RATINGS: Fitch: "AA"
Moody's: "Aa2"
S&P: "AA+"
(see "RATINGS" herein)

In the opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the City, interest on the Bonds is not excludable from gross income for federal income tax purposes. See "TAX MATTERS" herein.

In the opinion of Bond Counsel to the City, under existing statutes of the Commonwealth of Virginia, interest on the Bonds is not includable in computing the Virginia income tax.

$12,735,000
CITY OF ROANOKE, VIRGINIA,
GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2024A (FEDERALLY TAXABLE)

Dated: Date of Delivery **Due: April 1, As Shown On Inside Cover**

This Official Statement has been prepared by the City of Roanoke to provide information on the above-referenced Series 2024A Bonds (the "Bonds"). Selected information is presented on this cover page for the convenience of the reader. To make an informed decision regarding the Bonds, a prospective investor should read this Official Statement in its entirety.

Purpose	The net proceeds of sale of the Bonds will be used to pay the costs of various public improvement projects of and for the City, including construction of an expansion to and renovations of the conference center facilities and amenities spaces of the Hotel Roanoke and Conference Center, and to pay certain costs of issuance associated with the Bonds. See "INTRODUCTION" on page 1 of this Official Statement.
Issued Pursuant to	The Bonds will be issued in accordance with the Public Finance Act of 1991, Title 15.2, Chapter 26, of the Code of Virginia, 1950. The City Council of the City adopted a resolution on April 15, 2024 authorizing the issuance and sale of the Bonds.
Security	The Bonds will be general obligations of the City, and the full faith and credit of the City will be irrevocably pledged to the punctual payment of the principal of and interest on the Bonds as they become due.
Interest Payment Dates	April 1 and October 1, beginning October 1, 2024.
Record Dates	March 15 and September 15, beginning September 15, 2024.
Redemption Provisions	See "DESCRIPTION OF THE BONDS – Optional Redemption" herein.
Denomination	$5,000 or integral multiples thereof.
Registration	Book-entry only; Cede & Co., as nominee for The Depository Trust Company.
Registrar/Paying Agent	Wilmington Trust, National Association, Richmond, Virginia.
Financial Advisor	Davenport & Company LLC, Richmond, Virginia.
Bond Counsel	Hawkins Delafield & Wood LLP, New York, New York.
Issuer Contact	Director of Finance, City of Roanoke, (540) 853-2824.

The Bonds are offered by the Underwriter, when, as and if issued, subject to approval of their validity by Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the City, as described herein. Certain legal matters will be passed upon for the City by Timothy Spencer, Esq., City Attorney, and for the Underwriter by its counsel, Pope Flynn, LLC. It is expected that delivery of the Bonds to DTC will be made in New York, New York, on or about May 22, 2024.

BAIRD

Dated: May 8, 2024

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

General Obligation Public Improvement Bonds, Series 2024A (Federally Taxable)

Year (April 1)	Principal Amount	Interest Rate	Price	CUSIP Numbers**
2027	$185,000	4.85%	100.00%	770078FD0
2028	195,000	4.80	100.00	770078FE8
2029	205,000	4.85	100.00	770078FF5
2030	215,000	4.88	100.00	770078FG3
2031	225,000	4.90	100.00	770078FH1
2032	235,000	4.95	100.00	770078FJ7
2033	250,000	5.00	100.00	770078FK4
2034	260,000	5.05	100.00	770078FL2
2035	275,000	5.10	100.00	770078FM0
2036	290,000	5.13	100.00	770078FN8

$625,000 5.20% Term Bonds Due April 1, 2038, Price 100.00%, CUSIP 770078FP3

$690,000 5.25% Term Bonds Due April 1, 2040, Price 100.00%, CUSIP 770078FQ1

$760,000 5.30% Term Bonds Due April 1, 2042, Price 100.00%, CUSIP 770078FR9

$3,395,000 5.40% Term Bonds Due April 1, 2049, Price 100.00%, CUSIP 770078FS7

$4,930,000 5.50% Term Bonds Due April 1, 2056, Price 100.00%, CUSIP 770078FT5

** CUSIP numbers have been assigned by an organization not affiliated with the City and are included solely for the convenience of the holders of the Bonds. The City is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated above.

