures. Restrictions of fund balance are placed by sources external to RCPS while the School Board may make commitments of fund balance. \$250,000 was committed for transportation sinking fund, \$5.0 million was committed for transitional costs associated with the end of pandemic relief funding, and \$129,914 was non-spendable.

Revenues reported in Student Activity Funds were \$1,299,281 and expenditures were \$1,244,781. Overall revenues and expenditures reflected in the current year are a result of activities per school location and may include donations, fees collected and revenues from fundraising activities.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The School Board's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the School Board's finances, in a manner similar to a private-sector enterprise.

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

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

The government-wide financial statements distinguish functions of the School Board that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the School Board include all activities of the School Board. The School Board does not operate any business-type (proprietary fund) activities.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School Board, like other state and local governments and other school districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the School Board are governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a district's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School Board's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School Board maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the five funds, all of which are major funds. The funds are the School Board's general fund, food service fund, school grants fund, capital fund, and school activity fund.

The School Board adopts an annual appropriated budget for its general and food service funds. A budgetary comparison schedule has been provided as required supplementary information for each of these funds to demonstrate compliance with budgetary requirements.

Notes to the Basic Financial Statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

The School Board of the City of Roanoke, Virginia's Summary of Net Position Governmental Activities

	June 30,	
	2024	2023
Current and other assets	\$ 88,637,119	\$ 88,625,860
Capital Assets, net	49,942,212	61,542,807
Total Assets	138,579,331	150,168,667
 Total Deferred Outflows of Resources	 52,819,711	 32,443,663
Current and other liabilities	30,323,097	46,617,960
Long-term Liabilities	154,233,280	132,454,627
Total Liabilities	184,556,377	179,072,587
 Total Deferred Inflows of Resources	 14,703,629	 22,801,529
Net investment in capital assets	31,264,470	26,183,954
Restricted - Pension and Other Post Employment Benefit Assets	1,197,506	1,443,065
Unrestricted	(40,322,940)	(46,888,805)
Total Net Position	\$ (7,860,964)	\$ (19,261,786)

Net position may serve, over time, as a useful indicator of a district's financial position. In the case of the School Board, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$7,860,964 at the close of the most recent fiscal year.

Current and other assets increased during the fiscal year by \$11,259. The overall variance was primarily comprised of a \$4,843,758 increase in cash and cash equivalents, \$2,026,741 increase in accounts receivable, offset by decreases of (\$3,604,521) in due from other governments, due from the City of Roanoke (\$2,942,349), Prepaid and Other Assets (\$66,811), and Net Pension and Other Post Employment Benefit Assets (\$245,559). The increase in cash and cash equivalents is largely due to higher interest rates on investments in fiscal year 24 with average monthly yields above 5.0%. The increase in accounts receivable resulted from federal grants revenue for expenditures in fiscal 24 that were not reimbursed by the end of the year.

The School Board's investment in capital assets, machinery, and equipment net of accumulated depreciation, in the amount of \$49,942,212 represents (6.35%) of net position. The net decrease of (\$11,600,595) resulted largely from buildings that were in progress in the prior year, completed in the current year, and transferred to the City of Roanoke as donated assets. Although the School Board manages the renovations and construction of school facilities, the buildings are owned by the City of Roanoke, thus are transferred to the city at completion. The School Board uses these capital assets to provide services to students; consequently, these assets are not available for future spending. It should be noted that these assets reflect outlays made during the current fiscal year and previous years.

Current and other liabilities decreased by \$16,294,863. This resulted from a decrease in accounts payable and accrued expenses of (\$4,337,879), an increase in unearned revenue of \$5,517,152 and a decrease in claims payable and long-term liabilities due within one year of (\$17,474,136). Accounts payable were significantly higher in the prior year due to ongoing spending for large capital projects that were in progress at year-end, along with increases in accrued payroll during the prior year.

Long-term liabilities increased by \$21,778,653. At the end of fiscal year 2024, the school board had outstanding debt for a lease of \$12,993,000 related to a lease purchase agreement for energy saving equipment. Notes payable decreased by \$1,009,000 during the year (Note III.F.). The School Board adopted GASB 87 standard for leases in fiscal year 2022 and GASB 96, the standard for subscription-based information technology arrangements in fiscal year 2023. The balance in leases at the end of the year was \$1,666,375 and the balance in subscriptions was \$683,888. Lease payables increased by \$1,061,906 and subscriptions increased by \$9,393. (Note III.G.). The increases were largely due to additional vehicles and copiers that were added in the fiscal year. Net pension liability increased by \$21,891,887. The net pension liability is determined by an actuary evaluation provided by an independent audit. There was also an increase of \$27,334 in compensated absences (Note III.I.).

The School Board's net position, in the amount of \$90,100,786 exclusive of the net pension and OPEB assets and liability represents resources that are available to be used to meet the School Board's ongoing obligations to students, staff, and creditors. The increase of unrestricted net position from the prior year is \$6,565,865.

Governmental Activities. Governmental activities resulted in an increase in the School Board's net position of \$11,400,822 during the current fiscal year. Key elements of the change in net position are as follows:

Expenses for total governmental activities exceeded program revenues by \$183 million. The division's expenses by program have been netted against revenues that directly fund that program, resulting in the net cost of the program activity. The net cost of instructional activities, \$100 million, comprises 54.6% of total governmental activities. The net cost of operations, maintenance, and facilities was \$35.6 million, or 19.4% of total governmental activities. The net costs of other functional activities were athletics, \$1.8 million or 1.0%; transportation, \$12.6 million or 6.9%; payments to the primary government for debt service, \$11.5 million or 6.3%, note and lease payments, \$1.3 or 0.7%, and support services, \$20.6 million or 11.3%. At fiscal year-end, food services had an operating gain in net position of \$215,341 or (0.1%) of the government-wide net cost.

Net expenses for fiscal year 2024 had an increase of \$28.4 million in total compared to the prior year, with a \$25.9 million increase in the cost of instructional programs largely due to a \$15.8 million increase in regular instruction, an increase of \$3.9 million in special education, \$1.3 million increase in vocational instruction, a \$2.1 million increase in media services, a \$697,793 increase in gifted services, \$1.4 million increase in school administration and a \$781,914 increase in district wide instruction programs. There was a net decrease in gifted instruction of \$10,292. Other variances include a \$1.2 million increase in food service, a \$1.6 million decrease in the cost of operations and maintenance, a \$607,879 increase in support services related to operational expenses, an increase of \$1.6 million in transportation, and an increase of \$88,390 in athletics. Debt service payments increased \$961,666 from the previous year. The increases noted during the year were the result of a combined raise and scale adjustment of five percent for all employees. Additionally, instructional costs were higher due to continued use of federal pandemic funding for school construction and renovations, a school construction grant that was awarded from the Virginia Department of Education, and continued increases in the cost of special education services, especially those related to the Children's Services Act for private special education services that are paid to the City of Roanoke for students enrolled in Roanoke City Public Schools.

General revenues not identifiable to specific functions or programs totaled \$194.6 million or \$11,400,822 more than the net cost of the division's programs. Total revenues for fiscal year 2024 increased \$12.3 million from the prior year. Program revenues decreased by \$6.9 million or 5.8% and general revenue collections increased by \$12.2 million or 11.6%. The change in general revenue collection consisted of an increase in revenues from the state aid not restricted to specific programs of \$5.4 million or 6.4%, payment from the City of Roanoke, \$6.7 million or 6.9%, interest income from investments, \$738,234 or 38.6%, and other revenue decreased \$454,887 or 39.1%. Revenues from the City of Roanoke are determined based on a funding formula using 40% of most local tax revenue which resulted in higher revenue for the School Board in fiscal 24. The State of Virginia also increased budgeted funds for the schools resulting in the increases noted from the state.

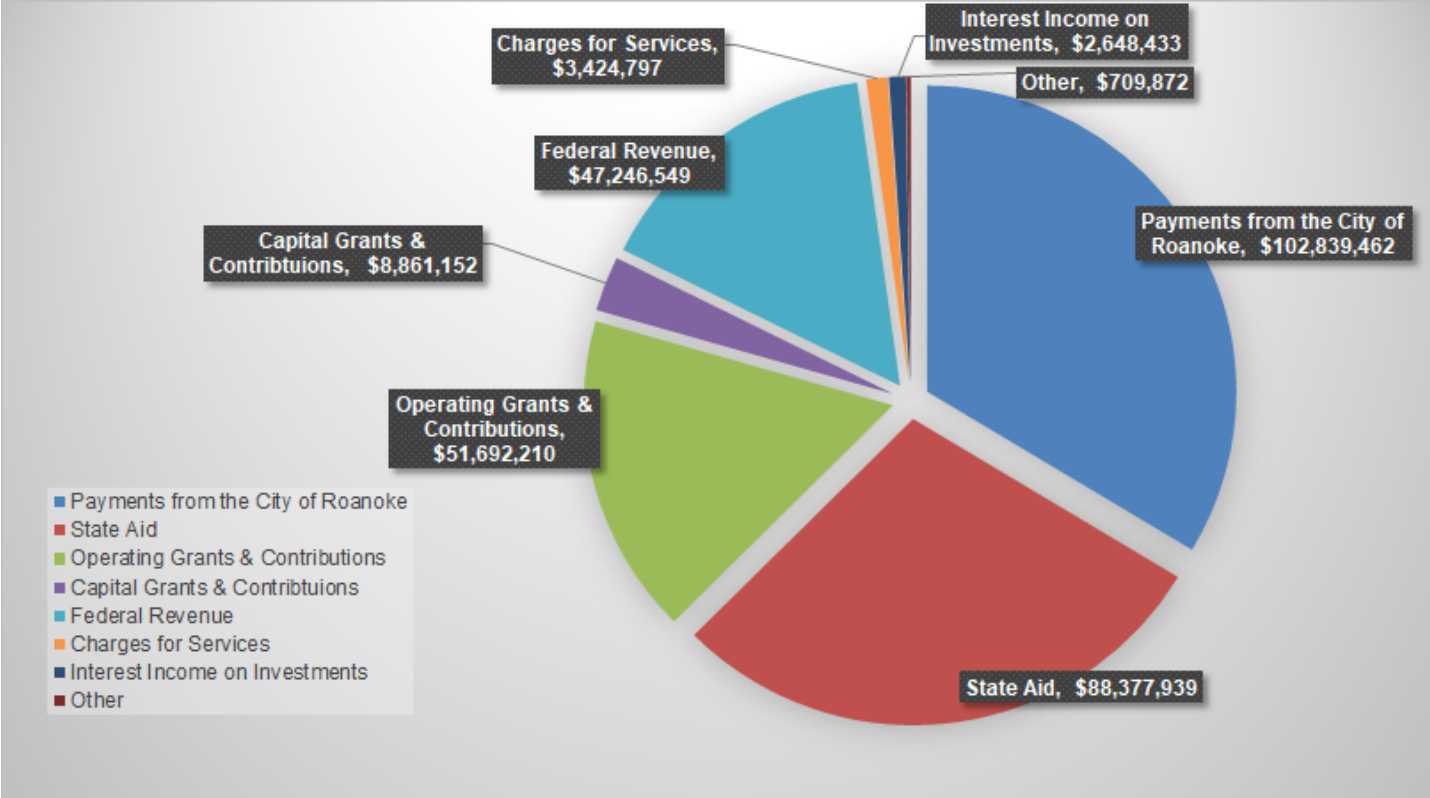
The acquisitions of capital assets are reported in the governmental funds as expenditures. However, for governmental activities, those costs are shown as capital assets in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. Net capital assets, accordingly, decreased by \$11,600,595, the amount by which capital asset purchases in the current period exceeded depreciation expense and the net book value of capital assets disposed. Net capital asset additions of \$8,767,739, less retirements of \$20,368,334, were offset by a net increase in accumulated depreciation for the year of \$4,496,486 (Note III.C.).

The compensated absences liability decreased by \$37,392.

Food Services net revenue declined by \$1.2 million during the current year. During the COVID pandemic, the Food Services Program received higher than normal reimbursements due to the USDA waiver to allow the Summer Food Service Program rates to continue during the academic year. The waiver did not extend into 2022-23 or 2023-24. Increased food and labor costs, coupled with continued increases in the number of meals served, led to higher costs.

Revenues and Expenses Summaries – Governmental Activities:

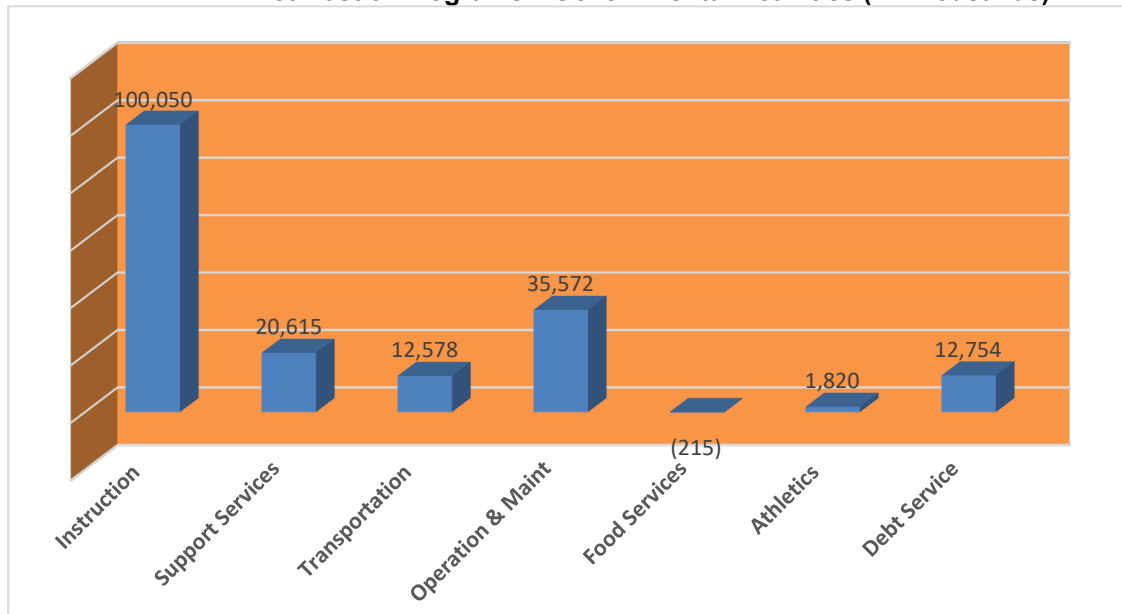
Revenues by Source – Governmental Activities:



**The School Board of the City of Roanoke, Virginia's
Summary of Changes in Net Position
Net Governmental Activities
Net Cost of Programs - Governmental Activities**

	Year Ended June 30,	
	2024	2023
Revenues:		
Program Revenues:		
Charges for services	\$ 3,424,797	\$ 6,994,083
Operating grants and contributions	98,938,759	111,138,873
Capital Grants and Contributions	8,861,152	-
General Revenues:		
Payments from the City of Roanoke	102,839,462	96,177,037
State aid not restricted to specific programs	88,377,939	83,026,300
Interest Income on Investments	2,648,433	1,910,199
Other(Miscellaneous on Exhibit 2)	709,872	1,164,759
Total Revenues	<u>305,800,414</u>	<u>300,411,251</u>
Expenses:		
Instruction	199,442,059	175,577,983
Support Services	20,642,860	20,394,602
Transportation	12,578,326	10,938,682
Operation & Maintenance of Plant	35,572,040	41,591,438
Food Services	11,278,798	10,547,129
Athletics	2,131,965	2,021,948
Payments for Debt Service	12,753,544	11,791,878
Total Expenses	<u>294,399,592</u>	<u>272,863,660</u>
Change in net position	11,400,822	27,547,591
Net position - Beginning of year	(19,261,786)	(46,809,377)
Net position - End of year	<u>\$ (7,860,964)</u>	<u>\$ (19,261,786)</u>

Net Cost of Programs – Governmental Activities (In Thousands):



Financial Analysis of the Governmental Funds

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

Governmental Fund – The focus of the School Board's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School Board's financing requirements. Unassigned *fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the School Board's total governmental funds reported an ending fund balance of \$61,520,821, an increase of \$29,689 in comparison with the prior year. Of the ending fund balance, \$129,914 was non-spendable, \$250,000 was committed for transportation sinking fund, \$5,000,000 was committed for transitional costs associated with the end of pandemic relief funding, \$26,219,913 was committed for capital projects, \$5,892,953 was assigned for Food Services, and \$22,855,561 was unassigned.

The general fund is the chief operating fund of the School Board. At the end of the current fiscal year, total fund balance of the general fund was \$28,235,475. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. The fiscal year 2024 total fund balance represents 12.7% of total general fund expenditures, compared to the prior year total fund balance which represented 11.9% of total general fund expenditures. Per School Board Policy DBA, RCPS is required to maintain a minimum amount of unassigned fund balance in the General Fund as a revenue stabilization reserve. In FY 2024, that required minimum was \$12.4 million.

The fund balance of the School Board's general fund increased \$3,051,775 during the current fiscal year, however, \$5.0 million from general fund balance was transferred to the capital fund during the year. There was a net decrease in fund balance in the capital fund of \$2.8 million due to fund utilization on ongoing capital projects.

Revenues exceeded expenditures (excluding transfers and lease/SBITA's) by \$8,328,989 or approximately 3.6% of total revenues. The overall variance was largely due to higher than anticipated investment income, along with higher than budgeted revenue from the City of Roanoke due to revenue collections exceeding expectations during the fiscal year.

Revenues were less than budget by \$1.3 million. The largest impact on revenue was due to All-In funding from Virginia that was budgeted in fiscal year 24, however, due to the state allowing school divisions to carry over the revenue to the following year, a significant portion of the revenue that was unspent was carried over to fiscal year 25 and remains in unearned revenue. Additionally, other revenue received was only 15% of budgeted revenue. Other revenue is unpredictable and fluctuates from year to year, so it is not uncommon for the budgeted revenue to vary from actual.

Expenditures were less than the budget due to a variety of reduced costs in fiscal year 2024 including lower than anticipated personnel and benefits costs due to vacant positions, and additional federal pandemic relief funds and other grant funds that were available for educational expenditures. Overall expenditure was \$9.6 million less than what was budgeted. Federal pandemic relief funds were used for instructional and administrative costs lessening the need for anticipated school board funds.

Transfers to the school grants fund for program local match funds, in the amount of \$1,778,726 reflect the commitment of the School Board to pursue grants and other special revenue sources that enhance the educational programs of the division.

The school grants fund does not reflect a fund balance, as the majority of the grants are reimbursed after the expenditure of funds has occurred. Revenue is recognized at the time that the outlays are identified; therefore, no fund balances are generated in the school grants fund.

The Capital Fund balance decreased due to ongoing projects that were in progress during the year. The School Board approved a budget transfer of \$5,040,000 from the general fund balance to the capital fund for ongoing projects. Most of the expenditures during fiscal year 24 were related to renovations to the administrative office building that was purchased in fiscal year 22.