CITY OF ROANOKE, VIRGINIA

CITY COUNCIL

SHERMAN P. LEA, SR., Mayor

JOSEPH L. COBB, Vice Mayor

LUKE W. PRIDDY

STEPHANIE MOON REYNOLDS

VIVIAN SANCHEZ-JONES

PETER J. VOLOSIN

PATRICIA WHITE-BOYD

CITY COUNCIL APPOINTED OFFICIALS

ROBERT S. COWELL, JR., City Manager

TIMOTHY SPENCER, City Attorney

CECELIA F. MCCOY, CMC, City Clerk

DREW HARMON, Municipal Auditor

HAWKINS DELAFIELD & WOOD LLP, Bond Counsel
New York, New York

DAVENPORT & COMPANY LLC, Financial Advisor
Richmond, Virginia

FOR ADDITIONAL INFORMATION
Department of Finance, City of Roanoke
215 Church Avenue, S.W., Room 461
Roanoke, Virginia 24011
(540) 853-2824

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The information contained in this Official Statement (which term shall be deemed to include all Appendices to this Official Statement) has been obtained from the City and other sources deemed reliable. The information concerning DTC has been obtained from DTC. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purpose. The information contained in this Official Statement is subject to change without notice and neither the delivery of this Official Statement nor any sale made by means of it shall, under any circumstances, create any implication that there have not been changes in the affairs of the City since the date of this Official Statement. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers of any of the Bonds.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No broker, dealer, sales representative or any other person has been authorized by the City to give any information or to make any representation other than as contained in this Official Statement in connection with the offering described in it and, if given or made, such other information or representation must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than those described on the cover page and inside cover page hereof, nor shall there be any offer to sell, solicitation of an offer to buy or sale of such securities by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Bonds will be exempt from registration under the Securities Act of 1933, as obligations of a political subdivision of the Commonwealth of Virginia. The Bonds also will be exempt from registration under the securities laws of the Commonwealth of Virginia.

The electronic distribution of this Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Bonds described herein to the residents of any particular state and is not specifically directed to the residents of any particular state. The Bonds will not be offered or sold in any state unless and until they are either registered pursuant to the laws of such state, or qualified pursuant to an appropriate exemption from registration in such state.

In making an investment decision investors must rely on their own examination of the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

All quotations from and summaries and explanations of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact.

Any References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this offering document for purposes of, and as that term is defined in, Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "intend," "projection" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the heading "BONDHOLDER REMEDIES IN THE EVENT OF A DEFAULT" and in APPENDIX A to this Official Statement. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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Official Statement
Relating to the Issuance of

$12,735,000
CITY OF ROANOKE, VIRGINIA,
GENERAL OBLIGATION PUBLIC
IMPROVEMENT BONDS, SERIES 2024A (FEDERALLY TAXABLE)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to furnish information in connection with the sale by the City of Roanoke, Virginia (the "City") of $12,735,000 aggregate principal amount of General Obligation Public Improvement Bonds, Series 2024A (Federally Taxable) (the "Bonds"), dated May 22, 2024.

The Bonds are issued in accordance with the Public Finance Act of 1991, Title 15.2, Chapter 26 of the Code of Virginia, 1950, as amended. The City Council of the City adopted a resolution on April 15, 2024 authorizing the issuance and sale of the Bonds.

The City is located at the southern end of the Shenandoah Valley and is the largest city in the Commonwealth west of Richmond. The City had an estimated population as of July 1, 2023 of 98,865 based on statistics published by the Weldon Cooper Center for Public Service. For a more detailed description of the City, see Appendix A hereto.

Series 2024A Project

Proceeds of the sale of the Bonds will be applied to the financing of a portion of the costs of the construction of an expansion to and renovations of the conference center facilities and amenities spaces of the Hotel Roanoke and Conference Center. Proceeds of the Bonds will also be applied to the payment of certain costs of issuance of the Bonds.

DESCRIPTION OF THE BONDS

Interest, Maturities and Places of Payment

The Bonds will be dated the date of their delivery. The Bonds will bear interest from their date, payable on October 1, 2024 and semiannually on each April 1 and October 1 thereafter, at the rates per annum set forth on the inside cover page of this Official Statement. The record dates for the payment of the principal of and the interest on the Bonds will be September 15, 2024 and each March 15 and September 15 thereafter. The Bonds will mature on April 1 in each of the years and in the aggregate principal amounts set forth on the inside cover page of this Official Statement.

Book-Entry Only Bonds; Registrar and Paying Agent

The Bonds will be issued in fully registered form in the denominations of $5,000 or integral multiples thereof and will be held by The Depository Trust Company ("DTC"), or its nominee, as securities depository with respect to the Bonds. Purchases of beneficial ownership interest in the Bonds will be made only in book-entry form and individual purchasers will not receive physical delivery of Bond certificates. Reference is made to Appendix D for a description of DTC and DTC's book-entry system.

The Registrar and Paying Agent for the Bonds will be Wilmington Trust, National Association, Richmond, Virginia.

Optional Redemption

The Bonds maturing on or before April 1, 2032 are not subject to optional redemption prior to their stated maturities. The Bonds maturing on and after April 1, 2033 (or portions thereof in installments of $5,000) are subject to redemption at the option of the City prior to their stated maturities, on or after April 1, 2032, in whole or in part from time to time on any date, in such order as may be determined by the City (except that if at any time less than all of the Bonds of a given maturity are called for redemption, the particular Bonds or portions thereof in installments of $5,000 of such maturity to be redeemed shall be selected by lot), at a redemption price equal to the principal amount of the Bonds to be redeemed, together with the interest accrued thereon to the date fixed for the redemption thereof.