Capital Asset Administration

Land, buildings, structures, and construction in progress are owned by the City of Roanoke on behalf of the Roanoke City Public Schools and, as such, are not included in the basic financial statements of the School Board of the City of Roanoke.

The School Board's investment in capital assets for its governmental activities as of June 30, 2024, totaled \$45,336,751 (net of accumulated depreciation). The investment in capital assets includes construction in progress, equipment and building improvements. The total increase in the School Board's gross balance of capital assets for the current fiscal year was \$12,394,154, netted against the retirement of assets with a net book value of \$13,374 and depreciation expense for the year of \$4,741,617, resulting in a net decrease in capital assets of \$12,715,797. The total increase in leases and subscriptions was \$2,418,517 netted against disposals of \$737,869 for a net change in leases and subscriptions less amortization of \$1,115,202. More detailed information about capital assets, leases and subscriptions can be found in Notes I-D-3, II, and III-C of the basic financial statements.

Requests for Information

This financial report is designed to provide a general overview of the School Board's finances for all those with an interest in the School Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer for Roanoke City Public Schools, P.O. Box 13145, Roanoke, Virginia, 24031, and telephone number (540) 853-1347.

Additional information may be obtained using the internet at: <http://www.rcps.info>.

**THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA
Statement of Net Position
June 30, 2024**

<u>Assets</u>	<u>Governmental Activities</u>
Cash and Cash Equivalents	\$ 56,942,937
Accounts Receivable	3,951,817
Due From City of Roanoke	1,424,960
Due From Other Governments	24,989,985
Prepays and Other Assets	129,914
Net Pension and Other Post Employment Benefit Assets	1,197,506
Capital Assets:	
Nondepreciable	1,318,742
Depreciable, Net	48,623,470
Total Assets	138,579,331
 <u>Deferred Outflows of Resources</u>	
Deferred outflows related to Pensions and Other Post Employment Benefits (Note III. K.)	52,819,711
Total Deferred Outflows	52,819,711
 <u>Liabilities</u>	
Accounts Payable and Accrued Expenses	12,674,983
Unearned Revenue	8,659,574
Claims Payable and Long-Term Liabilities Due Within One Year	8,988,540
Long-Term Liabilities Due in More Than One Year:	
Notes and Leases Payable	15,343,263
Compensated Absences Payable	2,812,185
Net Pension and Other Post Employment Benefits liability (Note III. K.)	136,077,832
Total Liabilities	184,556,377
 <u>Deferred Inflows of Resources</u>	
Deferred inflows related to Pensions and Other Post Employment Benefits (Note III. K.)	14,703,629
Total Deferred Inflows	14,703,629
 <u>Net Position</u>	
Net Investment in Capital Assets	31,264,470
Restricted - Pension and Other Post Employment Benefit Assets	1,197,506
Unrestricted	(40,322,940)
Total Net Position	\$ (7,860,964)

See accompanying notes to the basic financial statements.

THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA
Statement of Activities
For the Year Ended June 30, 2024

Functions	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Instruction:					
Regular Instruction	\$ (117,618,678)	\$ 135,656	\$ 65,143,469	\$ 8,861,152	\$ (43,478,401)
Special Education	(43,550,658)	1,085,075	18,738,048	-	(23,727,535)
Vocational Instruction	(6,004,164)	-	1,172,627	-	(4,831,537)
Gifted	(1,770,904)	1,461,186	1,061,373	-	751,655
Guidance	(6,718,357)	-	-	-	(6,718,357)
Media Services	(3,546,120)	-	60,547	-	(3,485,573)
School Administration	(15,685,808)	-	-	-	(15,685,808)
District-Wide Instructional Programs	(4,547,370)	-	1,672,499	-	(2,874,871)
Support Services:					
Administration	(17,246,756)	2,305	-	-	(17,244,451)
Attendance and Health Services	(3,396,104)	-	24,977	-	(3,371,127)
Transportation	(12,578,326)	-	-	-	(12,578,326)
Operation & Maintenance of Plant	(35,572,040)	-	-	-	(35,572,040)
Food Services	(11,278,798)	428,920	11,065,219	-	215,341
Athletics	(2,131,965)	311,655	-	-	(1,820,310)
Debt Service - Note and Lease	(1,270,986)	-	-	-	(1,270,986)
Debt Service - City of Roanoke	(11,482,558)	-	-	-	(11,482,558)
Total Governmental Activities	<u>\$ (294,399,592)</u>	<u>\$ 3,424,797</u>	<u>\$ 98,938,759</u>	<u>\$ 8,861,152</u>	<u>(183,174,884)</u>
General Revenues:					
Revenues from the City of Roanoke					102,839,462
State Aid not Restricted to a Specific Program					88,377,939
Miscellaneous					709,872
Interest Income on Investments					2,648,433
Total General Revenues					<u>194,575,706</u>
Change in Net Position					11,400,822
Net Position - Beginning of Year					<u>(19,261,786)</u>
Net Position - End of Year					<u>\$ (7,860,964)</u>

See accompanying notes to the basic financial statements.

THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2024

Assets	General Fund	Food Service Fund	School Grants Fund	Capital Fund	School Activity Fund	Total Governmental Funds
Assets:						
Cash and Cash Equivalents	\$ 22,257,858	\$ 5,990,091	\$ -	\$ 27,486,367	\$ 1,208,621	\$ 56,942,937
Accounts Receivable	751,817	-	3,200,000	-	-	3,951,817
Due From City of Roanoke	1,424,960	-	-	-	-	1,424,960
Due From Other Governments	3,157,118	306,448	21,526,419	-	-	24,989,985
Due From Other Funds	13,063,224	-	-	-	-	13,063,224
Prepays and Other Assets	129,914	-	-	-	-	129,914
Total Assets	\$ 40,784,891	\$ 6,296,539	\$ 24,726,419	\$ 27,486,367	\$ 1,208,621	\$ 100,502,837
Liabilities, Deferred Inflows and Fund Balances						
Liabilities:						
Accounts Payable and Accrued Expenditures	\$ 7,930,208	\$ 403,586	\$ 3,003,621	\$ 1,266,454	\$ 36,141	\$ 12,640,010
Claims Payable	4,619,208	-	-	-	-	4,619,208
Due to Other Funds	-	-	13,063,224	-	-	13,063,224
Unearned Revenue	-	-	8,659,574	-	-	8,659,574
Total Liabilities	12,549,416	403,586	24,726,419	1,266,454	36,141	38,982,016
Fund Balances:						
Non-spendable:	129,914	-	-	-	-	129,914
Committed:						
Committed for Transportation Sinking Fund	250,000	-	-	-	-	250,000
Committed for Capital Projects	-	-	-	26,219,913	-	26,219,913
Committed for Transitional Costs Associated with the End of Pandemic-Relief Funding	5,000,000	-	-	-	-	5,000,000
Assigned:	-	5,892,953	-	-	1,172,480	7,065,433
Unassigned:	22,855,561	-	-	-	-	22,855,561
Total Fund Balances	28,235,475	5,892,953	-	26,219,913	1,172,480	61,520,821
Total Liabilities, Deferred Inflows and Fund Balances	\$ 40,784,891	\$ 6,296,539	\$ 24,726,419	\$ 27,486,367	\$ 1,208,621	\$ 100,502,837

Amounts reported for governmental activities in the statement of net position are different due to:

Capital assets used in governmental activities are not current financial resources	49,942,212
Note and Leases Payable	(17,359,000)
Amount due to City pertaining City held construction in progress assets	(1,318,742)
Accrued Interest payable on leases	(34,973)
The following two reconciling items are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences payable	(3,847,038)
Pensions and Other Post Employment Benefits are applicable to future periods and, therefore, are not reported in the funds.	
therefore, are not reported in the funds.	
Net Pension and Other Post Employment Asset	1,197,506
Net Deferred outflows related to pensions and other post employment benefits	52,819,711
Net Deferred inflows related to pensions and other post employment benefits	(14,703,629)
Net pension and other post employment liability	(136,077,832)
	(96,764,244)

Net position of governmental activities \$ (7,860,964)

See accompanying notes to the basic financial statements.

**THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024**

	General Fund	Food Service Fund	School Grants Fund	Capital Fund	School Activity Fund	Total Governmental Funds
Revenues:						
Investment Income	\$ 2,648,433	\$ -	\$ -	\$ -	\$ -	\$ 2,648,433
Intergovernmental:						
City of Roanoke	102,839,462	-	-	-	-	102,839,462
Commonwealth of Virginia	125,387,295	207,984	23,313,566	-	-	148,908,845
Federal Government	-	10,857,235	36,389,314	-	-	47,246,549
Other Agencies	-	-	907,919	-	-	907,919
Charges for Services	136,858	443,800	1,085,075	-	767,974	2,433,707
Athletics	241,671	-	-	-	69,986	311,657
Miscellaneous	42,521	-	-	-	461,321	503,842
Total Revenues	<u>231,296,240</u>	<u>11,509,019</u>	<u>61,695,874</u>	<u>-</u>	<u>1,299,281</u>	<u>305,800,414</u>
Expenditures:						
Current - Education:						
Instruction	155,369,460	-	49,948,393	-	1,187,551	206,505,404
Administration, Technology, Attendance & Health	17,592,327	-	489,091	-	-	18,081,418
Transportation	12,858,896	-	2,418	-	-	12,861,314
Operation & Maintenance of Plant	22,274,135	-	11,786,731	7,795,878	-	41,856,744
Food Services	-	11,529,727	2,822	-	-	11,532,549
Athletics	2,118,889	-	3,633	-	57,230	2,179,752
Payments for Leases and SBITA Assets	2,418,517	-	-	-	-	2,418,517
Payments for Debt Service - Lease	1,270,986	-	-	-	-	1,270,986
Payments for Debt Service - City of Roanoke	11,482,558	-	-	-	-	11,482,558
Total Expenditures	<u>225,386,768</u>	<u>11,529,727</u>	<u>62,233,088</u>	<u>7,795,878</u>	<u>1,244,781</u>	<u>308,189,242</u>
Revenues Over (Under) Expenditures	<u>5,910,472</u>	<u>(20,708)</u>	<u>(537,214)</u>	<u>(7,795,878)</u>	<u>54,500</u>	<u>(2,388,828)</u>
Other Financing Sources (Uses):						
Leases and SBITA Assets	2,418,517	-	-	-	-	2,418,517
Transfers From Other Funds	3,771,228	-	1,778,726	5,040,000	-	10,589,954
Transfers To Other Funds	(9,048,442)	(300,000)	(1,241,512)	-	-	(10,589,954)
Other Financing Sources (Uses), Net	<u>(2,858,697)</u>	<u>(300,000)</u>	<u>537,214</u>	<u>5,040,000</u>	<u>-</u>	<u>2,418,517</u>
Net Change in Fund Balances	3,051,775	(320,708)	-	(2,755,878)	54,500	29,689
Fund Balances, Beginning of Year	<u>25,183,700</u>	<u>6,213,661</u>	<u>-</u>	<u>28,975,791</u>	<u>1,117,980</u>	<u>61,491,132</u>
Fund Balances, End of Year	<u>\$ 28,235,475</u>	<u>\$ 5,892,953</u>	<u>\$ -</u>	<u>\$ 26,219,913</u>	<u>\$ 1,172,480</u>	<u>\$ 61,520,821</u>
Net Change in Fund Balances						<u>\$ 29,689</u>
Amounts reported for governmental activities in the Statement of Activities are different due to:						
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown as capital assets in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which purchases in the current period exceeded capital asset depreciation expense and losses on disposal.						(12,715,797)
Other financing sources - Leases and SBITA assets						(1,303,315)
Note and lease payments not reflected in governmental activities						2,303,218
Accrued interest on leases and subscriptions payable						(8,494)
Amount due to City pertaining City held construction in progress assets						16,796,410
Increase in compensated absences payable reported in the Statement of Activities, represent a use of current financial resources and therefore are reported as expenditures in governmental funds. Amounts were previously recorded in the statement of activities.						(37,392)
Governmental funds report employer pension contributions and other postemployment benefits as expenditures. However, in the statement of activities the cost of these benefits earned, net of employee contributions, is reported as an expense.						
Employer pension and other post employment contributions			21,177,916			
Net Pension and Other Post Employment Benefits Expense			<u>(14,841,413)</u>			<u>6,336,503</u>
Change in net position of governmental activities						<u>\$ 11,400,822</u>

See accompanying notes to the basic financial statements.

THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA
Notes to the Basic Financial Statements June 30, 2024

I. Summary of Significant Accounting Policies

A. Reporting Entity

The School Board of the City of Roanoke, Virginia (School Board) is a corporate body operating under the constitution of Virginia and the *Code of Virginia*. The City Council appoints the seven members of the School Board to serve three-year terms. The School Board is responsible for setting the educational policies of the Roanoke City Public Schools and employs a superintendent to implement the School Board's policies.

The School Board receives funding from local taxes collected and allocated by the City of Roanoke, Virginia (City) using a funding formula whereby certain local taxes were apportioned in the amount of 40.0% to the schools. It also receives funding from tuition and fees, and from state and federal aid. Beginning in fiscal year 2012, the apportionment rate changed to 40% (from 36.42%) with the School Board assuming responsibility for additional debt service previously serviced by the City of Roanoke. The School Board is considered to be a component unit of the City because the City Council approves the School Board's budget, levies the necessary taxes to finance operations, and issues debt on behalf of the School Board. The School Board is fiscally dependent on the City and its operations are funded in part by payments from the City's general fund. The City Council is prohibited, however, from exercising control over School Board expenditures at the functional and budgetary line-item levels.

The financial statements of the School Board have been prepared in conformity with U. S. generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

All activities over which the School Board exercises financial accountability have been combined to form the School Board reporting entity. Financial accountability is determined by financial interdependency, selection of governing board, designation of management, responsibility for financial matters and the ability to significantly influence operations. Such activities include the general operations and support services of the School Board and school food services. The School Board has no component units.

B. Government-wide and Fund Financial Statements

Management's Discussion and Analysis (MD&A) - MD&A introduces the basic financial statements and provides an analytical overview of the School Board's financial activities in a narrative format. An analysis of the School Board's overall financial position and results of operations is included to assist users in assessing whether the financial position has improved or deteriorated as a result of the year's activities.

Government-wide Financial Statements - The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the School Board. The effect of interfund activity has been removed from these statements. The interfund services provided and used, however, are not eliminated in the process of consolidation. Governmental activities are normally supported by taxes and intergovernmental revenues. The School Board does not operate any business-type activities.

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, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental funds. Individually major governmental funds are reported as separate columns in the fund financial statements.

Budgetary Comparison Schedules - These schedules are presented to demonstrate whether resources were obtained and used in accordance with the district's legally adopted budgets. The School Board revises the original budget over the course of the year for various reasons as necessary. Under the current reporting model, budgetary information continues to be provided and includes comparisons of the district's original adopted budget to the final budget and actual results.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School Board considers non-grant related revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

Interest income and grant revenue associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the district.

The School Board reports the following major governmental funds:

The *General Fund* is the School Board's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Food Service Fund* is a special revenue fund that accounts for the proceeds of specific revenue sources, legally restricted to the operation of the school food service program. The primary source of funding comes from the National School Lunch Program and the School Breakfast Program as provided by the Federal Government. Operational receipts, while not legally restricted are intended to fund school nutrition operations and thus are shown as assigned.

The *School Grants Fund* is a special revenue fund that accounts for the proceeds of specific revenue sources (other than the school food service program) that are restricted to expenditures for specified purposes. The primary source of grant funding comes from awards made by the Federal Government with most of the remaining funding coming from the Commonwealth of Virginia.

The *Capital Fund* accounts for financial resources to be used for the acquisition of capital assets that are not financed by the General Fund.

The *School Activity Fund* accounts for assets held by the twenty-four Roanoke City Public Schools, the vocational school (Gibboney), the Roanoke Valley Regional Governor's School, the Noel C. Taylor Learning Academy, Forest Park Academy, and the Adult Education program. The primary source of revenue for this fund are collections from students and donations. The proceeds are collected to support cocurricular and extracurricular student activities.

When both restricted and unrestricted resources are available for use, the school's policy is to use restricted resources first, then unrestricted resources as they are needed.

The Food Service and School Grants are special revenue funds that provide accounting for certain federal, state, and other grants awarded to the School Board.

The effect of interfund activity has been eliminated from the government-wide financial statements. The interfund services provided and used, however, are not eliminated in the process of consolidation.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balances

1. Deposits and Investments

The School Board'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. Short-term investments consist of the Local Government Investment Pool (LGIP) and the Virginia Investment Pool (VIP). Interest income is allocated to the participating funds based on each fund's cash balance. School activity funds are managed by the individual school principals. Cash and cash equivalents are recorded at cost, which approximates fair value.

2. Due to/from Other Governments and Other Funds

Transactions between funds and other entities that are representative of the recognition of revenues or expenditures are referred to as "due to/from" the other funds or entities. "Other Funds" are funds managed by the School Board. "Other Governments" can include the Federal Government, the Commonwealth of Virginia (Commonwealth), or school divisions other than the City of Roanoke. Amounts due to the General Fund from the Grants Fund at June 30, 2024 are \$13,063,224. There are no other amounts due to or from any other fund.

3. Capital Assets

Capital assets acquired or constructed for educational purposes of the School Board, which include equipment acquired with a value of \$5,000 or greater, are reported in governmental activities in the entity-wide financial statements. Such assets are recorded at historical cost if purchased or constructed. Gifts, contributions or donated capital assets are recorded at acquisition value when received. Depreciation is recorded on a straight-line basis over the estimated useful life of each asset. The estimated useful life for equipment ranges from 3-20 years.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Pursuant to the Roanoke City Charter, all real estate, including buildings and improvements thereon, financed by debt issued by the City, or otherwise acquired for the purpose of public education, is the property of the City of Roanoke. The buildings range in age from 2 to 102 years and it is the school board's responsibility to maintain and upgrade the buildings as needed. An annual five-year capital plan is approved by the School Board and the Roanoke City Council every year to identify the structures that need improvements or require replacement. The capital fund, established in 2021-22 fiscal year, commits funds for the purpose of capital outlays and equipment. Capital facilities acquired or constructed with the school board's capital fund become assets of the city upon completion of the acquisition or construction.

4. Compensated Absences Payable

It is the School Board's policy to permit employees to accumulate earned but unused compensated absences including vacation and sick leave. For government-wide financial reporting, a liability is recorded for compensated absences and salary-related benefits (the School Board's share of Social Security) when services are rendered, and employees have earned the right to receive compensation for such services.

Sick leave is payable for employees who retire or resign with ten years of benefited service with the School Board. The maximum unused sick leave days that can be paid out are 180. An estimate of the sick leave liability has been included with compensated absences based on current accumulated sick leave and management's estimate of those employees who will ultimately receive this payout. The liability for compensated absences will be liquidated through the general fund as a function of payroll.

Liabilities for compensated absences are not liquidated until leave is actually taken by employees or leave balances are paid upon termination. Accordingly, no expenditure is reported in the governmental fund statements for compensated absences until they are due for payment. Current (amounts expected to be paid within one year) and non-current portions of compensated absences totaling \$3,847,038 are recorded for governmental activities in the entity-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

5. *Leases and Subscriptions*

Lease and subscription liabilities are recognized as right-to-use assets in the financial statements. The School Board recognizes these liabilities with an initial value of \$5,000 or more. The liability is measured at the present value of payments expected to be made during the lease/subscription term.

Subsequently, the liabilities are reduced by the principal portion of the payments made at or before the commencement date, plus certain initial direct costs. The payments are amortized on a straight-line basis over their useful life. Interest rates are calculated using the lessors/vendors discount rate. If there is no discount rate provided, the estimated incremental borrowing rate is used as the discount rate for the leases and subscriptions.

Lease and subscription liabilities are reported with long term debt on the statement of net position.

6. *Unearned Revenue*

Unearned revenue represents revenue that is initially recorded as a liability but is expected to become an asset over time and/or through normal operations, such as a payment that has been received for work that has not yet been performed. Total unearned revenue at June 30, 2024 was \$8,659,574, all of which represents grant and similar funds intended for future periods.

7. *Deferred Inflows and Outflows*

In addition to assets, the statements that present net position report a separate section for deferred outflows of resources. These items represent a consumption of net assets that applies to future periods.

In addition to liabilities, the statements that present financial position reports a separate section for deferred inflows of resources. These items represent an acquisition of net assets that applies to future periods.

8. *Pensions and Other Postemployment Benefits (OPEB)*

For purposes of measuring all financial statement elements related to pension and OPEB plans, information about the fiduciary net position of the School Board's Plans and the additions to/deductions from the School Board's Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The liability for pensions and OPEB will be liquidated through the general fund as a function of payroll.

9. *Prepays*

Prepays represent payments made during a fiscal year which apply to benefits to be received in a subsequent fiscal year. Prepaid expenses are assets which are gradually consumed or used over time. The items recorded as prepaid expenses are usually regularly recurring costs of operations. For example, prepaid equipment rental, software licenses not considered leases, and insurance are items classified as prepaids. The School Board utilizes the consumption method of accounting for prepaid items.

10. *Fund Balances and Net Position.*

Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the School Board is bound to observe constraints imposed upon the use of the resources in the governmental funds.

The classifications are as follows:

Non-spendable – Amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed – Amounts constrained to specific purposes by the School Board, using its highest level of decision-making authority; amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action used previously to commit those amounts.

Assigned – Amounts the School Board intends to use for a specified purpose; intent can be expressed by the governing body.

Unassigned – Amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board establishes fund balance commitments by passage of a resolution. This is typically done in conjunction with adoption and amendment of the budget. Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

Restricted Amounts

The Board applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Minimum Fund Balance Policy

The School Board does not have specified fund balance targets; however, the School Board adopted a Fund Balance Management policy (Policy DBA) on March 28, 2017, that stipulated a minimum of \$10 million will be held as a reserve to serve as a stabilization fund within the unassigned fund balance. The total required minimum stabilization fund for each fiscal year will be calculated based on the U.S. Bureau of Labor Statistics Consumer Price Index Inflation Calculator by March of each year and will be noted in the adopted budget documents for the subsequent fiscal year. During fiscal year 24, the minimum fund balance was adjusted to 12.4 million.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Management's policy is to cancel all open purchase orders at June 30 each year. Orders will then be reissued if necessary, during the new fiscal year. Therefore, no encumbrances of fund balance exist as of June 30, 2024.

E. Intergovernmental Revenue

Revenue from specific purpose federal, state, and other grants, which are provided to fund specific program expenditures, is recognized at the time that the specific expenditures are incurred and have met all eligibility requirements for reimbursement. Revenue from general purpose grants is recognized as revenue when all eligibility requirements are met and are considered available if they are collected within one year of the end of the current fiscal year.

F. Interfund Transactions

In the governmental fund financial statements, the flow of cash from one fund to another is classified as "transfers to/from other funds" and is reported as other financing sources/uses. These amounts are eliminated in the government-wide Statement of Activities.

G. Use of Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

H. Tax Status

The School Board, as a governmental entity, is not subject to federal, state, or local income taxes and, accordingly, no provision for income taxes is recorded.

II. Details of the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

One element of that reconciliation explains that "the acquisitions of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown as capital assets in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital asset purchases in the current period exceeded depreciation expense and the net book value of capital assets disposed". The details of this \$(12,715,797) difference are as follows:

	Capital Outlay	Depreciation Expense	Net Book Value of Assets Disposed	Net Change in Capital Assets
Construction in Progress	\$ 1,318,742	\$ -	\$ (20,354,960)	\$ (19,036,218)
Equipment and vehicles	3,096,323	(1,125,503)	(13,374)	1,957,446
Improvements	7,979,089	(3,616,114)	-	4,362,975
				-
	<u>\$ 12,394,154</u>	<u>\$ (4,741,617)</u>	<u>\$ (20,368,334)</u>	<u>\$ (12,715,797)</u>

Another element of that reconciliation states that certain liabilities such as compensated absences reported in the statement of activities, do not represent a use of current financial resources and, therefore, are not reported as expenses in governmental funds. The details of this \$(37,392) difference are as follows:

	<u>Compensated Absences</u>
Liability as of June 30, 2023	\$ 3,809,646
Liability as of June 30, 2024	<u>3,847,038</u>
Current Year Increase (Decrease)	<u>\$ (37,392)</u>

III. Detailed Notes on Government-wide and Fund Financial Statements

A. Deposits and Investments

The School Board manages its own cash balances and invests excess cash with the Local Government Investment Pool, (LGIP), and the Virginia Stable NAV Liquidity Pool (VIP). Cash balances of the School Activity Fiduciary funds are deposited into a single bank account but with accountability by each school and club or activity assured through the accounting system used by Roanoke City Public Schools. Interest income is allocated to the participating schools based on each school's average quarterly cash balance.

Investment Policy. RCPS follows the investment policy of the City of Roanoke as adopted by City Council (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. Preservation of principal is the City's primary responsibility in making investment decisions and these decisions are made with the assumption that all investments will be held to maturity unless a specific case warrants otherwise.

The Policy limits investment maturities to five years maximum maturity for any negotiable certificate of deposit or any sovereign government obligation excluding those of the United States and to five years for any single corporate security or any single asset-backed security.

As of June 30, 2024, the School Board's investments, with its respective credit ratings, were as follows:

<u>Investment Type</u>	<u>Credit Rating</u>
Virginia LGIP	AAAm
Virginia Stable NAV Liquidity Pool (VIP)	AAAm

The State Treasurer's Office of the Commonwealth of Virginia has regulatory oversight over the LGIP. RCPS' fair value of investment in the LGIP is the same as the pooled value of its shares. As required by state statute, the Policy requires that commercial paper have a short-term debt rating of no less than "A-1" (or its equivalent) from at least two of the following: Moody's Investors Service, Standard and Poor's, and Fitch Investor's Service, provided that the issuing corporation has a net worth of at least \$50 million and its long-term debt is rated "A" or better by Moody's and Standard and Poor's. Banker's acceptances and Certificates of Deposit maturing in less than one year must have a short-term debt rating of at least "A-1" by Standard and Poor's and "P-1" by Moody's Investor Service.

The Virginia LGIP issues a publicly available annual comprehensive financial report that includes basic financial statements and required supplementary information for LGIP. A copy of that report may be obtained from their website at <https://www.trsvirginia.gov/Cash/lqip.aspx> or by writing to the Virginia Department of the Treasury at 101 North 14th Street, Richmond, VA 23219.

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

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

The City's policy regarding certain types of investments is as follows:

Commercial Paper: Shall be rated by the Moody's Investors Service, Inc. (Moody's) of prime 1 and by Standard & Poor's Inc. (S & P), with a rating of A-1.

Corporate and Municipal Bonds: High quality corporate notes with a rating of at least Aa by Moody's and a rating of at least AA by S & P.

Banker's Acceptances: Must have a rating of B/C or better in the Keefe, Bruyette & Woods, Inc. ratings.

Savings Accounts, Certificates of Deposit, Demand and Time Deposits: Shall not exceed the maximum Security for Public Deposits Act.

Obligations of the Commonwealth: Those unconditionally guaranteed as to payment by the Commonwealth of Virginia.

Obligations of the United States, etc.: Those unconditionally guaranteed as to payment by the United States.

Repurchase Agreements: Collateralized by United States Treasury agency securities shall at all times be no less than 110% of the value of term and open repurchase agreements and 102% of the value of overnight repurchase agreements.

As of June 30, 2024, the School Board had the following cash and investments:

Cash	\$ 29,925
Deposits	6,676,284
Virginia LGIP	5,249,074
Virginia Stable NAV Liquidity Pool	<u>44,987,654</u>
Total Cash and Investments	<u><u>\$ 56,942,937</u></u>

Statements of net position:

Cash and cash equivalents	<u>56,942,937</u>
Total Cash and Investments	<u><u>\$ 56,942,937</u></u>

Credit risk, custodial credit risk, concentration of credit risk, and interest rate risk are addressed in the following paragraphs.

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 school divisions 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 State and Local Government Investment Pool (LGIP).

Custodial Credit Risk - Investments. For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the School Board will not be able to recover the value of its investments or collateral securities that are in 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 School Board’s name. The School Board does not hold any investments which are exposed to custodial credit risk.

Custodial Credit Risk - Deposits. Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 et.seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Concentration of Credit Risk. The Policy establishes limitations on portfolio composition by issuer in order to control concentration of credit risk. No single issue shall constitute more than five percent of the total value of the portfolio, except United States Treasury and Federal Agency obligations. Not more than thirty-five percent of the total funds available for investment may be invested in commercial paper, and no single industry group, as defined by Standard and Poor’s, shall constitute more than twenty percent of the bond portfolio.

As of June 30, 2024, 90.0 percent of the School Board’s investment portfolio was invested in the Virginia Stable NAV Liquidity Pool and 10.0 percent was invested in the Virginia Investment Pool.

Interest Rate Risk. The City’s investment policy which RCPS follows limits maturities to a maximum of five years as a means of managing its exposure to fair value losses arising from increasing interest rates.

B. Due from Other Governments

Due from other governments as of June 30, 2024, for the School Board's individual major funds is as follows:

	<u>General</u>	<u>Food Service</u>	<u>School Grants</u>	<u>Total</u>
Commonwealth of Virginia	\$ 3,157,118	\$ -	\$ -	\$ 3,157,118
Federal Government	-	306,448	21,526,419	21,832,867
City of Roanoke	1,424,960	-	-	1,424,960
Totals	<u>\$ 4,582,078</u>	<u>\$ 306,448</u>	<u>\$ 21,526,419</u>	<u>\$ 26,414,945</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2024 is as follows:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>
Capital Assets (not depreciated):				
Construction in Progress	\$ 20,354,960	\$ 1,318,742	\$ 20,354,960	\$ 1,318,742
Total capital assets not being depreciated	<u>\$ 20,354,960</u>	<u>\$ 1,318,742</u>	<u>\$ 20,354,960</u>	<u>\$ 1,318,742</u>
Capital Assets (depreciated):				
Equipment and vehicles	\$ 11,071,835	\$ 3,096,323	\$ 258,505	\$ 13,909,653
Improvements	<u>40,881,449</u>	<u>7,979,089</u>	<u>-</u>	<u>48,860,538</u>
Total capital assets being depreciated	<u>\$ 51,953,284</u>	<u>\$ 11,075,412</u>	<u>\$ 258,505</u>	<u>\$ 62,770,191</u>
Less: Accumulated Depreciation	<u>\$ (12,936,954)</u>	<u>\$ (4,741,617)</u>	<u>\$ 245,131</u>	<u>\$ (17,433,440)</u>
Total capital assets being depreciated, net	<u>\$ 39,016,330</u>	<u>\$ 6,333,795</u>	<u>\$ 13,374</u>	<u>\$ 45,336,751</u>
Lease and Subscription Assets:				
Equipment, Vehicles, Software	\$ 3,580,161	\$ 2,418,517	\$ 737,869	\$ 6,736,547
Less: Accumulated Amortization	<u>(1,408,644)</u>	<u>(1,303,315)</u>	<u>(737,869)</u>	<u>(3,449,828)</u>
Total lease and Subscription assets being amortized	<u>\$ 2,171,517</u>	<u>\$ 1,115,202</u>	<u>\$ -</u>	<u>\$ 3,286,719</u>
Capital assets, net	<u>\$ 61,542,807</u>	<u>\$ 8,767,739</u>	<u>\$ 20,368,334</u>	<u>\$ 49,942,212</u>

Depreciation expense and accumulated depreciation was allocated as follows:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2024</u>
Depreciation per class:				
Equipment and vehicles	\$ (6,516,633)	\$ (1,125,503)	\$ 245,131	\$ (7,397,005)
Improvements	<u>(6,420,321)</u>	<u>(3,616,114)</u>	<u>-</u>	<u>(10,036,435)</u>
Accumulated Depreciation	<u>\$ (12,936,954)</u>	<u>\$ (4,741,617)</u>	<u>\$ 245,131</u>	<u>\$ (17,433,440)</u>

Land, buildings, structures, and construction in progress are owned by the City of Roanoke on behalf of the Roanoke City Public Schools and, as such, are not included in the basic financial statements of the School Board of the City of Roanoke. Capital assets shown in this report reflect expenditures of the School Board's operating funds.

The School Board entered into contracts for building improvements for Breckenridge Middle School, Morningside Elementary School, and the Charles W. Day Technical Education Center and the William B. Robertson Administration Building. Construction in progress, totaling \$1,318,742, was reported in the Capital Fund and Grant Fund. However, due to City code requirements, the assets will be reported as an asset of the City of Roanoke upon completion and at June 30, 2024 are reported as Due to the City of Roanoke and included in long-term liabilities due within one year on the Statement of Net Position.

D. Transfers

Transfers from the School Grants Fund to the General Fund represent local match requirements and indirect costs. Transfers from Food Service to the General Fund represent indirect costs associated with that fund.

Inter-fund transfers consisted of the following as of June 30, 2024:

From:	To General Fund	To School Grants	To Capital	Total
General Fund	\$ 2,229,716	\$ 1,778,726	\$ 5,040,000	\$ 9,048,442
Food Service	300,000	-	-	300,000
School Grants	1,241,512	-	-	1,241,512
	<u>\$ 3,771,228</u>	<u>\$ 1,778,726</u>	<u>\$ 5,040,000</u>	<u>\$ 10,589,954</u>

Due to/from Other Funds

Interfund receivables and payable amounts between the General Fund and the School Grants Fund arise due to short-term cash needs of funds, which are repaid within one year from the date of the financial statements.

	General Fund	School Grants Fund	Total
Due From other Funds	\$ 13,063,224	\$ -	\$ 13,063,224
Due To Other Funds	-	(13,063,224)	(13,063,224)
	<u>\$ 13,063,224</u>	<u>\$ (13,063,224)</u>	<u>\$ -</u>

E. Accounts Payable and Accrued Expenditures

The composition of accounts payable and accrued expenditures as of June 30, 2024, is as follows:

	General	Food Service	School Grants	School Activity	Capital	Total
Accrued Payroll	\$ 444,350	\$ 908	\$ 816,823	\$ 2,150	\$ -	\$ 1,264,231
Payroll Withholdings	2,102,142	20,107	1,357,675	152	-	3,480,076
Accounts Payable	5,383,716	382,571	829,123	33,839	1,266,454	7,895,703
Totals	<u>\$ 7,930,208</u>	<u>\$ 403,586</u>	<u>\$ 3,003,621</u>	<u>\$ 36,141</u>	<u>\$ 1,266,454</u>	<u>\$ 12,640,010</u>

F. Notes Payable

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% commenced 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 ending June 30, 2024, the total liability for the note payable was \$14,002,000. Interest payments in fiscal year 2024 totaled \$314,987. The change in notes payable is summarized below:

Balance June 30, 2023	\$ 14,958,000
Increases	-
Decreases	956,000
Balance June 30, 2024	<u>\$ 14,002,000</u>
Amount Due within one year	1,009,000
Balance in LT June 30, 2024	<u>\$ 12,993,000</u>

Principal and interest payments on the note are due as follows:

	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,009,000	\$ 294,245
2026	1,056,000	272,401
2027	1,116,500	249,476
2028	1,152,000	225,396
2029	1,198,500	200,497
2030-2034	6,872,500	588,350
2035	1,597,500	25,643

G. Leases and Subscriptions

In 2022, the School Board implemented the guidance of GASB No. 87, Leases, which for lessees requires reporting an intangible right to use asset and a lease liability for leases that had previously been reported as operating and capital leases.

In 2023, the School Board implemented the guidance of GASB No. 96, Subscription-Based Information Technology Arrangements (SBITAs), which establishes a single model for subscription accounting based on the principle that subscriptions are financings of right to use an underlying asset. The School Board is required to recognize a subscription liability and an intangible right-to-use subscription asset.

Interest rates for leases and subscriptions are calculated using the lessors/vendors discount rate which ranges from 1.00% to 3.00%.

A summary of significant leases and subscriptions as the lessee are as follows:

	<u>Leases</u>	<u>Subscriptions</u>
Balance June 30, 2023	\$ 1,175,840	\$ 1,109,861
Increases	1,653,810	764,707
Decreases	(591,904)	(755,314)
Balance June 30, 2024	\$ 2,237,746	\$ 1,119,254
Amount Due within one year	571,371	435,366
Balance in LT June 30, 2024	<u>\$ 1,666,375</u>	<u>\$ 683,888</u>

Principal and interest payments on the note are due as follows:

	<u>Leases</u>		<u>Subscriptions</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 571,371	\$ 52,103	\$ 435,366	\$ 31,559
2026	585,542	36,785	411,671	19,382
2027	574,039	21,125	148,739	8,159
2028	501,126	6,630	100,899	3,518
2029	5,668	30	22,579	721

H. Claims Payable

As of June 30, 2024, the composition of claims payable includes amounts held to pay current health insurance claims is as follows:

	<u>General</u>	<u>Food Service</u>	<u>School Grants</u>	<u>Total</u>
Health Insurance	\$ 4,619,208	\$ -	\$ -	\$ 4,619,208
	<u>\$ 4,619,208</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,619,208</u>

I. Compensated Absences Payable

The change in compensated absences payable is summarized below:

Balance June 30, 2023	\$ 3,809,646
Increases	9,875,666
Decreases	<u>(9,838,274)</u>
Balance June 30, 2024	\$ 3,847,038
Amount Due within one year	<u>(1,034,853)</u>
Balance in LT June 30, 2024	<u>\$ 2,812,185</u>

Long-term payables are liquidated using general fund resources unless funds are otherwise committed in fund balance. See note III.H. for further details of commitments.

J. Fund Balances

Except for those required to comply with accounting standards, all commitments of governmental fund balances reflect City Code requirements or School Board and City Council action in the context of adoption of the School Board's budget.

The non-spendable portion of fund balance in the general fund is \$129,914 related to prepaid expenses.

Commitments at June 30, 2024, consist of the following:

General Fund:

\$250,000 for transportation sinking fund and \$5,000,000 committed for transitional costs associated with the end of pandemic-relief funding.

Capital Fund:

\$26,219,913 committed for future capital needs.