Mandatory Sinking Fund Redemption

The Bonds maturing on April 1, 2038, 2040, 2042, 2049 and 2056 are subject to mandatory sinking fund redemption on April 1 in each of the years and in the principal amounts in each year set forth below, in the case of redemption with the particular Bond or Bonds or portions thereof to be redeemed to be selected by lot, upon payment of the principal amount of the Bonds to be redeemed, together with the interest accrued on the principal amount to be redeemed to the date fixed for the redemption thereof:

Term Bond Due April 1, 2038

Year	Amount
2037	$305,000
2038*	320,000

* Final Maturity

Term Bond Due April 1, 2040

Year	Amount
2039	$335,000
2040*	355,000

* Final Maturity

Term Bond Due April 1, 2042

Year	Amount
2041	$370,000
2042*	390,000

* Final Maturity

Term Bond Due April 1, 2049

Year	Amount
2043	$410,000
2044	435,000
2045	460,000
2046	480,000
2047	510,000
2048	535,000
2049*	565,000

* Final Maturity

Term Bond Due April 1, 2056

Year	Amount
2050	$595,000
2051	630,000
2052	665,000
2053	700,000
2054	740,000
2055	780,000
2056*	820,000

* Final Maturity

The City, at its option, may credit against such mandatory sinking fund redemption requirement the principal amount of any Bonds maturing on April 1, 2038, 2040, 2042, 2049 and 2056 which have been purchased and cancelled by the City or which have been redeemed and not theretofore applied as a credit against such mandatory sinking fund redemption requirement.

Notice of Redemption

If any Bond (or any portion of the principal amount thereof in installments of $5,000) shall be called for redemption, notice of the redemption thereof, specifying the date, number and maturity of such Bond, the date and place or places fixed for its redemption and if less than the entire principal amount of such Bond is to be redeemed, that such Bond must be surrendered in exchange for the principal amount thereof to be redeemed and a new Bond or Bonds of such series issued equaling in principal amount that portion of the principal amount thereof not to be redeemed, shall be mailed not less than thirty (30) days prior to the date fixed for redemption by first class mail, postage prepaid, to the registered owner of such Bond at the address of such registered owner as it appears on the books of registry kept by the Registrar for the Bonds as of the close of business on the forty-fifth (45th) day next preceding the date fixed for redemption. If notice of the redemption of any Bond (or portion thereof in installments of $5,000) shall have been given as aforesaid, and payment of the principal amount of such Bond (or the portion of the principal amount thereof to be redeemed) and of the accrued interest payable upon such redemption shall have been duly made or provided for, interest on such Bond shall cease to accrue from and after the date so specified for the redemption thereof.

Any notice of optional redemption of the Bonds may state that such redemption will be conditional upon receipt by the Registrar and Paying Agent, on or prior to the date fixed for such redemption, of moneys sufficient to pay the principal of and interest on the Bonds to be redeemed and that if such moneys have not been so received, such notice will be of no force and effect and the Bonds will not be redeemed.

So long as the Bonds are in book-entry only form, any notice of redemption will be given only to DTC or its nominee. The City shall not be responsible for providing any beneficial owner of the Bonds with any notice of redemption.

SECURITY FOR THE BONDS

The Bonds are general obligations of the City, and the full faith and credit of the City are irrevocably pledged to the punctual payment of the principal of and interest on the Bonds as the same become due. In each year while the Bonds, or any of them, remain outstanding and unpaid, the City Council is authorized and required to levy and collect annually, at the same time and in the same manner as other taxes in the City are assessed, levied and collected, a tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Bonds to the extent other funds of the City are not lawfully available and appropriated for such purpose.

ESTIMATED SOURCES AND USES OF FUNDS

The following table summarizes the estimated sources and uses of proceeds of the Bonds:

Sources Of Funds:	
Bond Proceeds	$12,735,000.00
Total Sources	$12,735,000.00
Uses Of Funds:	
Project Costs	$12,287,421.37
Costs of Issuance	400,000.00
Total Underwriter’s Discount	47,578.63
Total Uses	$12,735,000.00