Assignments at June 30, 2024, consist of the following:

1) \$5,892,953 for the operational activities of the Food Service Fund. 2) \$1,172,480 for the operational activities of the Student Activity Fund.

K. Summary of Pension and Other Postemployment Benefit Elements

This table is included to provide additional detail of the net pension and OPEB asset, deferred outflows of resources related to pensions and OPEB, net pension and OPEB liabilities, and deferred inflows of resources related to pensions and OPEB on Exhibit 1. Detail of the plans follow in IV. Other Information.

	<u>Pensions</u>		<u>Other Post Employment Benefits</u>
Net pension asset		Net OPEB asset	
Non-Teachers VRS Multi Employer	\$ 1,163,937	VRS HIC, Non-Teachers	\$ 33,569
Total net pension asset	<u>\$ 1,163,937</u>	Total net OPEB asset	<u>\$ 33,569</u>
Deferred outflows of resources - Related to Pensions		Deferred outflows of resources - OPEB	
Teachers VRS Cost Sharing	\$ 45,369,915	VRS GLI	\$ 2,150,377
Non-Teachers VRS Multi Employer	352,023	VRS HIC, Teachers	3,328,126
City of Roanoke Pension	1,610,354	VRS HIC, Non-Teachers	8,916
Total deferred outflow of resources - Pensions	<u>\$ 47,332,292</u>	Total deferred outflow of resources - OPEB	<u>\$ 5,487,419</u>
Net pension liability		Net OPEB liability	
Teachers VRS Cost Sharing	\$ 112,518,457	VRS GLI	\$ 6,072,364
Non-Teachers VRS Multi Employer	-	VRS HIC, Teachers	13,485,862
City of Roanoke Pension	4,001,149	VRS HIC, Non-Teachers	-
Total net pension liability	<u>\$ 116,519,606</u>	Total net OPEB liability	<u>\$ 19,558,226</u>
Deferred inflows of resources - Related to Pensions		Deferred inflows of resources - OPEB	
Teachers VRS Cost Sharing	\$ 12,683,829	VRS GLI	\$ 962,508
Non-Teachers VRS Multi Employer	80,426	VRS HIC, Teachers	833,845
City of Roanoke Pension	121,413	VRS HIC, Non-Teachers	21,608
Total deferred inflow of resources - Pensions	<u>\$ 12,885,668</u>	Total deferred inflow of resources - OPEB	<u>\$ 1,817,961</u>
Net pension expense		Net OPEB expense	
Teachers VRS Cost Sharing	\$ 13,985,897	VRS GLI	\$ 372,339
Non-Teachers VRS Multi Employer	234,334	VRS HIC, Teachers	1,244,102
City of Roanoke Pension	823,503	VRS HIC, Non-Teachers	(1,614)
Total net pension expense	<u>\$ 15,043,734</u>	Total net OPEB expense	<u>\$ 1,614,827</u>

IV. Other Information

A. Defined Benefit Pension Plans

General Information about the Teacher Cost Sharing Pool

Plan Description

All full-time, salaried permanent (professional) employees of Virginia public school divisions, including Roanoke City School Board, (the “School Division”), are automatically covered by the VRS Teacher Retirement Plan upon employment. This multiple employer cost sharing plan 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 in the VRS Teacher Retirement Plan – Plan 1, Plan 2, and Hybrid. The provisions and features of the plans, as well as all 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>

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 ending 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 division were \$18,616,272 and \$17,573,360 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. The special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session 1, as amended by Chapter 769, 2023 Acts of Assemble Reconvened Session, and is classified as a non-employer contribution.

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

At June 30, 2024, the school division 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 performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The school division’s proportion of the Net Pension Liability was based on the school division’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 division’s proportion was 1.11325% as compared to 0.97628% at June 30, 2022.

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

For the year ended June 30, 2024, the school division 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. Beginning with the June 30, 2022 measurement date, the difference between the expected and actual contributions is included with the pension expense calculation.

At June 30, 2024, the school division 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
Changes 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	\$ 45,369,915	\$ 12,683,829

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 Fiscal Year ending 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	

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2023, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	\$ 57,574,609
Plan Fiduciary Net Position	<u>47,467,405</u>
Employers' Net Pension Liability (Asset)	<u>\$ 10,107,204</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.45%

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

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

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

	1.00% Decrease Rate (5.75%)	Current Discount Rate (6.75%)	1.00% Increase Rate (7.75%)
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 2022 *Annual Comprehensive Financial Report* (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.

Defined Benefit Pension Plan – School Nonprofessionals

Plan Description

All full-time, salaried permanent non-professional employees (non-teachers) of the Roanoke City School Board, (the “School Division”) are automatically covered by the VRS Retirement Plan upon employment. This multi-employer agent plan 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. The plan provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those referenced in Note IV. A.

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	27
Inactive members:	
Vested inactive members	16
Non-vested inactive members	154
Inactive members active elsewhere in VRS	24
Total inactive members	194
Active Members	133
Total covered employees	<u>354</u>

Contributions

The School Division’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.

Contributions to the pension plan from the school division were \$153,133 and \$144,787 for the years ended June 30, 2024 and June 30, 2023, respectively.

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) – (b)
	(a)	(b)	(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	<u>\$ 954,313</u>	<u>\$ 695,682</u>	<u>\$ 258,631</u>
Balances at June 30, 2023	<u>\$ 5,580,869</u>	<u>\$ 6,744,806</u>	<u>\$ (1,163,937)</u>

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

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

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

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

For the year ended June 30, 2024, the school division recognized pension expense of \$234,334. At June 30, 2024, the school division 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	\$ 198,890	\$ -
Change in assumptions	-	-
Net difference between projected and actual earnings on 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 division'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, 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:

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

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2023 *Annual Comprehensive Financial Report* (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.

Payables to the Pension Plan

At June 30, 2024 \$2,301,628 was payable to the Virginia Retirement System for the legally required contributions related to June 2024 payroll.

City of Roanoke Pension Plan

Plan Description

The City of Roanoke, Virginia Pension Plan (Plan) is a cost-sharing, multiple employer, defined benefit pension plan. The participating entities are:

- City of Roanoke, Virginia (City)
- City of Roanoke, Virginia School Board (School Board)
- Roanoke Regional Airport Commission (RRAC)
- Roanoke Valley Detention Commission (RVDC)
- Roanoke Valley Resource Authority (RVRA)
- Western Virginia Water Authority (WVWA)

The Plan was established by the City on July 1, 1946. The responsibility for the general administration and proper operation of the Plan is vested in the Board of Trustees (Board), a nine-member Board, appointed by City Council. The Board consists of the Mayor, City Manager (or his designee), and the Director of Finance, all of whom serve as ex-officio members, two non-member citizen trustees, who must have experience in the investment of institutional funds or pension administration, one member trustee, who must be an employee of the City's Police or Fire departments, one member trustee who is a City employee other than Police or Fire, one member trustee, who is employed by one of the Plan's other participating employers, and one retired member trustee.

The Plan covers substantially all full-time employees of the City, RRAC and the RVDC. The Plan also covers certain employees of the RVRA, certain employees of the WVWA, and certain non-professional School Board employees, but is closed to new employee entrants of these employers. The Roanoke Valley Resource Authority (RVRA), who no longer has active membership, is a participating entity. The City is the major contributor of employer contributions to the Plan.

The Plan is established under authority of City Council and is governed by, and administered in accordance with, Chapter 22.3, Pensions and Retirement, of the *Code of the City of Roanoke* (as amended). City Council maintains the authority to establish or amend the provisions of this Chapter. As of July 1, 1984, the Plan changed its name from Employees' Retirement System (ERS) of the City of Roanoke, Virginia to the City of Roanoke Pension Plan and incorporated a provision for an Employees' Supplemental Retirement System (ESRS), which modified certain benefits as defined by ERS. All Plan related administrative and benefit provisions are established by City ordinance, as contained in Chapter 22.3 of the City Code. The Plan maintains a single trust from which ERS and ESRS benefits and all Plan expenses are paid.

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 Plan to offer members of the ERS an opportunity to transfer to the ESRS. 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.

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

Employees who are members of the ESRS 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 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 percent of their final average compensation for each year of credited service up to a maximum of 63 percent. 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 under age 65 terminate before rendering five years of service, they forfeit the right to receive any Pension Plan benefits. There is no mandatory retirement age.

On May 15, 2000, City Council authorized the Board to enter into an agreement with the Virginia Retirement System (VRS) or another political subdivision of the Commonwealth of Virginia, having a defined benefit plan that is not supplemental to the VRS, allowing eligible members of ESRS the option of portability of creditable service between plans. Portability provides ESRS members the opportunity to transfer their vested pension benefits from one Virginia government employer to another. The Board has entered into Reciprocal Asset Transfer and Pension Portability Agreements with the VRS, the City of Newport News Employees' Retirement Fund, and the Employees' Retirement System of the City of Norfolk.

Effective July 1, 2000, City Council adopted provisions providing members of ESRS an opportunity to purchase eligible prior service credit in the Plan. This provision permits members who were formerly grant employees and members who have participated in the portability provisions of the plan to purchase certain eligible service credit.

The Plan also received a private letter ruling dated August 7, 2000 from the Internal Revenue Service allowing the purchase of eligible prior service credit via payroll deduction on a tax-deferred basis.

Effective July 1, 2001, 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 until the month in which the retiree attains age 65. Any member of the Plan who is an employee of the City (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.

Effective June 1, 2002, City Council adopted a restatement of the Chapter of the City Code governing the Plan. Included in the restatement was a provision allowing the purchase of prior service credit using a trustee-to-trustee transfer of eligible funds from Internal Revenue Code Section 457 and 403(b) deferred compensation plans.

Effective July 16, 2012, City Council established Chapter 22.3 of City Code, which includes modifications to employees hired on or after July 1, 2013 and July 1, 2014. This plan was already closed to school board employees effective July 1, 2006. With the new plan, all employees contribute 5% of earnable compensation. This includes Roanoke City Schools employees participating in the plan.

In addition, Chapter 22.3 of *City Code*, provides COLA to members that retire before July 1, 2014 and those members that retire on or after July 1, 2014 and have at least 15 years of creditable service. Members must be retired for one full year to be eligible for a cost of living supplement. The amount of the cost of living supplement is determined annually as 2/3rds of the United States Average Consumer Price Index. The percentage increase for any one (1) year shall not exceed the lesser of four (4) percent or the pay raise awarded generally to active employees.

Approximately 90 days prior to the beginning of the City's fiscal year, the Plan files with the City Manager its certification of the appropriation necessary to pay the required contribution as certified by the actuary and such amount is included in the City's annual budget and adopted by City Council. As a governmental plan, the Plan is currently not subject to the provisions of the Employee Retirement Income Security Act (ERISA) of 1974, as amended.

For the fiscal year 2023 and 2022, the annual required contribution was \$285,022 and \$187,414 respectively with a contribution rate of 13.74% in fiscal year 2022 and 13.89% in fiscal year 2021.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of June 30, 2020, updated to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary Increases	2.75% percent, inflation plus 0.5% for national productivity plus merit (age-based)
Investment Rate of Return	7.25 percent, net of investment expenses
Cost of Living Adjustments	1.5% percent for eligible participants, based on 2/3 of assumed inflation

Mortality rates for pre-retirement and healthy annuitants were based on 125% of RP-2000 Combined Healthy Mortality for males and females with generation mortality projection using Scale AA. For people with disabilities, mortality rates were based on 70% of PBGC Disabled Mortality Table 5A for males and 90% of PBGC Disabled Mortality Table 6A for females.

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 reflected the long-term expected rate of return based upon the defined target allocation for each asset class as defined in the Statement of Investment Policy:

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the plan would be made based on actuarially determined contribution rates. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	<u>Allocation Target</u>	<u>Weighted Contribution to Rate of Return</u>
Equity		
US Equity	48.00%	4.80%
International Equity	16.00%	1.76%
Real Estate	6.00%	0.42%
Fixed Income		
US Fixed Income	30.00%	1.50%
Total	<u>100.00%</u>	<u>8.48%</u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City of Roanoke Pension Plan – Roanoke City School Board, calculated using the discount rate of 7.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<u>1% decrease Rate (6.00%)</u>	<u>Current discount Rate (7.00%)</u>	<u>1.00% Increase Rate (8.00%)</u>
Net Pension Liability – June 30, 2023	<u>\$5,285,892</u>	<u>\$4,001,149</u>	<u>\$2,932,863</u>

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 Schools' 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 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.

For the year ended June 30, 2024, the schools recognized pension expense of \$823,503. At June 30, 2024, the Schools' proportion was 1.51426% as compared to 1.48177% at June 30, 2023.

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
Difference 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	-
Changes in proportion and difference 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 and 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:

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

Pension Plan Fiduciary Net Position

Detailed information about the Fiduciary Net Portion of the City's pension plan is available in the separately issued Annual Comprehensive Financial Report. A copy of the 2023 financial report may be obtained by writing to the City's Retirement Office located at 215 Church Avenue, SW, Room 465, Roanoke, Virginia 24011.

B. Other Post-Employment Benefits Liabilities – Virginia Retirement System Plans

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

Plan Descriptions

Group Life Insurance Program

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

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

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

Teacher Employee Health Insurance Credit Program

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

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

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

General Employee Health Insurance Credit Program

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

	Number
Inactive members or their beneficiaries currently receiving benefits	29
Inactive members:	
Vested inactive members	-
Non-vested inactive members	-
Inactive members	-
	<hr/>
Total inactive members	29
Active members	133
Total covered employees	<hr/> <hr/>

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2022. 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</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.34% 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.

Teacher Health Insurance Credit Program

Governed by:	<i>Code of Virginia</i> 51.1-1401(E) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate:	1.21% of covered employee compensation.
June 30, 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 and is included as a reduction of expenses in the Statement of Activities.

General Employee Health Insurance Credit Program

Governed by:	<i>Code of Virginia</i> 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	1.12% 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, 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

	Teacher SGLI	Non-Teacher SGLI Plan 1	Non-Teacher SGLI Plan 2
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	1.113230%
June 30, 2022 proportion	0.975640%
June 30, 2024 expense (income)	\$ 1,244,102

General Employee Health Insurance Credit Program

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

	Liability	Net Position	Liability (Asset)
	(a)	(b)	(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	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	(6,852)	-	(6,852)
Contributions – employer	-	10,017	(10,017)
Contributions – employee	-	-	-
Net investment income	-	6,357	(6,357)
Benefit payments	(650)	(650)	-
Administrative expenses	-	(165)	165
Other changes	-	(30)	30
Net changes	<u>2,457</u>	<u>15,529</u>	<u>(13,072)</u>
Balances at June 30, 2023	<u>\$ 77,627</u>	<u>\$ 111,196</u>	<u>\$ (33,569)</u>

In addition, 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.

At June 30, 2024, the School Board 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	\$ 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	<u>686,878</u>	<u>-</u>
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>

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
Changes in proportion		
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 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

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

Teacher Health Insurance Credit Program

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

General Employee Health Insurance Credit Program

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

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%
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 IV A.

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	Teacher Employee HIC OPEB Plan
\$ 3,907,052,043	\$ 1,475,471,416
2,707,738,599	264,054,015
<u>\$ 1,199,313,444</u>	<u>\$ 1,211,417,401</u>
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.

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 the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	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 %		5.75 %
Inflation		2.50 %	
*Expected arithmetic nominal return		8.25 %	

* 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 25, 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 inflation of 2.50%.

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 were 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:

	<u>1% decrease Rate (5.75%)</u>	<u>Current discount Rate (6.75%)</u>	<u>1.00% Increase Rate (7.75%)</u>
GLI Net OPEB liability	\$ 8,612,719	\$ 6,072,364	\$ 3,700,208
Teacher HIC Net OPEB Liability	12,407,713	13,485,862	15,670,825
General Employee HIC Net OPEB liability (asset)	(20,473)	(33,569)	(44,283)
	<u>\$ 20,999,959</u>	<u>\$ 19,524,657</u>	<u>\$ 19,326,750</u>

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2023 *Annual Comprehensive Financial Report* (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.

Payables to the OPEB Plan

At June 30, 2024, the following amounts were payable to the Virginia Retirement System for the legally required contributions related to June 2024 payroll.

- Group Life Insurance \$151,590
- Teacher Employee Health Insurance Credit \$136,883

C. Pollution Remediation Obligation

In accordance with GASB No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, The School Board is obligated to address pollution remediation activities associated with normal repair and maintenance activities. As of June 30, 2023, the School Board had contracts for ongoing asbestos monitoring, annual walkthroughs, permit review and sampling. The total obligation for the remaining portion of these contracts is \$0. During fiscal year 2023, RCPS expended \$777,102 for pollution remediation of certain environmental products including paints, solvents and cleaners and asbestos monitoring which is included in amounts shown for Operation and Maintenance of Plant on both the district-wide Statement of Activities (exhibit 2) and the governmental Statement of Revenues, Expenditures, and Changes in Fund Balances (exhibit 4). Management is not aware of any obligation related to removal or disposal of any other paints, chemicals, cleaning fluids, etc., other than those items already properly removed and disposed.

D. Risk Management

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 League as noted below. Risk management activities are accounted for in the 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 coverage through commercial insurers through the Virginia Municipal Liability Pool. During Fiscal Year 2022, the school board began using VaCorp, a different liability pool, to handle all workers' compensation claims.

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

	Healthcare Claims
Fiscal Year 2023-24:	
Claims liability at July 1	\$ 5,562,859
Claims incurred (including IBNR and changes in estimates)	30,499,450
Claim payments	(31,443,101)
Claims liability at June 30	<u>4,619,208</u>
Due and payable within one year	<u>4,619,208</u>
Long-term payable	<u>\$ -</u>
Fiscal Year 2022-23:	
Claims liability at July 1	\$ 6,635,749
Claims incurred (including IBNR and changes in estimates)	27,151,281
Claim payments	(28,224,171)
Claims liability at June 30	<u>5,562,859</u>
Due and payable within one year	<u>5,562,859</u>
Long-term payable	<u>\$ -</u>

E. Contingent Liabilities

Grants

Grants are subject to audit to determine compliance with their requirements. School Board officials believe that if any refunds are required, they would not have a significant effect on the financial condition or liquidity of the School Board.

Litigation

Various claims and lawsuits are pending against the School Board. It is the opinion of management, after consulting with legal counsel, that the potential loss, if any, on all claims and lawsuits will not materially affect the School Board's financial position due to adequate insurance coverage.

Contract Renewal

On July 1, 2019, the School Board entered into a contract with Durham School Services to provide transportation services, commencing on July 1, 2019, and continuing through June 30, 2024. The contract was not renewed at the end of fiscal year 2024, however, they did provide services for the month of July 2024. The School Board entered into a contract with Zum Services, Inc. on August 1, 2024, through July 31, 2029 with an option to extend the contract for an additional term of five years upon mutual consent of the School Board and the vendor. During fiscal year 2024 and 2023, net payments to Durham School Services were \$10,827,831 and \$11,340,428 for contracted services, respectively.

The School Board entered into a contract for outsourced food services with Southwest Foodservice Excellence, LLC commencing on July 1, 2022, which was continued through June 30, 2024. This contract shall be eligible for three additional one-year renewals. Net payments to Southwest Foodservice Excellence, LLC in fiscal year 2024 and 2023 were \$10,687,410 and \$10,107,280 for contracted services, respectively.

Other Matters

The increase to property values as a result of inflation and scarcity has contributed to higher local tax revenues which have increased funding for RCPS. This has helped reduce the impact of rising costs on the school division's ability to continue meeting student needs. It has not been enough to keep teacher pay ahead of inflation, however. Additionally, the Roanoke City Council voted in May 2024 to change their funding formula for K-12 education, reducing the amount of funding the school division is assured each year. For more than a decade, RCPS has been funded with 40% of actual local tax revenue (excluding some taxes specified in the policy). Beginning with the 2025 fiscal year, RCPS will receive 40% of budgeted local revenue, but if actual revenue exceeds budget, RCPS will no longer automatically receive 40% of that variance. Instead, RCPS will be able to apply for up to 40% of the variance and will compete against other city priorities for those funds. The City Council will make the final decision as to what, if any, portion of that variance is provided to the schools. In years where revenue is less than budget, RCPS would then receive 40% of actual, and be expected to return the difference to the city. This change will potentially decrease local funding for schools, and will delay decisions on one-time funding use until after the application process is determined.

Instability in the nation and the world continue, leading RCPS to anticipate continued budgetary strain. The 2024 November election will result in new executive leadership regardless of who wins the election; the impact of which on federal Education policy and funding remains to be seen. Global unrest including the ongoing Russian invasion in Ukraine, and the war between Hamas and Israel, also bring continued uncertainty.

F. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following Statements which are not yet effective.

The GASB issued **Statement No. 101**, *Compensated Absences* in June 2022. This Statement updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023.

The GASB issued **Statement No. 102**, *Certain Risk Disclosures* in December 2023. This Statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for 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.

REQUIRED SUPPLEMENTARY INFORMATION



We Are One #RCPS Proud

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THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment Income	\$ -	\$ -	\$ 2,648,433	\$ 2,648,433
Intergovernmental:				
City of Roanoke	101,481,211	101,481,211	102,839,462	1,358,251
Commonwealth of Virginia	128,426,593	128,426,593	125,387,295	(3,039,298)
Other Revenue	<u>2,700,000</u>	<u>2,700,000</u>	<u>421,050</u>	<u>(2,278,950)</u>
Total Revenues	<u>232,607,804</u>	<u>232,607,804</u>	<u>231,296,240</u>	<u>(1,311,564)</u>
Expenditures:				
Current - Education:				
Instruction	161,123,683	159,623,683	155,369,460	4,254,223
Administration, Technology, Attendance & Health	19,171,412	19,171,412	17,592,327	1,579,085
Transportation	13,569,645	15,069,645	12,858,896	2,210,749
Operation & Maintenance of Plant	23,429,355	23,429,355	22,274,135	1,155,220
Athletics	2,420,916	2,420,916	2,118,889	302,027
Payments for Debt Service	<u>12,820,993</u>	<u>12,820,993</u>	<u>12,753,544</u>	<u>67,449</u>
Total Expenditures	<u>232,536,004</u>	<u>232,536,004</u>	<u>222,967,251</u>	<u>9,568,753</u>
Revenues Over Expenditures	<u>71,800</u>	<u>71,800</u>	<u>8,328,989</u>	<u>8,257,189</u>
Other Financing Sources (Uses):				
Transfers From Other Funds	1,846,112	1,846,112	3,771,228	1,925,116
Transfers To Other Funds	<u>(3,526,920)</u>	<u>(8,566,920)</u>	<u>(9,048,442)</u>	<u>(481,522)</u>
Other Financing Sources (Uses), Net	<u>(1,680,808)</u>	<u>(6,720,808)</u>	<u>(5,277,214)</u>	<u>1,443,594</u>
Net Change in Fund Balance	(1,609,008)	(6,649,008)	3,051,775	9,700,783
Fund Balances, Beginning of Year	<u>25,183,700</u>	<u>25,183,700</u>	<u>25,183,700</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 23,574,692</u>	<u>\$ 18,534,692</u>	<u>\$ 28,235,475</u>	<u>\$ 9,700,783</u>

See accompanying notes to the budgetary comparison schedules.
The adopted budget does not include any effects pertaining to leases and SBITA assets.

THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA
Budgetary Comparison Schedule
Food Service Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental:				
Commonwealth of Virginia	\$ 173,109	\$ 173,109	\$ 207,984	\$ 34,875
Federal Government	11,623,059	11,623,059	10,857,235	(765,824)
Charges for Services	402,997	402,997	443,800	40,803
Total Revenues	<u>12,199,165</u>	<u>12,199,165</u>	<u>11,509,019</u>	<u>(690,146)</u>
Expenditures:				
Current - Education:				
Food Services	12,260,396	12,260,396	11,529,727	730,669
Total Expenditures	<u>12,260,396</u>	<u>12,260,396</u>	<u>11,529,727</u>	<u>730,669</u>
Revenues (Under) Over Expenditures	<u>(61,231)</u>	<u>(61,231)</u>	<u>(20,708)</u>	<u>40,523</u>
Other Financing Sources (Uses):				
Transfers To Other Funds	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Other Financing Sources (Uses), Net	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Net Change in Fund Balance	(361,231)	(361,231)	(320,708)	40,523
Fund Balances, Beginning of Year	<u>6,213,661</u>	<u>6,213,661</u>	<u>6,213,661</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 5,852,430</u>	<u>\$ 5,852,430</u>	<u>\$ 5,892,953</u>	<u>\$ 40,523</u>

See accompanying notes to the budgetary comparison schedules.

THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2024

Stewardship, Compliance, and Accountability.

I. Budgetary Information.

Annual budgets, as required by state statute, are adopted on a basis consistent with U. S. generally accepted accounting principles for the General and Food Service Funds. The School Grants Fund adopts project-length budgets. All annual appropriations are adopted by City Council on a fund basis, which is the legal level of control by City Council over the School Board budget as established by state statute and city ordinance. The Food Service Fund is considered a state category in its entirety, although for management purposes differentiation is made between operating and capital outlays. All annual appropriations lapse at fiscal year-end.

On or before March 15 of each year, the School Board submits to the City Manager a proposed operating budget for the General Fund and the Food Service Fund for the fiscal year commencing July 1. The operating budgets include proposed expenditures detailed at the categorical level and the means of financing them.

The multi-year school grant budgets are originally appropriated on a project-length basis under which the total outlay for each grant is estimated for the length of the grant period. The budget for each school grant is legally enacted for the length of the grant. No budgetary comparison schedule is presented for the school grants fund.

Public hearings are conducted to obtain citizen comments on the proposed budgets. Prior to May 15, the budgets are legally adopted through the passage of an appropriation ordinance by City Council.

Formal budgetary integration is employed as a management control device during the year for the General and Food Service Funds.

THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
GENERAL EMPLOYEE HEALTH INSURANCE CREDIT
June 30, 2024

	Plan Year	Plan Year
	2023-24	2022-23
Total OPEB Liability		
Service cost	\$ 4,597	\$ 3,178
Interest on total OPEB liability	5,362	3,605
Changes in benefit terms	-	31,151
Difference between expected and actual experience	(6,852)	551
Changes in assumptions	-	(13,471)
Benefit payments	(650)	(141)
Net change in total OPEB liability	<u>2,457</u>	<u>24,873</u>
Total OPEB liability - beginning	<u>75,170</u>	<u>50,297</u>
Total OPEB liability - ending	<u>77,627</u>	<u>75,170</u>
Plan Fiduciary Net Position		
Contributions - employer	10,017	5,613
Contributions - employee	-	-
Net investment income	6,357	(36)
Benefit payments	(650)	(141)
Administrative expenses	(165)	(171)
Other	(30)	(583)
Net change in plan fiduciary net position	<u>15,529</u>	<u>4,682</u>
Plan fiduciary net position - beginning	<u>95,667</u>	<u>90,985</u>
Plan fiduciary net position - ending	<u>111,196</u>	<u>95,667</u>
Net OPEB liability(asset)- ending	<u>\$ (33,569)</u>	<u>\$ (20,497)</u>
Plan fiduciary net position as a percentage of total OPEB liability	<u>143%</u>	<u>127%</u>
Covered payroll	<u>\$ 6,682,549</u>	<u>\$ 4,466,752</u>
Net OPEB liability (asset) as a percentage of covered employee payroll	<u>-0.50%</u>	<u>-0.46%</u>

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2022 information was presented in the entity's fiscal year 2023 financial report.

Schedule is intended to show information for 10 years. Since fiscal year 2024 (plan year 2023) was the seventh year for this presentation, no earlier data is available. Additional years will be included as they become available.

THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
GENERAL EMPLOYEE HEALTH INSURANCE CREDIT
June 30, 2024

	Plan Year				
	<u>2021-22</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
Total OPEB Liability					
Service cost	\$ 4,449	\$ 4,174	\$ 4,467	\$ 4,524	\$ 5,042
Interest on total OPEB liability	3,118	3,126	2,384	2,324	2,032
Changes in benefit terms	-	(902)		-	-
Difference between expected and actual experience	(1,284)	(6,394)	4,849	-	-
Changes in assumptions	(2,097)	-	1,324	(3,907)	(1,356)
Benefit payments	(141)	(135)	(1,400)	(2,754)	(358)
Net change in total OPEB liability	<u>4,045</u>	<u>(131)</u>	<u>11,624</u>	<u>187</u>	<u>5,360</u>
Total OPEB liability - beginning	<u>46,252</u>	<u>46,383</u>	<u>34,759</u>	<u>34,572</u>	<u>29,212</u>
Total OPEB liability - ending	<u>50,297</u>	<u>46,252</u>	<u>46,383</u>	<u>34,759</u>	<u>34,572</u>
Plan Fiduciary Net Position					
Contributions - employer	3,573	5,207	5,161	4,036	3,534
Contributions - employee	-	-	-	-	-
Net investment income	18,713	1,307	3,762	3,664	5,134
Benefit payments	(141)	(135)	(1,400)	(2,754)	(358)
Administrative expenses	(232)	(132)	(84)	(88)	(88)
Other	-	(1)	(5)	(247)	247
Net change in plan fiduciary net position	<u>21,913</u>	<u>6,246</u>	<u>7,434</u>	<u>4,611</u>	<u>8,469</u>
Plan fiduciary net position - beginning	<u>69,072</u>	<u>62,826</u>	<u>55,392</u>	<u>50,781</u>	<u>42,312</u>
Plan fiduciary net position - ending	<u>90,985</u>	<u>69,072</u>	<u>62,826</u>	<u>55,392</u>	<u>50,781</u>
Net OPEB liability(asset)- ending	<u>\$ (40,688)</u>	<u>\$ (22,820)</u>	<u>\$ (16,443)</u>	<u>\$ (20,633)</u>	<u>\$ (16,209)</u>
Plan fiduciary net position as a percentage of total OPEB liability	<u>181%</u>	<u>149%</u>	<u>135%</u>	<u>159%</u>	<u>147%</u>
Covered payroll	<u>\$ 4,335,058</u>	<u>\$ 4,300,605</u>	<u>\$ 4,096,741</u>	<u>\$ 3,877,422</u>	<u>\$ 3,211,898</u>
Net OPEB liability (asset) as a percentage of covered employee payroll	<u>-1%</u>	<u>-1%</u>	<u>0%</u>	<u>-1%</u>	<u>-1%</u>

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i. e. plan year 2021 information was presented in the entity's fiscal year 2022 financial report.

Schedule is intended to show information for 10 years. Since fiscal year 2022 (plan year 2021) was the fifth year for this presentation, no earlier data is available. Additional years will be included as they become available.

THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY
June 30, 2024

Year Ended June 30	Employer's Proportion of the Net OPEB Liability (Asset)	Employer's Proportionate Share of the Net OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Schools - Professional Employees (SGLI)					
2024	0.47%	\$ 5,652,000	\$ 110,322,533	5.12%	69.30%
2023	0.42%	5,034,000	90,904,849	5.54%	67.21%
2022	0.42%	4,904,000	86,963,725	5.64%	67.45%
2021	0.41%	6,904,000	85,100,982	8.11%	52.64%
2020	0.42%	6,875,000	82,812,213	8.30%	52.00%
2019	0.42%	6,410,000	80,238,605	7.99%	51.22%
2018	0.43%	6,504,000	79,683,440	8.16%	48.86%
Schools - Professional Employees (HIC)					
2024	1.11%	\$ 13,486,000	\$ 110,322,533	12.22%	17.90%
2023	0.98%	12,186,000	90,904,849	13.41%	15.08%
2022	0.98%	12,608,000	86,869,983	14.51%	13.15%
2021	0.97%	12,700,000	85,100,982	14.92%	9.95%
2020	0.99%	12,919,000	82,812,213	15.60%	8.97%
2019	0.99%	12,597,000	80,238,605	15.70%	8.08%
2018	1.01%	12,810,000	79,683,440	16.08%	7.04%
Schools - Non Professional Employees (SGLI)					
2024	0.03%/0.007%	\$ 421,000	\$ 6,682,549	6.30%	69.30%
2023	0.21%/0.006%	339,000	6,114,380	5.54%	67.21%
2022	.022%/0.0067%	330,000	6,047,907	5.46%	67.45%
2021	.021%/0.0074%	476,000	5,866,775	8.11%	52.64%
2020	.021%/0.0082%	490,000	5,907,182	8.29%	52.00%
2019	.019%/0.0093%	434,000	5,435,214	7.98%	51.22%
2018	.017%/0.011%	425,000	5,205,263	8.16%	48.86%

Schedule is intended to show information for 10 years. Since fiscal year 2024 (plan year 2023) was the seventh year for this presentation, no earlier data is available. Additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS
June 30, 2024

Entity Fiscal Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
<u>Professional</u>					
Schools - Professional Employees (SGLI)					
2024	\$ 638,363	\$ 638,363	-	\$ 118,215,227	0.54%
2023	595,742	595,742	-	110,322,533	0.54%
2022	523,904	523,904	-	90,904,849	0.58%
2021	452,211	452,211	-	86,963,725	0.52%
2020	442,525	442,525	-	85,100,982	0.52%
2019	430,624	430,624	-	82,812,213	0.52%
2018	417,241	417,241	-	80,238,605	0.52%
Schools - Teacher Health Insurance Credit Program (HIC)					
2024	\$ 1,429,905	\$ 1,429,905	-	\$ 118,215,227	1.21%
2023	1,387,693	1,387,693	-	110,322,533	1.26%
2022	1,100,269	1,100,269	-	90,904,849	1.21%
2021	1,051,413	1,051,413	-	86,869,983	1.21%
2020	1,021,183	1,021,183	-	85,100,982	1.20%
2019	993,285	993,285	-	82,812,213	1.23%
2018	987,227	987,227	-	80,238,605	1.23%
<u>Nonprofessional</u>					
Schools - Nonprofessional Employees (SGLI)					
2024	\$ 48,515	\$ 48,515	-	\$ 8,984,328	0.54%
2023	44,608	44,608	-	8,260,731	0.54%
2022	33,018	33,018	-	6,114,380	0.54%
2021	30,409	30,409	-	6,047,907	0.50%
2020	30,491	30,491	-	5,866,775	0.52%
2019	30,717	30,717	-	5,907,182	0.52%
2018	28,263	28,263	-	4,535,214	0.62%
Schools - Nonprofessional Employees (HIC)					
2024	\$ 6,705	\$ 6,705	-	\$ 7,450,579	0.09%
2023	6,011	6,011	-	6,682,549	0.09%
2022	3,815	3,815	-	4,466,752	0.09%
2021	3,573	3,573	-	4,335,058	0.08%
2020	5,207	5,207	-	4,300,605	0.12%
2019	5,161	5,161	-	4,096,741	0.11%
2018	4,036	4,036	-	3,877,422	0.10%

Schedule is intended to show information for 10 years. Since fiscal year 2024 (plan year 2023) was the seventh year for this presentation, no earlier data is available. Additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

**THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA NOTES TO
REQUIRED SUPPLEMENTARY INFORMATION June 30, 2024**

Note 1. Changes of Benefit Terms

Other Postemployment Benefits (OPEB)

There have been no actuarially material changes to the 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, 2019. 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.

THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION ASSET AND RELATED RATIOS
June 30, 2024

Schools - Non Professional Employees

	<u>2022-2023</u>	<u>2021-2022</u>	<u>2020-2021</u>	<u>2019-2020</u>	<u>2018-19</u>
Total Pension Liability					
Service cost	\$ 507,416	\$ 380,028	\$ 350,268	\$ 341,743	\$ 330,934
Interest on total pension liability	341,673	287,728	226,226	193,074	157,720
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience	249,532	130,110	107,958	35,755	77,685
Changes in assumptions	-		(55,829)	-	95,414
Benefit payments, including refunds of employee contributions	(144,308)	(107,825)	(87,207)	(71,644)	(37,449)
Net change in total pension liability	<u>954,313</u>	<u>690,041</u>	<u>541,416</u>	<u>498,928</u>	<u>624,304</u>
Total pension liability - beginning	<u>4,626,556</u>	<u>3,936,515</u>	<u>3,395,099</u>	<u>2,896,171</u>	<u>2,271,867</u>
Total pension liability - ending	<u>5,580,869</u>	<u>4,626,556</u>	<u>3,936,515</u>	<u>3,395,099</u>	<u>2,896,171</u>
Plan Fiduciary Net Position					
Contributions - employer	144,691	100,742	96,613	103,807	109,376
Contributions - employee	289,903	208,626	198,042	195,784	195,963
Net investment income	408,957	(13,490)	1,249,405	81,372	255,942
Benefit payments, including refunds of employee contributions	(144,308)	(107,825)	(87,207)	(71,644)	(37,449)
Administrative expenses	(3,728)	(3,545)	(2,826)	(2,482)	(2,153)
Other	167	142	120	(99)	(164)
Net change in plan fiduciary net position	<u>695,682</u>	<u>184,650</u>	<u>1,454,147</u>	<u>306,738</u>	<u>521,515</u>
Plan fiduciary net position - beginning	<u>6,049,124</u>	<u>5,864,474</u>	<u>4,410,327</u>	<u>4,103,589</u>	<u>3,582,074</u>
Plan fiduciary net position - ending	<u>6,744,806</u>	<u>6,049,124</u>	<u>5,864,474</u>	<u>4,410,327</u>	<u>4,103,589</u>
Net pension Asset - ending	<u>\$ (1,163,937)</u>	<u>\$ (1,422,568)</u>	<u>\$ (1,927,959)</u>	<u>\$ (1,015,228)</u>	<u>\$ (1,207,418)</u>
Plan fiduciary net position as a percentage of total pension assets	<u>121%</u>	<u>131%</u>	<u>149%</u>	<u>130%</u>	<u>142%</u>
Covered payroll	<u>\$ 6,682,549</u>	<u>\$ 4,771,350</u>	<u>\$ 4,466,752</u>	<u>\$ 4,331,920</u>	<u>\$ 4,300,605</u>
Net pension asset as a percentage of covered payroll	<u>-17%</u>	<u>-30%</u>	<u>-43%</u>	<u>-23%</u>	<u>-28%</u>

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year.

THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION ASSET AND RELATED RATIOS

June 30, 2024

Schools- Nonprofessional Employees

	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Total Pension Liability					
Service cost	\$ 303,752	\$ 327,500	\$ 292,621	\$ 250,347	\$ 238,778
Interest on total pension liability	137,429	115,185	90,855	75,430	57,278
Changes in benefit terms		-	-	-	-
Difference between expected and actual experience	(108,492)	22,079	3,596	(71,963)	-
Changes in assumptions		(95,226)		-	-
Benefit payments, including refunds of employee contributions	(48,197)	(55,331)	(23,660)	(43,270)	(30,199)
Net change in total pension liability	<u>284,492</u>	<u>314,207</u>	<u>363,412</u>	<u>210,544</u>	<u>265,857</u>
Total pension liability - beginning	<u>1,987,375</u>	<u>1,673,168</u>	<u>1,309,756</u>	<u>1,099,212</u>	<u>833,355</u>
Total pension liability - ending	<u>2,271,867</u>	<u>1,987,375</u>	<u>1,673,168</u>	<u>1,309,756</u>	<u>1,099,212</u>
Plan Fiduciary Net Position					
Contributions - employer	98,135	93,237	114,441	103,468	167,937
Contributions - employee	169,352	164,828	145,769	131,040	112,035
Net investment income	238,853	332,502	48,318	99,131	259,744
Benefit payments, including refunds of employee contributions	(48,197)	(55,331)	(23,660)	(43,270)	(30,199)
Administrative expenses	(1,842)	(1,688)	(1,296)	(1,144)	(1,173)
Other	(222)	(306)	(19)	(21)	14
Net change in plan fiduciary net position	<u>456,079</u>	<u>533,242</u>	<u>283,553</u>	<u>289,204</u>	<u>508,358</u>
Plan fiduciary net position - beginning	<u>3,126,025</u>	<u>2,592,783</u>	<u>2,309,230</u>	<u>2,020,026</u>	<u>1,511,668</u>
Plan fiduciary net position - ending	<u>3,582,104</u>	<u>3,126,025</u>	<u>2,592,783</u>	<u>2,309,230</u>	<u>2,020,026</u>
Net pension Asset - ending	<u>\$ (1,310,237)</u>	<u>\$ (1,138,650)</u>	<u>\$ (919,615)</u>	<u>\$ (999,474)</u>	<u>\$ (920,814)</u>
Plan fiduciary net position as a percentage of total pension assets	<u>158%</u>	<u>157%</u>	<u>155%</u>	<u>176%</u>	<u>184%</u>
Covered payroll	<u>\$ 3,688,153</u>	<u>\$ 2,615,319</u>	<u>\$ 2,662,777</u>	<u>\$ 2,505,966</u>	<u>\$ 2,220,265</u>
Net pension asset as a percentage of covered payroll	<u>-36%</u>	<u>-44%</u>	<u>-35%</u>	<u>-40%</u>	<u>-41%</u>

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year.

THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY

VRS TEACHER RETIREMENT PLAN

June 30, 2024

Entity Fiscal Year Ended June 30	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	1.11%	\$ 112,518,457	\$ 110,322,533	101.99%	82.45%
2023	0.98%	92,947,701	90,904,849	102.25%	84.70%
2022	0.98%	76,257,682	86,962,725	87.69%	85.46%
2021	0.97%	141,329,284	85,100,982	166.07%	71.47%
2020	0.99%	129,942,187	82,767,236	157.00%	73.51%
2019	0.99%	116,773,000	80,236,536	145.54%	74.81%
2018	1.01%	123,985,000	79,683,440	155.60%	72.92%
2017	1.01%	141,324,000	76,869,589	183.85%	68.28%
2016	1.00%	125,881,000	74,342,482	188.29%	70.68%
2015	0.98%	118,679,000	71,721,119	165.47%	70.88%

CITY OF ROANOKE PENSION PLAN

June 30, 2024

Entity Fiscal Year Ended June 30	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	1.48%	\$ 4,001,149	\$ 1,572,268	254.48%	62.80%
2023	1.48%	3,679,849	1,407,674	261.41%	63.70%
2022	1.55%	715,812	1,380,554	51.85%	92.00%
2021	1.59%	2,405,192	1,515,322	158.72%	73.70%
2020	1.78%	2,476,003	1,607,148	154.06%	75.60%
2019	1.95%	2,476,295	1,757,341	140.91%	77.30%
2018	2.18%	3,130,602	1,985,104	157.70%	74.00%
2017	2.94%	4,984,640	2,617,813	190.41%	68.70%
2016	3.48%	4,882,739	2,690,736	186.52%	73.80%
2015	3.63%	4,256,291	2,927,301	145.40%	77.23%

The covered payroll amounts above are for the entity's fiscal year - i.e., the covered payroll on which required contributions were based for the same year.

THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS

VRS TEACHER RETIREMENT PLAN

June 30, 2024

Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
2024	\$ 18,616,272	\$ 18,616,272	-	\$ 118,215,227	15.75%
2023	17,573,360	17,573,360	-	110,322,533	15.93%
2022	14,482,200	14,482,200	-	90,904,849	15.93%
2021	13,896,958	13,896,958	-	86,869,983	16.00%
2020	12,870,331	12,870,331	-	85,100,982	15.12%
2019	12,653,417	12,653,417	-	82,767,236	15.29%
2018	12,842,165	12,842,165	-	80,236,536	16.01%
2017	11,471,695	11,471,695	-	79,683,440	14.40%
2016	11,164,143	11,164,143	-	76,869,589	14.52%
2015	11,825,296	11,825,296	-	74,342,482	15.91%

CITY OF ROANOKE PENSION PLAN

June 30, 2024

Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
2024	\$ 285,022	\$ 285,022	-	\$ 1,582,436	18.01%
2023	187,414	187,414	-	1,643,393	11.40%
2022	183,654	183,654	-	1,407,674	13.05%
2021	191,759	191,759	-	1,380,554	13.89%
2020	200,200	200,200	-	1,515,322	13.21%
2019	222,911	222,911	-	1,607,148	13.87%
2018	248,488	248,488	-	1,757,341	14.14%
2017	257,269	257,269	-	1,985,104	12.96%
2016	340,838	340,838	-	2,617,813	13.02%
2015	527,115	527,115	-	2,690,736	19.59%

The covered payroll amounts above are for the entity's fiscal year - i.e., the covered payroll on which required contributions were based for the same year.

**THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
June 30, 2024**

Entity Fiscal Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Schools - Nonprofessional Employees					
2024	\$ 153,133	\$ 153,133	-	\$ 7,450,579	2.06%
2023	144,787	144,787	-	6,682,549	2.17%
2022	100,737	100,737	-	4,771,350	2.11%
2021	96,613	96,613	-	4,466,752	2.16%
2020	109,376	109,376	-	4,331,920	2.52%
2019	109,254	109,254	-	4,300,605	2.54%
2018	98,135	98,135	-	3,688,153	2.66%
2017	93,497	93,497	-	2,615,319	3.57%
2016	126,073	126,073	-	2,662,777	4.73%
2015	126,993	126,993	-	2,505,966	5.07%

The covered payroll amounts above are for the entity's fiscal year - i.e., the covered payroll on which required contributions were based for the same year.

THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

Note 1. Changes of Benefit Terms

Pension

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 Scape 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.
- 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 rates.
- No change to discount rate.

All Others (Non 10 Largest) – Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scape 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.
- Adjusted withdrawal rates to better fit experience at each year 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.

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 Scape 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.

Note 2. Changes of Assumptions (Continued)

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 Scape 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 Scape 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 year age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to discount rate.

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OTHER SUPPLEMENTARY INFORMATION



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Schedule E

**THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA
Schedule of Insurance Coverage
For the Year Ended June 30, 2024**

	<u>Amount</u>
The Virginia Association of Counties Liability Pool Property and Scheduled Equipment Coverage	\$ 538,668,110
The Virginia Association of Counties Liability Pool Local Government Liability Coverage	2,000,000
The Virginia Association of Counties Liability Pool Automobile Coverage	2,000,000
The Virginia Association of Counties Liability Pool No Fault Property Coverage	10,000
The Virginia Association of Counties Liability Pool Excess Liability Coverage	9,000,000
The Virginia Association of Counties Liability Pool Fidelity/Crime Coverage	1,000,000
The Virginia Association of Counties Liability Pool Cyber Liability	5,000,000
United States Fire Insurance Company Student Accident Insurance - Coordinated with VHSLCI	5,000,000
The Virginia Association of Counties Liability Pool Workers' Compensation Employer's Liability Maximum	1,000,000
ReliaStar Life Insurance Company Health Insurance aggregate reimbursement maximum	1,000,000

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STATISTICAL SECTION (UNAUDITED)



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INTRODUCTION TO THE STATISTICAL SECTION

The Statistical Section of the Annual Comprehensive Financial Report for the School Board of 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 School Board’s overall financial condition.

Contents Page

Financial Trends94-97

These schedules contain trend information to help the reader understand how the School Board’s financial performance and well-being have changed over time.

Revenue Capacity..... 98-101

These schedules contain information to help the reader assess the School Board’s most significant local revenue source.

Debt Capacity 102-107

The City of Roanoke levies taxes for the School Board operation and issues debt for School Board 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 108

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School Board’s financial activities take place.

Operating Information109-112

These schedules contain service and infrastructure data to help the reader understand how the information in the School Board’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

**Roanoke City Public Schools
Net Position by Component
Last Ten Fiscal Years
(Unaudited)**

	Net Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
Fiscal Year 2015	\$ 3,016,131	\$ -	\$ (105,376,673)	\$ (102,360,542)
Fiscal Year 2016	3,094,777	-	(102,095,468)	(99,000,691)
Fiscal Year 2017	2,913,761	-	(105,347,694)	(102,433,933)
Fiscal Year 2018	3,034,853	-	(120,571,651)	(117,536,798)
Fiscal Year 2019	3,489,869	-	(116,524,523)	(113,034,654)
Fiscal Year 2020	6,620,465	1,223,861	(114,917,644)	(107,073,318)
Fiscal Year 2021	6,882,591	1,038,258	(94,645,501)	(86,724,652)
Fiscal Year 2022	19,840,128	1,968,647	(68,618,152)	(46,809,377)
Fiscal Year 2023	26,183,954	1,443,065	(46,888,805)	(19,261,786)
Fiscal Year 2024	31,264,470	1,197,506	(40,322,940)	(7,860,964)

Source: Statement of Net Position (Exhibit 1).

Table 2

Roanoke City Public Schools
Changes in Net Position
Last Ten Fiscal Years
(Unaudited)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses:										
Instruction	\$ 199,442,059	\$ 175,577,982	\$ 151,667,633	\$ 146,732,326	\$ 142,783,571	\$ 138,139,038	\$ 135,484,910	\$ 134,380,569	\$ 125,138,180	\$ 124,257,802
Administration	17,246,756	17,515,875	15,089,912	14,644,467	14,453,252	13,804,248	12,000,357	13,231,068	14,014,816	12,521,240
Attendance & Health Services	3,396,104	2,878,727	2,511,263	2,408,468	2,423,737	2,323,395	2,204,531	2,300,578	2,088,754	2,008,631
Transportation	12,578,326	10,938,682	10,085,290	10,858,043	10,356,563	11,424,031	10,581,175	10,769,118	10,509,337	10,407,387
Operation & Maintenance of Plant	35,572,040	41,591,438	27,104,007	18,082,067	15,105,541	16,918,649	15,274,411	15,670,270	15,234,517	15,423,475
Food Services	11,278,798	10,547,129	9,145,096	7,456,071	8,951,186	8,985,164	8,382,447	8,918,197	7,417,602	6,882,007
Athletics	2,131,965	2,021,948	1,731,244	1,146,173	1,606,698	1,863,136	1,833,502	1,919,667	1,883,433	1,826,495
Payments for Debt Service	12,753,544	11,791,878	11,798,638	12,041,842	12,700,743	13,244,672	13,867,098	14,274,185	15,073,688	14,632,053
Total Expenses	294,399,592	272,863,659	229,133,083	213,369,457	208,381,291	206,512,333	199,628,431	201,463,652	191,360,327	187,959,090
Program revenues:										
Charges for services:										
Instruction	2,681,917	1,898,065	1,681,590	2,949,857	6,481,775	6,256,197	6,018,067	6,304,348	5,860,683	6,567,954
Administration	2,305	3,515	-	-	14,854	10,742	30,795	11,662	37,208	91,742
Technology	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Operations & maintenance	-	4,371,606	-	-	-	-	-	-	-	-
Food Services	428,920	430,869	269,308	80,015	407,538	641,510	782,182	934,463	919,537	1,098,051
Athletics	311,655	290,028	256,673	62,061	168,332	179,868	191,342	182,988	171,751	186,764
Operating grants and contributions	98,938,759	111,138,873	93,425,571	73,222,875	54,455,142	55,453,563	53,096,581	49,701,684	49,230,834	42,055,561
Capital grants and contributions	8,861,152	-	-	-	-	-	-	-	-	-
Total revenues	111,224,708	118,132,956	95,633,142	76,314,808	61,527,641	62,541,880	60,118,967	57,135,145	56,210,013	50,000,072
Net expense	(183,174,884)	(154,730,703)	(133,499,941)	(137,054,649)	(146,853,650)	(143,970,453)	(139,509,464)	(144,328,507)	(135,150,314)	(137,959,018)
General revenues:										
Payments from the City of Roanoke	102,839,462	96,177,037	91,780,854	84,673,021	83,439,689	83,368,789	81,237,799	78,359,591	79,435,819	76,437,785
State aid	88,377,939	83,026,300	79,844,140	70,339,760	68,084,321	63,594,864	61,425,627	61,765,617	58,191,410	57,517,691
Interest Income on Investments	2,648,433	1,910,199	113,938	52,340	334,654	428,310	293,687	120,075	49,145	49,049
Miscellaneous	709,872	1,164,798	1,676,284	1,279,555	956,322	1,080,634	938,651	649,982	833,791	703,547
Total general revenues	194,575,706	182,278,294	173,415,216	156,344,676	152,814,986	148,472,597	143,895,764	140,895,265	138,510,165	134,708,072
Change in net position	\$ 11,400,822	\$ 27,547,591	\$ 39,915,275	\$ 19,290,027	\$ 5,961,336	\$ 4,502,144	\$ 4,386,300	\$ (3,433,242)	\$ 3,359,851	\$ (3,250,946)

Source: Statement of Activities (Exhibit 2).

Roanoke City Public Schools
Fund Balance of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Post-GASB 54 implementation:										
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ 950,338	\$ 4,835,968	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	129,914	196,725	268,941	208,310	284,776	381,211	350,729	315,088	326,238	316,495
Committed	5,250,000	250,000	250,000	6,615,010	750,000	1,475,000	2,478,771	2,478,771	2,478,771	2,201,835
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	22,855,561	24,736,975	25,307,250	35,545,138	20,902,236	17,645,076	20,182,146	19,286,352	21,553,941	21,926,916
Total General Fund	\$ 28,235,475	\$ 25,183,700	\$ 25,826,191	\$ 43,318,796	\$ 26,772,980	\$ 19,501,287	\$ 23,011,646	\$ 22,080,211	\$ 24,358,950	\$ 24,445,246
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 4,171	\$ -	\$ 4,010	\$ -	\$ 15,727	\$ -
Committed	26,219,913	28,975,791	23,110,358	-	-	-	58,315	58,315	58,315	132,428
Assigned	7,065,433	7,331,641	6,991,208	5,515,410	3,954,557	3,746,386	3,312,476	3,043,436	2,999,943	2,052,546
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 33,285,346	\$ 36,307,432	\$ 30,101,566	\$ 5,515,410	\$ 3,958,728	\$ 3,746,386	\$ 3,374,801	\$ 3,101,751	\$ 3,073,985	\$ 2,184,974

Source: Balance Sheet - Governmental Funds (Exhibit 3).

Note: 2011 was the first year of implementing GASB 54 which revised fund balance classifications.

Table 4

Roanoke City Public Schools
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Unaudited)
Fiscal Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
City of Roanoke	\$ 102,839,462	\$ 99,027,620	\$ 88,930,471	\$ 85,258,328	\$ 83,048,279	\$ 83,620,493	\$ 80,922,413	\$ 78,369,658	\$ 79,354,317	\$ 76,437,785
Commonwealth of Virginia	148,908,845	132,785,782	115,847,291	108,744,107	99,979,094	95,685,773	91,828,510	89,780,821	83,245,409	81,507,123
Federal Government	47,346,549	65,720,274	57,407,820	34,701,102	22,598,415	23,340,443	22,877,812	22,200,966	22,238,051	18,066,127
Changes for services	2,433,707	1,710,324	1,363,426	2,466,394	6,372,855	6,276,092	6,240,713	6,433,894	6,165,705	7,019,218
Other	4,371,851	4,017,853	2,618,967	1,364,892	2,024,397	2,347,176	2,024,397	1,273,076	1,706,196	1,677,861
Total revenue	305,800,414	303,261,633	266,197,975	233,244,793	213,951,218	211,271,979	203,698,845	198,040,477	192,709,678	184,708,144
Expenditures:										
Current:										
Instruction	\$ 206,805,404	\$ 189,232,900	\$ 165,071,658	\$ 147,621,871	\$ 144,193,949	\$ 145,581,963	\$ 139,351,038	\$ 135,705,770	\$ 127,510,179	\$ 127,856,320
Administration, Technology & Health	16,081,418	16,893,971	16,842,945	14,695,479	15,184,346	14,766,174	12,526,344	13,268,491	14,030,949	12,812,005
Transportation	12,861,314	11,731,632	10,815,326	10,815,517	10,368,749	11,795,033	10,756,797	10,721,640	10,516,866	10,561,909
Operation & Maintenance of Plant	41,856,744	51,674,134	42,038,171	22,498,958	30,511,709	16,037,689	15,868,791	15,035,677	15,531,194	16,036,918
Food Services	11,532,549	11,311,387	9,807,076	7,426,668	8,935,790	9,080,792	8,552,472	8,879,046	7,422,916	6,984,186
Athletics	2,179,752	2,167,157	1,654,607	1,140,399	1,601,897	1,904,430	1,831,220	1,836,441	1,821,212	1,795,272
Facilities Capital Outlay	-	-	-	-	-	-	-	-	-	-
Payments for Leases and SBITA Assets	2,418,517	2,868,198	711,963	-	-	-	-	-	-	-
Payments for Debt Service:										
Interest (3)	3,507,907	3,427,557	3,263,554	3,365,757	3,312,500	-	-	-	-	-
Principal	9,245,637	9,258,821	9,411,084	8,676,085	9,388,243	13,244,672	13,867,098	14,274,185	15,073,687	14,632,053
Total expenditures	308,189,242	300,566,457	259,816,386	216,200,934	223,467,183	214,410,753	202,494,360	200,291,450	191,906,963	190,517,663
Excess (deficiency) of revenues over (under) expenditures	(2,388,828)	2,695,176	6,381,589	17,043,859	(9,515,965)	(3,138,774)	1,204,485	(2,250,973)	802,715	(5,809,519)
Other financing sources (uses):										
Proceeds from Capital Lease Obligation	\$ -	\$ -	\$ -	\$ -	\$ 17,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Leases and SBITA Assets	2,418,517	2,868,198	711,963	-	-	-	-	-	-	-
Transfers from Other Funds	10,389,954	16,962,103	36,105,100	4,455,262	5,074,898	5,895,951	5,490,331	4,869,637	4,007,153	2,198,407
Transfers to Other Funds	(10,389,954)	(16,962,103)	(36,105,100)	(4,455,262)	(5,074,898)	(5,895,951)	(5,490,331)	(4,869,637)	(4,007,153)	(2,198,407)
Total other financing sources (uses)	2,418,517	2,868,198	711,963	-	17,000,000	-	-	-	-	-
Change in fund balances	29,689	5,563,374	7,093,552	17,043,859	7,484,035	(3,138,774)	1,204,485	(2,250,973)	802,715	(5,809,519)
Fund Balance - Beginning of Year, restated (2)	61,491,132	55,927,758	48,834,206	31,790,347	24,306,312	26,386,447	25,181,962	27,432,935	26,630,220	32,438,789
Fund Balance - End of Year, restated	61,520,821	61,491,132	55,927,758	48,834,206	31,790,347	23,247,673	26,386,447	25,181,962	27,432,935	26,630,220
Debt Service as a Percentage (1)	3.13%	3.39%	3.70%	4.34%	4.22%	6.20%	6.87%	7.15%	7.88%	7.70%

Source: Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (Exhibit 4).