BONDHOLDER REMEDIES IN THE EVENT OF DEFAULT

Section 15.2-2659 of the Code of Virginia, 1950, provides that, upon the affidavit of any owner or any paying agent of any general obligation bonds of a political subdivision of the Commonwealth of Virginia (including the City) in default as to payment of principal or interest, the Governor shall immediately make a summary investigation and if such default is established to the Governor’s satisfaction, the Governor shall immediately make an order directing the State Comptroller to withhold all further payment to the political subdivision of all funds, or any part thereof, appropriated and payable by the Commonwealth to the political subdivision so in default for any and all purposes until such default is cured. The Governor shall, while such default continues, direct the payment of all such sums so withheld, or so much thereof as shall be necessary, to the owners of such bonds so in default, or the paying agent therefor, so as to cure, or to cure insofar as possible, the default on such bonds and the interest thereon. The Governor shall, as soon as practicable, give notice of such default and of the availability of funds with the paying agent or with the State Comptroller by publication one time in a daily newspaper of general circulation in the City of Richmond and, in the case of registered bonds, by mail, to the registered owners of the Bonds. The State Comptroller advises that to date no order to withhold funds pursuant to Section 15.2-2659 has ever been issued. Although the provisions of Section 15.2-2659 have never been ruled on by a Virginia court, the Attorney General of Virginia has ruled that appropriated funds can be withheld by the Commonwealth pursuant to that section. For the fiscal year ended June 30, 2023, total direct appropriations paid by the Commonwealth to the City amounted to $139,468,599, of which approximately $115,003,487 constituted appropriations to the City's General Fund.

Neither the Bonds, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds if the City defaults in the payment of principal of or interest on the Bonds, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds upon the occurrence of such default. Upon any default in the payment of the principal of or interest on a Bond, the owner of such Bond could, among other things, seek to obtain a writ of mandamus from a court of competent jurisdiction requiring the City Council to assess, levy and collect an ad valorem tax, unlimited as to rate or amount, upon all property in the City subject to taxation by the City, sufficient to pay the principal of and interest on the Bonds as the same shall come due and otherwise to observe the covenants contained in the Bonds and the proceedings with respect thereto. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

Although Virginia law currently does not authorize such action, future legislation may enable the City to file a petition for relief under the United States Bankruptcy Code (the "Bankruptcy Code") if it is insolvent or unable to pay its debts. Bankruptcy proceedings by the City could have adverse effects on bondholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the City after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent". The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

The City has never defaulted in the payment of either principal of or interest on any indebtedness.

RATINGS

Fitch Ratings, Moody's Investors Service and S&P Global Ratings have assigned the Bonds the initial ratings set forth on the cover page of this Official Statement. An explanation of the significance of such ratings may only be obtained from the rating agency furnishing the same. The City furnished to such rating agencies the information contained in this Official Statement and certain publicly available materials and information about the City. Generally, rating agencies base their ratings on such materials and information, as well as investigations, studies, and assumptions of the rating agencies. Such ratings may be changed at any time, and no assurance can be given that they will not be revised downward or withdrawn entirely by either or all such rating agencies if, in the judgment of either or all, circumstances so warrant. Such circumstances may include, without limitation, changes in or unavailability of information relating to the City. Any such downward revision or withdrawal of any such ratings may have an adverse effect on the market price of the Bonds.

LITIGATION AND CONTINGENT LIABILITIES

The City Attorney reports that there is no litigation pending or, to the knowledge of the City Attorney, threatened affecting the issuance of the Bonds or the security therefor. The City is a defendant in certain litigation arising in the ordinary course of operations and is subject to certain contingent liabilities, including the litigation and contingent liabilities described in Note 18 to the City's financial statements included in Appendix B to this Official Statement. The City Attorney has reviewed the status of such litigation and is of the opinion that foreseeable liability, if any, in all of them would not have a material adverse effect upon the financial condition of the City. The City Attorney is also of the opinion that such litigation will not affect the validity of the Bonds or the ability of the City to levy ad valorem taxes for payment of the principal of and interest on the Bonds.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters relating to the authorization and validity of the Bonds are subject to the approval of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the City. The opinion of Bond Counsel approving the Bonds will be furnished at the expense of the City upon delivery of the Bonds and will be printed on the Bonds. The proposed form of the opinion of Bond Counsel is set forth as Appendix C to this Official Statement. Bond Counsel will express no opinion of any kind as to the Official Statement, and its opinions will be limited to matters relating to the authorization and validity of the Bonds and to the status of interest on the Bonds for purposes of federal and Commonwealth of Virginia income taxation as described herein. Certain legal matters will be passed upon for the City by Timothy Spencer, Esq., City Attorney. Certain legal matters will be passed upon for the Underwriter by its counsel, Pope Flynn, LLC.

TAX MATTERS

The following discussion is a summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of the Bonds by original purchasers of the Bonds who are U.S. Holders (as defined below). This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations, revenue rulings and court decisions, all as now in effect and all subject to change at any time, possibly with retroactive effect. This summary assumes that the Bonds will be held as "capital assets" under the Code, and it does not discuss all of the United States federal income tax consequences that may be relevant to a U.S. Holder in light of its particular circumstances or to U.S. Holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Bonds as a position in a "hedge" or "straddle" for United States federal income tax purposes, U.S. Holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, U.S. Holders who acquire Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code. Each prospective purchaser of the Bonds should consult with its own tax advisor concerning the United States federal income tax and other tax consequences to it of the acquisition, ownership and disposition of the Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Certain taxpayers that are required to prepare certified financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Bonds at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below.