Information is presented on a modified accrual basis of accounting.

- (1) Debt Service as a Percentage of Non-Capital Expenditures
- (2) FY 2020 was restated as a result of the adoption of GASB 84. See Note F to the financial statements.

Table 5

Roanoke City Public Schools
Major Local Revenue Sources - General Fund and Food Service
Last Ten Fiscal Years
(Unaudited)

<u>Regional Tuition - General Fund</u>		<u>Charges for Services - Food Services</u>	
<u>Annual Payment Received</u>		<u>Local Breakfast/Lunch Fees</u>	
2015	\$ 4,757,979	2015	\$ 1,098,052
2016	4,974,388	2016	919,538
2017	5,266,542	2017	871,425
2018	5,205,826	2018	705,412
2019	5,362,910	2019	664,067
2020	5,777,885	2020	512,751
2021	1,995,596 *	2021	148,347
2022	-	2022	333,258
2023	-	2023	464,226
2024	-	2024	443,800

Source: Detail Billings from the Roanoke Valley Regional Board and Fiscal Year Annual Comprehensive Financial Reports.

* This program ended in fiscal 2020. The majority of the proceeds received in fiscal 2021 were from a final pay out of the program.

Table 6
Unaudited

CITY OF ROANOKE, VIRGINIA
GENERAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

	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	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	3,167,248	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	\$ 117,444,881	\$ 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 (1)	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 Treasurer's tax collection system and Department of Finance accounting system. Prior data sources were from Department of Finance accounting system. 2022-2023 Collections in Subsequent Years not calculated due to software conversion changes.

Table 7
Unaudited

CITY OF ROANOKE, VIRGINIA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

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		
2014	\$ 6,693,874,349	(0.07)	\$ 6,693,874,349	1.00	\$ 899,096,367	18.48	\$ 1,498,493,945	0.60	\$ 437,573,144	21.81	\$ 441,997,287	0.990	\$8,030,543,860	\$ 8,634,365,581
2015	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	447,535,616	0.983	8,106,585,880	8,742,785,092
2016	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	460,947,191	0.979	8,178,453,858	8,817,419,846
2017	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)	446,761,907	0.979	8,364,431,204	9,011,349,475
2018	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	480,921,924	0.981	8,645,144,024	9,316,292,593
2019	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	497,726,617	0.983	8,964,903,808	9,661,222,140
2020	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
2021	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)	503,508,493	0.894	10,286,915,961	11,145,069,247
2022	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
2023	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 FY23, 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 FY23. Previously taxes were billed April 5th based upon an estimated assessment with December 5th billing a true-up to actual assessments.

Table 8
Unaudited

CITY OF ROANOKE, VIRGINIA
PROPERTY TAX RATES AND TAX LEVIES
LAST TEN YEARS

Year	REAL PROPERTY		PERSONAL PROPERTY		PUBLIC SERVICE CORPORATIONS		Total Direct Rate	Total Tax Levies
	Direct Tax Rate Per \$100	Levy	Direct Tax Rate Per \$100	Levy	Direct Tax Rate Per \$100	Levy		
2014	\$ 1.19	79,600,752	\$ 3.45	31,024,476	\$ 1.19	5,260,278	1.80	\$ 115,885,506
2015	1.19	82,035,606 (1)	3.45	32,374,952	1.19	5,458,834	1.82	119,869,392
2016	1.22	82,758,259	3.45	32,593,307	1.22	5,542,928	1.82	120,894,494
2017	1.22	85,037,691	3.45	32,639,181	1.22	5,382,350	1.81	123,059,222
2018	1.22	87,599,213	3.45	33,159,157	1.22	5,809,857	1.80	126,568,227
2019	1.22	90,822,140	3.45	34,507,463	1.22	6,018,473	1.81	131,348,076
2020	1.22	94,865,951	3.45	35,505,623	1.22	6,007,756	1.80	136,379,330
2021	1.22	105,279,020	3.45	42,661,925	1.22	5,946,802	1.84	153,887,747
2022	1.22	106,698,610	3.45	38,964,270	1.22	3,130,122 (2)	1.81	148,793,002
2023	1.22	116,803,324	3.45	40,673,359	1.22	5,973,783	1.77	163,450,466

(1) In fiscal year 1999, the Commonwealth initiated the Personal Property Tax Relief Act. This levy includes the Commonwealth Portion.

(2) Beginning FY23, 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 FY23. Previously taxes were billed April 5th based upon an

Table 9
Unaudited

CITY OF ROANOKE, VIRGINIA
PRINCIPAL PROPERTY TAXPAYERS
COMPARISON OF JUNE 30, 2024 AND JUNE 30, 2015

<u>Taxpayer</u>	<u>Description</u>	<u>2024</u>			<u>2015</u>		
		<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%
Blue Ridge Multi-Family LLC	Apartments	46,652,900	6	0.41%	-	-	0.00%
United Parcel Service Inc	Package Delivery	45,258,705	7	0.40%	-	-	-
HR Foundation Inc	Hotel	44,219,619	8	0.39%	24,961,200	9	0.31%
BRC Orange Avenue LLC	Apartments	42,400,400	9	0.37%	-	-	0.00%
Advance Auto Parts	Auto Parts	39,362,921	10	0.35%	23,385,103	10	0.00
Steel Dynamics Roanoke BAR Division	Primary Metals	-	-	-	39,239,851	6	0.49%
Verizon Virginia	Communications	-	-	-	33,902,802	7	0.42%
Faison Roanoke Office Ltd	Office Building	-	-	-	29,885,900	8	0.37%
		\$ 1,027,964,219		9.04%	\$ 817,647,098		10.18%

Source: City of Roanoke, Commissioner of the Revenue

Table 10
Unaudited

CITY OF ROANOKE, VIRGINIA
TAXABLE RETAIL SALES
LAST TEN CALENDAR YEARS

<u>Calendar Year</u>	<u>Total Retail Sales (1)</u>
2015	#####
2016	1,824,416,057
2017	1,837,473,382
2018	1,933,216,680
2019	1,969,546,727
2020	1,894,999,374
2021	2,075,100,883
2022	2,292,504,068
2023	2,352,300,649
2024	585,810,722

(1) Source: State Department of Taxation. Data excludes prescription drug sales.
(2) For 2024 through second quarter.

CITY OF ROANOKE, VIRGINIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds (1)	Subscriptions	Leases (2)	Bonds	Leases (2)	Obligation				
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	232,819,907	-	2,493,881	36,922,954	15,251	272,246,993	6.06	2,744		
2021-22	253,008,781	-	2,747,891	36,857,879	33,857	292,648,408	6.32	2,953		
2022-23	231,023,607	568,123	1,518,854	33,955,551	23,198	267,089,333	5.34	2,702		
2023-24	251,471,116	431,034	3,782,984	36,425,921	11,869	292,122,924	5.84	2,955		

(1) General Obligation Bonds include Bond Anticipation Notes, Bond Premiums, and Bond Discounts.

(2) Leases includes Financed Purchases and Operating Leases.

Table 12
Unaudited

CITY OF ROANOKE, VIRGINIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

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:		\$	9,658,259,612
Legal Debt Limit: 10%	\$	965,825,961	965,825,961
Debt applicable to limitation:			
Gross Total Primary Government Debt	\$	291,993,637	
Less Available Debt Service Fund Balance		-	
General Net Direct Debt Outstanding			
Less: Available in Debt Service Fund		\$	291,993,637
		\$	<u>673,832,324</u>

Legal Debt Margin

(1) Source: City of Roanoke, Commissioner of the Revenue.

Table 13
Unaudited

CITY OF ROANOKE, VIRGINIA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL LONG-TERM DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS

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	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	8.5%
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	20,036,716	8,384,752	28,421,468	492,921,990	5.8%

(1) Principal and interest payments include all general long term debt payments supported by tax revenues of the City, including those related to capital leases. Debt payments made on behalf of the Roanoke Civic Center and City of Roanoke Technology Fund are included. The Technology Fund was closed effective June 30, 2017. Debt payments made by the Roanoke City 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 FY2014. 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 14

THE SCHOOL BOARD OF THE CITY OF ROANOKE VIRGINIA
Table of Outstanding Debt Incurred by Roanoke City Public Schools and the City of Roanoke
for Roanoke City Public School Projects
June 30, 2024
(Unaudited)

	<u>Interest Rates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Issue Amount Designated for School Assets</u>	<u>Balance as of June 30, 2024</u>
<u>General Obligation Bonds, RCPS Portion</u>					
Series 2015 Public Improvement Bonds New Money	2.00% - 4.00%	3/25/2014	4/1/2035	\$ 5,000,000	\$ 3,085,000
Series 2015 Public Improvement Bonds Refunding	2.00% - 4.00%	3/25/2014	4/1/2035	1,765,000	1,680,000
Series 2016 Public Improvement Bonds New Money	2.00% - 5.00%	3/8/2016	4/1/2036	8,500,000	5,440,000
Series 2016 Public Improvement Bonds Refunding	2.00% - 5.00%	3/8/2016	4/1/2036	6,945,000	13,205,000
Series 2017 Public Improvement Bonds New Money	3.00% - 5.00%	3/23/2017	4/1/2037	22,050,000	3,510,000
Series 2019C Refunding Bonds	2.79%	11/22/2019	4/1/2041	12,786,305	10,868,354
Series 2020A Refunding Bonds	2.25% - 5.00%	5/14/2020	4/1/2043	5,779,471	5,327,353
Series 2020B Refunding Bonds	2.00% - 2.50%	5/14/2020	2/1/2034	6,340,601	3,527,892
Series 2021A Refunding Bonds	2.00% - 5.00%	10/1/2021	4/1/2042	11,065,000	9,955,000
Series 2021B Refunding Bonds	1.95% - 3.00%	10/1/2021	4/1/2034	1,447,290	1,432,080
Series 2021A GOB New Money	2.00% - 5.00%	10/1/2021	4/1/2044	4,395,000	4,395,000
Series 2022 GOB New Money	4.00% - 5.00%	10/1/2022	4/1/2042	4,625,000	4,160,000
Series 2023 GOB New Money	4.00% - 5.00%	10/1/2023	4/1/2043	12,045,000	12,045,000
Total General Obligation Bonds:				<u>102,743,667</u>	
<u>School Fund Bonds and Loans</u>					
Virginia Public School Authority - Series 2004B	4.10% - 5.60%	11/1/2004	7/15/2024	1,118,756 (1)	64,492
Virginia Public School Authority - Series 2005D.1	4.60% - 5.10%	11/10/2005	7/15/2025	992,464 (2)	114,225
Virginia Public School Authority - Series 2005D.2	4.60% - 5.10%	11/11/2005	7/15/2025	3,291,459 (3)	378,817
Virginia Public School Authority - Series 2006B	4.22% - 5.10%	11/9/2006	7/15/2026	6,573,600 (4)	1,099,481
Virginia Public School Authority - Series 2008B	4.10% - 5.35%	12/11/2008	7/15/2028	10,580,000	1,782,878
Virginia Public School Authority - Series 2014B	3.00% - 5.00%	5/15/2014	7/15/2026	1,245,000	285,000
Virginia Public School Authority - Series 2015A	3.00% - 5.10%	2/17/2015	7/15/2028	7,400,000	3,290,000
Total Virginia Public School Authority Bonds:				<u>31,201,279</u>	
Qualified Zone Academy Bond - School Capital Projects	0%	10/31/2012	6/1/2035	2,014,104 (5)	1,007,050
Total Qualified Zone Academy Bonds:				<u>2,014,104</u>	
Qualified School Construction Bonds-Elementary Schools	0%	7/8/2010	6/1/2027	1,135,000 (6)	209,500
Total Qualified School Construction Bonds				<u>1,135,000</u>	
<u>Lease Payable</u>					
TD Equipment Finance, Inc.	2.14%	12/06/2019	6/1/2035	17,000,000	14,002,000
Leases and SBITA	Various	Various	Various	3,357,000	3,357,000
Total Outstanding Bonded Debt and Lease Payable				<u><u>\$ 157,451,050</u></u>	<u><u>\$ 104,221,122</u></u>

Debt incurred by the City of Roanoke to fund capital projects designated for school improvements, the capital assets which are owned by the City of Roanoke, are not included in the basic financial statements of the School Board of the City of Roanoke.

The lease payable is included in the basic financial statements of the School Board of the City of Roanoke. See Note 3f to the financial statements.

Table 14 (continued)

The Virginia Public School Authority (VPSA) bonds are issued as replacements for requests for loans from the State Literary Fund. The State Department of Education provides an additional amount of state funding to each VPSA issue to increase the amount of funds received by the locality to the original requested amount and to establish an effective interest rate for the life of each bond at 4 percent, as indicated:

- (1) \$1,300,000 proceeds received but repayment of only \$1,118,756 required.
- (2) \$1,160,900 proceeds received but repayment of only \$ 992,464 required.
- (3) \$3,850,000 proceeds received but repayment of only \$3,291,459 required.
- (4) \$7,500,000 proceeds received but repayment of only \$6,573,600 required.
- (5) Annual payments on Qualified Zone Academy Bonds are made to a sinking fund. No interest is accrued on this debt.
- (6) Interest expense on Qualified School Construction Bonds is reimbursed by federal subsidy, subject to available federal funding.

**Roanoke City Schools
Notes and Leases/Subscriptions Payable
Table 14 (continued)**

The School Board is responsible for the maintenance, utilities, and general upkeep of all facilities designated as school facilities. The school division funds this through funding that is provided by the City of Roanoke and the Commonwealth of Virginia and managed by the School Board. Capital needs are typically funded through bond proceeds from municipal bonds issued by the City of Roanoke. In Virginia, school divisions cannot issue their own debt. Through the City of Roanoke's School Funding Policy, adopted by Roanoke City Council on May 9, 2011 and last amended May 14, 2018, RCPS is responsible for capital expenditures and / or paying 100% of the debt service on any bonds used to fund capital projects in "property and buildings controlled by the School Board." However, school properties are owned by the City of Roanoke. Those debt issues are presented in the City's financial statements and excluded from the Schools financial statements, but are included in Tables 14 and 15. Below are the notes and long term leases entered into by the Schools directly and included in the Schools financial statements.

Debt Issue	Outstanding Balance at June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
2019 Lease Purchase Agreement	\$ 14,002,000	\$ 14,958,000	\$ 15,852,500	\$ 16,728,500	\$ 17,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Operating lease and subscription liabilities:										
Copiers, postage meters, and printers	863,735	80,117	341,422	-	-	-	-	-	-	-
Vehicle	1,374,011	1,095,723	43,405	-	-	-	-	-	-	-
Software and licenses	1,119,254	1,109,861	-	-	-	-	-	-	-	-
Total	\$ 17,359,000	\$ 17,243,701	\$ 16,237,327	\$ 16,728,500	\$ 17,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service expenditures (Note 1)	\$ 1,270,986	\$ 1,228,955	\$ 1,229,303	\$ 633,845	\$ 176,847	\$ -	\$ -	\$ -	\$ -	\$ -
Noncapital expenditures (Note 2)	304,499,739	296,469,304	257,875,120	215,567,089	223,290,336	214,410,753	202,494,360	200,291,450	191,906,963	190,517,663
Debt service as a percentage of noncapital	0.42%	0.41%	0.48%	0.29%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%

Note 1 - Debt service for purposes of the above ratio includes only debt service expenditures related to the debt liabilities included on the Schools financial statements (Exhibit 4).

Note 2 - Noncapital expenditures includes total expenditures for all governmental funds less payments for debt service per Ex 4.