As used herein, the term "U.S. Holder" means a beneficial owner of a Bond that is for United States federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

U.S. Holders—Interest Income with respect to the Bonds

Interest and original issue discount (as defined below), if any, on the Bonds are not excludable from gross income for United States federal income tax purposes.

In the opinion of Bond Counsel to the City, under existing statutes of the Commonwealth of Virginia, interest on the Bonds is not includable in computing the Virginia income tax.

The proposed form of the opinion of Bond Counsel is set forth as Appendix C to this Official Statement.

Original Issue Discount on the Bonds

For United States federal income tax purposes, a Bond will be treated as issued with original issue discount ("OID") if the excess of a Bond's "stated redemption price at maturity" over its "issue price" equals or exceeds a statutorily determined *de minimis* amount. The "issue price" of each Bond in a particular issue equals the first price at which a substantial amount of such issue is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The "stated redemption price at maturity" of a Bond is the sum of all payments provided by such Bond other than "qualified stated interest" payments. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate. In general, if the excess of a Bond's stated redemption price at maturity over its issue price is less than 0.25 percent of the Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity (the "*de minimis* amount"), then such excess, if any, constitutes de minimis OID, and the Bond is not treated as being issued with OID and all payments of stated interest (including stated interest that would otherwise be characterized as OID) are treated as qualified stated interest, as described below.

Payments of qualified stated interest on a Bond are taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received in accordance with the U.S. Holder's regular method of tax accounting. A U.S. Holder of a Bond having a maturity of more than one year from its date of issue generally must include OID in income as ordinary interest as it accrues on a constant-yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder's regular method of tax accounting. The amount of OID included in income by the U.S. Holder of a Bond is the sum of the daily portions of OID with respect to such Bond for each day during the taxable year (or portion of the taxable year) on which such U.S. Holder held such Bond. The daily portion of OID on any Bond is determined by allocating to each day in any "accrual period" a ratable portion of the OID allocable to the accrual period. All accrual periods with respect to a Bond may be of any length and the accrual periods may vary in length over the term of the Bond, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first or final day of an accrual period. The amount of OID allocable to an accrual period is generally equal to the difference between (i) the product of the Bond's "adjusted issue price" at the beginning of such accrual period and such Bond's yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted issue price" of a Bond at the beginning of any accrual period is the issue price of the Bond plus the amount of accrued OID includable in income for all prior accrual periods minus the amount of any prior payments on the Bond other than qualified stated interest payments. The amount of OID allocable to an initial short accrual period may be computed using any reasonable method if all other accrual periods other than a final short accrual period are of equal length. The amount of OID allocable to the final accrual period is the difference between (i) the amount payable at the maturity of the Bond (other than a payment of qualified stated interest) and (ii) the Bond's adjusted issue price as of the beginning of the final accrual period. Under the OID rules, U.S. Holders generally will have to include in income increasingly greater amounts of OID in successive accrual periods.

A U.S. Holder may elect to include in gross income all interest that accrues on a Bond using the constant-yield method described above under the heading "Original Issue Discount," with the modifications described below. For purposes of this election, interest includes, among other things, stated interest, OID and *de minimis* OID, as adjusted by any amortizable bond premium described below in this subsection under the heading "Bond Premium". In applying the constant-yield method to a Bond with respect to which this election has been made, the issue price of the Bond will equal its cost to the electing U.S. Holder, the issue date of the Bond will be the date of its acquisition by the electing U.S. Holder, and no payments on the Bond will be treated as payments of qualified stated interest. The election will generally apply only to the Bond with respect to which it is made and may not be revoked without the consent of the Internal Revenue Service. If this election is made with respect to a Bond with amortizable bond premium, then the electing U.S. Holder will be deemed to have elected to apply amortizable bond premium against interest with respect to all debt instruments with amortizable bond premium (other than debt instruments the interest on which is excludable from gross income) held by the electing U.S. Holder as of the beginning of the taxable year in which the Bond with respect to which the election is made is acquired or thereafter acquired. The deemed election with respect to amortizable bond premium may not be revoked without the consent of the Internal Revenue Service.

U.S. Holders of any Bonds issued with OID should consult their own tax advisors with respect to the treatment of OID for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, and disposition of Bonds.

Bond Premium on the Bonds

In general, if a U.S. Holder acquires a Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Bond (a "Taxable Premium Bond"). In general, if a U.S. Holder of a Taxable Premium Bond elects to amortize the premium as "amortizable bond premium" over the remaining term of the Taxable Premium Bond, determined based on constant-yield principles (in certain cases involving a Taxable Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment to such U.S. Holder's basis in the Taxable Premium Bond. Any such election applies to all debt instruments of the U.S. Holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired, and is irrevocable without the Internal Revenue Service's consent. A U.S. Holder of a Taxable Premium Bond that so elects to amortize bond premium does so by offsetting the qualified stated interest allocable to each interest accrual period under the U.S. Holder's regular method of federal tax accounting against the bond premium allocable to that period. If the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is treated as a bond premium deduction under Section 171(a)(1) of the Code, subject to certain limitations. If a Taxable Premium Bond is optionally callable before maturity at a price in excess of its stated redemption price at maturity, special rules may apply with respect to the amortization of bond premium. Under certain circumstances, the U.S. Holder of a Taxable Premium Bond may realize a taxable gain upon disposition of the Taxable Premium Bond even though it is sold or redeemed for an amount less than or equal to the U.S. Holder's original acquisition cost.

U.S. Holders of any Taxable Premium Bonds should consult their own tax advisors with respect to the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, and disposition of Taxable Premium Bonds.

U.S. Holders—Disposition of Bonds

Except as discussed above, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Bond, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder's adjusted tax basis in the Bond. A U.S. Holder's adjusted tax basis in a Bond generally will equal such U.S. Holder's initial investment in the Bond, increased by any OID included in the U.S. Holder's income with respect to the Bond and decreased by the amount of any payments, other than qualified stated interest payments, received and bond premium amortized with respect to such Bond. Such gain or loss generally will be long-term capital gain or loss if the Bond was held for more than one year.

U.S. Holders—Defeasance

U.S. Holders of the Bonds should be aware that, for federal income tax purposes, the deposit of moneys or securities in escrow in such amount and manner as to cause the Bonds to be deemed to be no longer outstanding under the resolution of the Bonds (a "defeasance"), could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, for federal income tax purposes, the character and timing of receipt of payments on the Bonds subsequent to any such defeasance could also be affected. U.S. Holders of the Bonds are advised to consult with their own tax advisors regarding the consequences of a defeasance for federal income tax purposes, and for state and local tax purposes.

U.S. Holders—Backup Withholding and Information Reporting

In general, information reporting requirements will apply to non-corporate U.S. Holders with respect to payments of principal, payments of interest, and the accrual of OID on a Bond and the proceeds of the sale of a Bond before maturity within the United States. Backup withholding at a rate provided for in the Code will apply to such payments and to payments of OID unless the U.S. Holder (i) is a corporation or other exempt recipient and, when required, demonstrates that fact, or (ii) provides a correct taxpayer identification number, certifies under penalties of perjury, when required, that such U.S. Holder is not subject to backup withholding and has not been notified by the Internal Revenue Service that it has failed to report all interest and dividends required to be shown on its United States federal income tax returns.

Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under state law and could affect the market price or marketability of the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

UNDERWRITING

Robert W. Baird & Co. Incorporated (the "Underwriter"), has agreed to purchase the Bonds at a purchase price equal to $12,687,421.37, representing the par amount of the Bonds, less an underwriting discount in the amount of $47,578.63, pursuant to the terms of a Bond Purchase Agreement, by and between the City and the Underwriter (the "Bond Purchase Agreement"). The Bond Purchase Agreement provides that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds may be offered to certain dealers (including dealers depositing such Bonds into investment trusts, accounts or funds) and others at prices lower than the initial public offering prices. After the initial public offering the public offering prices of the Bonds may be changed from time to time by the Underwriter.

FINANCIAL ADVISOR

Davenport & Company LLC, Richmond, Virginia, is employed as Financial Advisor to the City in connection with the issuance of the Bonds. Although the Financial Advisor assisted in the preparation and review of this Official Statement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in the Official Statement.

CONTINUING DISCLOSURE

The City will execute and deliver to the purchasers of the Bonds a Continuing Disclosure Certificate, the form of which is set forth as Appendix E to this Official Statement, pursuant to which the City will covenant and agree, for the benefit of the holders of the Bonds, consistent with the Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, to provide to the Municipal Securities Rulemaking Board (the "MSRB") annual financial information and operating data for the City, including audited financial statements of the City, within nine (9) months after the end of each fiscal year, commencing with the fiscal year ending on June 30, 2024, and, in a timely manner not in excess of ten (10) business days after the occurrence thereof, notices of certain listed events with respect to the Bonds, as required by Rule 15c2-12 and as more particularly set forth in Appendix E to this Official Statement. The City will also agree to provide notice, in a timely manner, to the MSRB of any failure of the City to provide required annual financial information referred to in the Continuing Disclosure Certificate to the MSRB. The continuing obligation of the City to provide annual financial information and notices referred to above will terminate with respect to the Bonds when the Bonds are defeased or no longer outstanding. Any failure by the City to comply with the foregoing will not constitute a default with respect to the Bonds.