Table 15
Unaudited

CITY OF ROANOKE, VIRGINIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Debt Limit	\$ 965,825,961	\$ 851,203,270	\$ 878,836,470	\$ 776,410,133	\$ 744,443,760	\$ 718,026,323	\$ 697,030,256	\$ 678,346,391	\$ 672,422,997	\$ 669,387,435
Total Net Debt Applicable to Limit	291,993,637	267,422,504	292,408,629	272,170,177	259,284,658	231,248,497	229,932,036	219,172,541	215,556,963	217,064,553
Legal Debt Margin	\$ 673,832,324	\$ 583,780,766	\$ 586,427,841	\$ 504,239,956	\$ 485,159,102	\$ 486,777,826	\$ 467,098,220	\$ 459,173,850	\$ 456,866,034	\$ 452,322,882
Total Net Debt										
Applicable to Limit as a Percentage of Debt Limit	30.23%	31.42%	33.27%	35.05%	34.83%	32.21%	32.99%	32.31%	32.06%	32.43%

Table 16
Unaudited

CITY OF ROANOKE
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

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
2021-21	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: 2012-2021: Weldon - Cooper Center for Public Service ; 2021-Present: Bureau of Economic Analysis

(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
Unaudited

CITY OF ROANOKE, VIRGINIA
PRINCIPAL EMPLOYERS
COMPARISON AS OF DECEMBER 31, FISCAL YEARS 2023 AND 2013

Employer	December 31, 2023		December 31, 2013	
	Rank	Ownership	Rank	Ownership
Roanoke Memorial Community Hospital	1	Private	1	Private
Roanoke City Public Schools	2	Local Govt	2	Local Govt
Carilion Services	3	Private	4	Private
City of Roanoke	4	Local Govt	3	Local Govt
United Parcel Service	5	Private	5	Private
Walmart	6	Private	6	Private
United States Postal Service	7	Federal Govt	9	Federal Govt
Virginia Transformer Corporation	8	Private	-	Private
Y M C A	9	Private	-	Private
Anthem	10	Private	-	Private

Source: Virginia Employment Commission (VEC) and Roanoke Regional Partnership

Note: Total employee count no longer available from VEC

Table 18

**ROANOKE CITY PUBLIC SCHOOLS
EDUCATIONAL STATISTICS
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
Average Daily Membership	13,610	13,509	13,664	13,697	13,845	13,636	13,601	13,580	13,585	13,513
Total Graduates	886	860	907	874	928	885	858	781	811	783
Dropout Rate Percentage	5.41%	4.47%	4.97%	3.58%	3.34%	3.37%	3.57%	3.19%	3.60%	3.67%
Student Attendance Rate	91.9%	92.0%	91.9%	91.6%	94.3%	94%	94%	94%	94%	94%
Total Per Pupil Cost	\$ 18,977	\$ 18,751	\$ 15,699	\$ 14,210	\$ 13,421	\$ 13,951	\$ 13,355	\$ 12,929	\$ 12,404	\$ 12,472
Local Composite Index of Ability to Pay	34%	34%	33%	34%	34%	34%	34%	34%	36%	37%
Average Teacher Salary	\$ 69,733	\$ 67,567	\$ 59,871	\$ 57,320	\$ 56,338	\$ 53,687	\$ 50,277	\$ 48,707	\$ 47,845	\$ 50,509
per 1,000 Students	*	*	*	*	*	*	110.2	113.7	112.1	116.1

Source: Department of Testing, Roanoke City Public Schools and the Annual School Report

Average Daily Membership for this table is taken from end of year data in the Annual School Report

* Effective FY 19, this information was no longer available on the Annual School Report

Table 19

**ROANOKE CITY PUBLIC SCHOOLS
PERSONNEL STAFFING - FULL TIME EQUIVALENTS (FTE)
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
Superintendent	1	1	1	1	1	1	1	1	1	1
Asst. Supt./Executive Director/Supervisor	14	14	16	13	8	7	6	6	7	7
Principal/Asst. Principal	61	51	48	33	29	33	35	34	34	35
Classroom Teacher	70	69	68	65	62	63	57.6	55.8	53.8	52.8
Guidance Counselor	1126.5	1103.1	1063.75	1069.4	1052.56	1056.26	1047.66	1054.11	1045.61	1052.86
Librarian	54	53.6	50.6	50.6	48.6	45.6	45.6	45.6	44.6	44.6
Other Professional	26.6	26	23.6	25.6	25.6	25.6	25.6	26	26	26
Clerical	120.8	107.8	86.1	85.1	81.6	80	80.6	81.4	81.4	69.8
Teacher Aides	100	95	93	83	86	92	101	96	96	96.55
Attendance & Health	436.3	404.3	325.5	326	343	347	342	318.8	308.8	308.1
Pupil Transportation	1	1	1	1	1	1	1	1	1	1
Maintenance of Plant	1	2	2	2	2	2	2	2	2	2
Operation of Plant	42	39	43	37	35	37	36	34	34	31
Food Services	137	136	114	119	125	125	124	121	122	119
Total Personnel	3	3	3	3	3	2	2	2	2	2
	2,194.20	2,105.80	1,938.55	1,913.70	1,903.36	1,917.46	1,907.06	1,878.71	1,912.21	1,908.71

Source: Roanoke City Public Schools, Department of Human Resources

Table 20

ROANOKE CITY PUBLIC SCHOOLS
FREE LUNCH APPROVALS BY SCHOOL
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
Elementary Schools:										
Crystal Spring	56	65	58	68	74	57	63	57	48	55
Fairview	384	404	385	424	398	380	380	372	329	391
Fallon Park	464	424	426	464	451	363	452	453	461	551
Fishburn Park	183	187	160	140	158	111	185	201	143	134
Garden City	236	216	197	196	209	148	184	180	190	226
Grandin Court	115	100	107	127	103	104	106	102	92	108
Highland Park	215	226	207	220	164	201	201	203	200	217
Hurt Park	295	298	279	321	321	278	288	317	348	366
Lincoln Terrace	207	269	228	254	257	253	253	277	266	277
Monterey	319	331	292	297	293	262	260	268	301	400
Morningside	202	212	205	210	182	161	201	218	225	250
Preston Park	338	337	317	336	287	245	293	275	330	240
Roanoke Academy	362	346	309	292	291	254	283	303	325	432
Round Hill	541	547	528	545	524	374	397	422	428	534
Virginia Heights	145	163	161	185	184	160	180	166	206	214
Wasena	154	150	118	118	114	87	127	136	138	151
Westside	502	484	445	556	544	464	442	483	568	673
Middle Schools:										
Addison	404	430	411	537	472	388	433	403	393	467
Breckinridge	428	455	393	468	447	356	362	288	266	369
Fishwick	366	334	327	359	357	340	374	362	379	461
Madison	328	336	305	355	319	251	330	327	323	309
Wilson	394	404	362	401	351	261	277	240	252	233
High Schools:										
William Fleming	1206	1200	994	1053	881	735	839	757	672	957
Forest Park Academy(c)	100	91	90	99	87	0	0	0	82	125
Patrick Henry	1131	1080	963	1019	927	827	1154	1077	952	956
Noel Taylor Learning Center (c)	110	100	79	40	63	0	0	0	65	88
Total Free Lunch Approvals	9,185	9,189	8,346	9,084	7,892	9,274	9,198	8,763	8,350	8,265
Total ADM	13,544	13,509	13,664	13,697	13,845	13,636	13,601	13,580	13,771	13,623
Percentage Free Lunch	67.82%	68.02%	61.08%	66.32%	57.00%	68.01%	67.63%	64.67%	60.63%	60.67%

a.

b.

a. During Fiscal Year 16, Roanoke City Schools participated in the Community Eligibility Provision, a program that allows the highest poverty school districts to serve breakfast and lunch at no cost to all enrolled students without the burden of collecting household applications. The total free lunch approvals decreased in fiscal 16 because the school division no longer had to take income applications for participation in free lunch which the above table represents.

b. In Fiscal Year 20, Roanoke City Schools reported identified students (IS) eligible for free/reduced lunch in the table above. Per the CEP Program, if the individual students to enrollment percentage exceeds 40% then that school is eligible for all students to receive free lunch/breakfast. As such, only Crystal Spring and Grandin Court did not meet the 40% threshold. Fiscal Years 16-19 were not restated to reflect the change in the students reported.

c. Forest Park Academy and Noel C. Taylor Learning Academy students' approvals are in the home school in which the students are assigned beginning the 2016-17 school year.

In 2019-20 school year, the students were not reported with their home school.

Source: Roanoke City Public Schools Department of Food and Nutrition

Table 21
Unaudited

ROANOKE CITY PUBLIC SCHOOLS
CAPITAL ASSET STATISTICS
June 30, 2024
(Unaudited)

School Description	Total Current Classrooms *	Current Useable Student Capacity	Enrollment FY2022-23	Enrollment FY2023-24	% Of Constructed Capacity	% Of Useable Capacity	Modular Buildings
Elementary Schools:							
Crystal Spring	19.0	455	304	304	46%	67%	0
Fairview	30.0	706	506	476	71%	67%	0
Fallon Park	42.0	902	533	574	31%	64%	0
Fishburn Park	21.0	404	292	295	39%	73%	0
Garden City	22.0	486	304	309	36%	64%	0
Grandin Court	18.0	414	370	361	56%	87%	0
Highland Park	23.0	521	398	383	48%	74%	0
Hurt Park	22.0	506	323	333	38%	66%	0
Lincoln Terrace	21.0	482	297	248	26%	51%	1
Monterey	24.0	584	490	493	43%	84%	0
Morningside	22.0	464	240	228	32%	49%	0
Preston Park	28.0	652	505	513	57%	79%	1
Roanoke Academy	28.0	581	392	404	25%	70%	0
Round Hill	41.0	914	720	706	41%	77%	0
Virginia Heights	20.0	421	267	260	78%	62%	0
Wasena	14.0	318	233	252	42%	79%	0
Westside	42.0	982	640	645	38%	66%	0
Middle Schools:							
Addison	39.0	889	525	485	30%	55%	0
Breckinridge	37.0	869	624	596	52%	69%	0
Fishwick	22.0	550	504	582	59%	106%	0
Madison	31.0	731	581	560	51%	77%	0
Wilson	36.0	843	650	693	50%	82%	0
High Schools:							
William Fleming	69	1,649	2,018	1,921	64%	116%	0
Patrick Henry	70	1,674	1,920	2,031	64%	121%	0
Regional Program:							
Roanoke Valley Governor's School	11	275	252	268	98%	97%	0

Source: Roanoke City Public Schools Department of Fiscal Services

Note: The Roanoke Valley Governor's School has a morning session and an afternoon session, with approximately 60% of the student body attending the morning session. Students are enrolled at their home schools; approximately half of the students are enrolled in other school districts within the region.

* Standard Classrooms: OT/PT Speech, MD, Reach & SPED. Excludes Art & Music.

Program Alternative Learning Sites:	Number of Classroom	Current Useable Student Capacity
Taylor Academy	13	323
ROTEC	11	220
Forest Park	14	313
DAYTEC	17	340

Central Administration:	Square Footage
William B. Robertson 201 Campbell Ave SW	136,000
Administration on Douglass 40 Douglass Ave NW	42,000

THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
Table of Capital Assets by Location
June 30, 2024
(Unaudited)

Location	Land	Buildings and Structures	Equipment and Improvements	Construction in Progress	Total
William Fleming High School	\$ 237,993	\$ 61,893,729	\$ 3,072,148	\$ -	\$ 65,203,870
Patrick Henry High School	31,127	63,364,572	3,788,108	-	67,183,807
Lucy Addison Aerospace Middle School	12,015	15,049,822	5,944,876	-	21,006,713
James Breckinridge Middle School	37,500	7,925,394	1,613,001	-	9,575,895
John P. Fishwick Middle School	36,005	6,655,962	4,552,887	-	11,244,854
James Madison Middle School	9,883	5,904,666	938,742	-	6,853,291
Woodrow Wilson Middle School	12,500	13,758,900	3,654,238	-	17,425,638
William Ruffner Operations Center	-	-	7,638,095	-	7,638,095
Roanoke Technical Education Center	-	-	355,912	-	355,912
Charles W. Day Technical Education Center	35,329	3,677,002	2,276,571	-	5,988,902
Crystal Spring School	153,444	5,473,546	737,188	-	6,364,178
Fairview School	21,566	5,858,078	3,311,049	-	9,190,693
Fallon Park School	13,700	23,913,950	439,934	-	24,367,584
Fishburn Park School	4,236	4,317,362	429,696	-	4,751,294
Forest Park Academy	27,992	3,960,524	778,304	-	4,766,820
Garden City School	26,850	5,703,720	671,207	-	6,401,777
Grandin Court School	33,700	3,551,013	329,298	-	3,914,011
Highland Park School	600	6,532,063	464,244	-	6,996,907
Hurt Park School	2,085	4,681,489	2,173,297	-	6,856,871
Lincoln Terrace School	18,000	3,129,168	1,539,965	-	4,687,133
Monterey School	15,000	4,800,896	967,428	-	5,783,324
Morningside School	22,700	8,795,837	1,168,984	-	9,987,521
Noel C. Taylor Academy at Oakland	78,727	2,155,819	1,644,058	-	3,878,604
Preston Park School	33,956	4,211,697	1,587,611	1,318,742	7,152,006
Raleigh Court School	18,750	1,153,533	-	-	1,172,283
Roanoke Academy for Math and Science	15,000	13,149,510	1,499,686	-	14,664,196
Round Hill School	47,790	18,355,269	562,003	-	18,965,062
Virginia Heights School	32,750	7,673,911	392,756	-	8,099,417
Wasena School	20,000	4,614,290	725,945	-	5,360,235
Westside School	45,000	7,208,526	986,111	-	8,239,637
Governor's School for Math and Science	-	4,247,951	505,299	-	4,753,250
School Administration	2,948,679	3,930,808	9,103,973	-	15,983,460
School Transportation	360,000	1,883,045	236,319	-	2,479,364
Total Capital Assets	\$ 4,352,877	\$ 327,532,052	\$ 64,088,933	\$ 1,318,742	\$ 397,292,604

Note (1): Land, buildings, structures, and construction in progress are owned by the City of Roanoke on behalf of the Roanoke City Public Schools and, as such, are not included in the basic financial statements of the School Board of the City of Roanoke. Equipment of the School Board is shown by location without any adjustment for accumulated depreciation. Improvements include construction in progress for assets that are owned by the School Board of the City of Roanoke. This schedule is presented for informational purposes.

Note (2): Construction in Progress includes amounts for construction undertaken by the School Board of the City of Roanoke. These assets will be transferred over to the City of Roanoke upon completion. The Construction in Progress also includes other amounts which are provided by the City of Roanoke.

Note (3): Equipment and improvements do not include lease or subscription assets.

COMPLIANCE SECTION



We Are One #RCPS Proud

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THE SCHOOL BOARD OF THE CITY OF ROANOKE, VIRGINIA
A COMPONENT UNIT OF THE CITY OF ROANOKE, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Teacher and School Leader Incentive Fund (Title II, Part B) 2023	7/1/2022-9/30/2023	84,374	S374A220024	135,463	
Teacher and School Leader Incentive Fund (Title II, Part B) 2024	7/1/2023-9/30/2024	84,374	S374A230024	783,642	
Total Teacher and School Leader Incentive Funds (Title II Part B)					919,105
COVID-19 CRRSA Act ESSER II	3/13/2020-9/30/2023	84,425D	Award# S425D210008; APE50195	217,916	
COVID-19 American Rescue Plan Act ESSER III	3/13/2020-9/30/2024	84,425UJ	Award# S425U210008; APE50193	16,315,627	
COVID-19 CRRSA - ESSER II Set-Aside Unfinished Learning	3/13/2020-9/30/2023	84,425D	Award# S425D210008; APE50185	32,179	
COVID-19 ARP - ESSER Homeless I & II	4/23/2021-9/30/2023	84,425W	Award# S425W210048; 124-ARP	241,404	
COVID-19 ARP - ESSER III State Set-Aside Unfinished Learning	3/24/2021-09/30/2023	84,425UJ	Award# S425U210008; APE50175	275,270	
COVID-19 ARP - ESSER III State Set-Aside Summer Programs	3/24/2021-09/30/2023	84,425UJ	Award# S425U210008; APE50189	418,061	
COVID-19 ARP - ESSER III State Set-Aside Educator Recruitment and Retention	3/24/2021-09/30/2023	84,425UJ	Award# S425U210008; DOE86634	26,695	
COVID-19 ARP - ESSER III Recruitment and Retention Support (RARS)	11/2/2023-8/30/2024	84,425UJ	Award#S425U210008; APE41117	30,000	
COVID-19 ARP - ESSER III Grow Your own Registered Teacher Apprenticeship	11/1/2023-9/30/2024	84,425UJ	Award#S425U210008; DOE86540	53,641	
COVID-19 ARP - ESSER III RIPE	7/1/2022-8/31/2023	84,425UJ	Award#S425U210008; APE60053	40,000	
Total Education Stabilization Fund Program					17,650,793
Supporting Effective Educator Development (SEED)	7/1/2023-6/30/2024	84,423A	Pass-Through with Virginia Commonwealth University	50,000	50,000
Total Department of Education					\$ 35,322,137
Department of Health and Human Services					
Passed Through Commonwealth of Virginia Department of Education: Virginia School Screening Testing for Assurance Program	8/1/2022-07/31/2023	93,323	FAIN-NU50CK000555; Project 0000119359	7,774	
Total Department of Health and Human Services					\$ 7,774
Department of Medical Assistance Services:					
Passed Through Commonwealth of Virginia Department of Medical Assistance Services: FAMIS Reimbursement	7/1/2023-6/30/2024	93,767	--	32,545	
Medicaid Reimbursement (Medicaid Cluster)	7/1/2023-6/30/2024	93,776	--	894,298	
Total Department of Medical Assistance Services					\$ 926,843
Total Expenditures of Federal Awards					\$ 47,851,020

NOTE 1 - BASIS OF PRESENTATION:

The accompanying schedule of federal expenditures includes the activity of all federally assisted programs of the School Board of the City of Roanoke, Virginia and is presented on the modified accrual basis of accounting, as described in Note 1 to the School Board of the City of Roanoke's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on this schedule.

NOTE 2 - FOOD DISTRIBUTION:

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

NOTE 3 - INDIRECT COST RATE

The School Board of the City of Roanoke, Virginia has not elected to use the 10.0% de minimis rate. Also, the School Board of the City of Roanoke, Virginia used the federal indirect cost rates as furnished by Virginia Department of Education. The restricted rates are 3.8% and 17.5%, respectively.

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
Roanoke City School Board
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 and each major fund of the School Board of the City of Roanoke, Virginia (the “School Board”), a component unit of the City of Roanoke, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School Board’s basic financial statements, and have issued our report thereon dated October 31, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School Board’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School Board’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. **Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board’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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.**

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 School Board’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
October 31, 2024

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
Roanoke City School Board
Roanoke, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Compliance for Each Major Program

We have audited the School Board of the City of Roanoke, Virginia’s (the “School Board”) 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 School Board’s major federal programs for the year ended June 30, 2024. The School Board’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 School Board 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 School Board 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 School Board’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 School Board’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 School Board'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 judgement made by a reasonable user of the report on compliance about the School Board's compliance 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 School Board'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 School Board'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 School Board's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

The School Board of The City of Roanoke, Virginia

Summary of Compliance Matters

June 30, 2024

As more fully described in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, we performed tests of the School Board's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

State Compliance Matters

Code of Virginia

Budget and Appropriation Laws
Cash and Investment Laws
Conflicts of Interest Act
Local Retirement Systems
Debt Provisions
Procurement Laws
Uniform Disposition of Unclaimed Property Act

State Agency Requirements

Education

Federal Compliance Matters

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal program selected for testing.

The School Board of The 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. **No significant deficiencies 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. **No instances of noncompliance** material to the financial statements were disclosed.
4. **No significant deficiencies 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 **no audit findings relating to the major programs**.
7. The programs tested as major were:

<u>Name of Program</u>	<u>Assistance Listing Number</u>
Child Nutrition Cluster – School Breakfast Program	10.553
Child Nutrition Cluster – National School Lunch Program	10.555
Child Nutrition Cluster – Summer Food Service Program for Children	10.559
Child Nutrition Cluster – Fresh Fruit and Vegetable Program	10.582
COVID-19 – Elementary and Secondary School Emergency Relief Fund	84.425D
COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief	84.425U
COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief – Homeless Children and Youth	84.425W
21st Century CLC (Title IV-B)	84.287

8. The threshold for distinguishing Type A and B programs was **\$1,435,531**.
9. The School Board was determined to be a **low-risk auditee**.

B – Findings – Financial Statement Audit

None.

C – Findings and Questioned Costs – Major Federal Award Program Audit

None.

D – Findings – Commonwealth of Virginia

None.