The City has agreed in certain of its existing continuing disclosure undertakings with respect to certain of its bonds issued prior to the calendar year 2012 to provide certain annual financial and operating information, including its audited financial statements (collectively the "Annual Report"), within six months after the end of each fiscal year (the "Pre-2012 Undertakings"). The City has agreed in certain of its existing continuing disclosure undertakings with respect to certain of its bonds issued in calendar year 2012 and thereafter to provide the Annual Report within nine months after the end of each fiscal year.

For the fiscal year ended June 30, 2019, the City failed to include in its Annual Report, annual updates of certain required information relating to assessed value of taxable commercial real property and anticipated borrowing requirements for the City's Capital Improvement Program (referred to herein as the "Additional Information"). On May 8, 2020, the City made a late filing of the Additional Information for the fiscal year June 30, 2019. The Annual Report (including the Additional Information) for the fiscal year ended June 30, 2020 was filed on March 12, 2021, which constituted a late filing under the Pre-2012 Undertakings only. The Annual Report and the Additional Information for the fiscal year ended June 30, 2021 were respectively filed on March 23, 2022 and March 24, 2022, which constituted a late filing under the Pre-2012 Undertakings only. The Annual Report (including the Additional Information) for the fiscal year ended June 30, 2022 was filed on April 10, 2023, which constituted a late filing under all of the City's continuing disclosure undertakings. The Annual Report (including the Additional Information) for the fiscal year ended June 30, 2023 was filed on March 29, 2024, which constituted a late filing under the Pre-2012 Undertakings only.

In its existing continuing disclosure undertakings, the City has agreed to include in the Annual Report certain information with respect to the City's top ten largest taxpayers. This information for the fiscal year ended June 30, 2023 was not available to the City at the time that the Annual Report was finalized and filed on March 29, 2024. The City made a late filing with respect to such information on May 1, 2024.

OTHER MATTERS

The City Council has by resolution authorized the distribution of the Preliminary Official Statement and the Official Statement. The City deemed the Preliminary Official Statement final as of its date within the meaning of Rule 15c2-12, except for the omission of certain pricing and other information permitted to be omitted pursuant to Rule 15c2-12.

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the holders thereof.

THE CITY OF ROANOKE, VIRGINIA

By: */s/ Sherman P. Lea, Sr.*
SHERMAN P. LEA, SR.
Mayor

APPENDIX A

THE CITY OF ROANOKE, VIRGINIA

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APPENDIX A

THE CITY OF ROANOKE

General

The City of Roanoke (sometimes also referred to herein as the "City" or "Roanoke"), the largest city in the Commonwealth of Virginia west of Richmond, is located at the southern end of the Shenandoah Valley, approximately 170 miles west of Richmond, 235 miles southwest of Washington, D.C., and 250 miles west of Norfolk. This position in the southeastern U.S. gives Roanoke ready access to nearly two-thirds of the total population of the United States, all within a 500-mile radius of the City. Located at the region's crossroads of major rail and highway systems, the City serves as the principal trade, industrial, transportation, medical, and cultural center of western Virginia.

Chartered as a city in 1884, Roanoke encompasses a land area of approximately 43 square miles. The City's population of approximately 98,865 as of July 1, 2023 represents nearly one-third of the population in its metropolitan area, which includes the neighboring City of Salem, the Town of Vinton, and the Counties of Roanoke, Botetourt, Craig, and Franklin.

Government

The City operates under the Council-Manager form of government. The City Council formulates policies for the administration of the City. It is comprised of seven members elected on an at-large basis to serve staggered four-year terms. Officers of the City Council are the Mayor, elected directly by the voters to a four-year term, and a Vice Mayor, who is selected on the basis of the highest popular vote in council elections and serves a two-year term.

The City Council appoints the City Manager to serve as the City's chief administrative officer. The City Council also appoints the City Attorney, the City Clerk and the Municipal Auditor, each of whom reports directly to the City Council. The City Manager is responsible for implementing the policies of the City Council, directing business and administrative procedures and appointing departmental officials and certain other City employees. The City Manager is aided by three Assistant City Managers. The Director of Finance is aided by the Deputy Director of Finance and Accounting and Systems Manager. The Director of Finance reports directly to the City Manager.

The operation of the public school system in Roanoke is the responsibility of the City School Board (the "School Board"). The City Council appoints the seven members of the School Board to serve staggered three-year terms. The Superintendent of Schools is appointed by the School Board. Local funding for operating public schools in the City is provided by an appropriation from the City's General Fund to the School Board. The School Board, however, is an autonomous policy-making body in matters governing education and therefore independent of the City Council.

The City Treasurer and the Commissioner of the Revenue are local constitutional officers of the Commonwealth, elected by the residents of Roanoke. The City Treasurer is responsible for the collection of and accountability for all monies payable to the City. The Commissioner of the Revenue prepares the levy of real estate, public service, business, professional and occupational licenses, and personal property taxes as well as processes City residents' Virginia income tax returns. The Sheriff, the Commonwealth's Attorney, and the Clerk of the Circuit Court are also local constitutional officers elected by City residents. All constitutional officers serve four-year terms except the Clerk of Circuit Court who serves an eight-year term.

City Administrative Officials

Robert S. Cowell, Jr. assumed his duties as City Manager in September 2017. Prior to that, he served as the Deputy City Planner for the City of Amarillo, Texas. Mr. Cowell has also served as the Executive Director of Planning and Development in College Station, Texas, has held a variety of City Planning positions in Indiana, Michigan, and Missouri, currently serves as a Visiting Assistant Professor to the Department of Landscape Architecture and Urban Planning at Texas A&M University, and his career includes operating as a private consultant to city planners.

Mr. Cowell maintains memberships in a variety of professional and civic organizations including the International City/County Management Association, the American Institute of Certified Planners (AICP), Congress for the New Urbanism, the Urban Land Institute, and the Society of American City and Regional Planning History. Mr. Cowell's education includes a Bachelor of Science degree in Aeronautics from Saint Louis University in Missouri and a Master of Science in Urban Planning from the University of Tennessee - Knoxville.

Andrea Trent was appointed as Director of Finance effective April 16, 2024. She has worked for the City of Roanoke in multiple capacities since 2002. She was initially hired to manage the City's Retirement Plans, and has also previously served as Acting Director of Finance and Deputy Director of Finance. Ms. Trent's most recent title was Financial Management and Systems Consultant, as she worked to assist in the implementation of the City's new ERP Financial System expected to go live July 2024. Ms. Trent has a Graduate Certificate in Local Government Management from Virginia Polytechnic and State University, a Virginia Government Finance Officers Certificate from the Government and Non-Profit Assistance Center at Radford University, a Bachelor of Arts in Business Administration from Mary Baldwin College, and an Associates of Applied Science in Accounting from Virginia Western Community College. Ms. Trent is an active participant in the Virginia Government Finance Officers Association, including serving as Board Member from 2016-2023 and President in 2022. She is also Senior Certified Professional from the Society for Human Resource Management and a Senior Professional in Human Resources from the Human Resource Certification Institute.

Angie O'Brien was appointed Assistant City Manager for Strategy and Community Development in 2023. Ms. O'Brien previously served as the Chief Strategy Officer for the City, overseeing strategic initiatives, performing complex and high-profile tasks, research, and project management. Ms. O'Brien has held various leadership positions in the City's Department of Human and Social Services, in total serving the residents of the City for over 21 years. Ms. O'Brien received a Bachelor of Arts degree with a concentration in Education from Emory and Henry College, holds a Lean Practitioner Certification and a Graduate Certification from Virginia Tech in Local Government Management, and a Master of Public Administration degree from Virginia Tech's Center for Public Administration and Policy. Additionally, Ms. O'Brien is a member of the International City/County Management Association.

Samuel Roman was appointed Assistant City Manager on July 1, 2023. Mr. Roman previously served as the Chief of Police for Roanoke from April 2020 through July 2023, leading a department of over 300 employees. Mr. Roman originally retired from the Roanoke Police Department in 2017 after 25 years of service as a police officer for the City. After leaving the Roanoke Police Department in 2017, he became the Chief of Police in Lexington, Virginia, until his return to the City in 2020. Mr. Roman received his Bachelor of Science from Liberty University in Criminal Justice. Mr. Roman has participated in leadership curriculums at Harvard University, Boston College (Senior Management Institute for Police), University of Richmond (Professional Executive Leadership), University of Virginia (Command College for Leadership) and the FBI Academy in Quantico, Virginia. Mr. Roman maintains memberships in a variety of professional and civic organizations, including the International Association of Chiefs of Police (IACP), International City/County Management Association and the Virginia Association of Police. Mr. Roman has previously served on the Board of Directors for Total Action for Progress (TAP) and currently serves on the Rescue Mission Executive Board and the Community Foundation Board of Governors.

Timothy R. Spencer has been the City Attorney for the City of Roanoke since October 2020. Prior to his appointment as City Attorney, Mr. Spencer served as Senior Assistant City Attorney for the City for more than 16 years. Previously, Mr. Spencer served as City Attorney for the City of Danville, Virginia for more than seven years. Mr. Spencer holds a Bachelor of Arts Degree in English from Virginia Military Institute (1983), and a Juris Doctor Degree from the T. C. Williams School of Law at the University of Richmond (1986). Mr. Spencer was admitted to the Virginia State Bar in 1986 and is admitted to practice before, the Supreme Court of Virginia, the United States Court of Appeals for the Fourth Circuit and the United States District Courts for the Eastern and Western Districts of Virginia. Mr. Spencer is a member and past President of the Local Government Attorneys of Virginia. Mr. Spencer is also a past President of the Virginia Council of School Board Attorneys. Mr. Spencer has served as an adjunct professor for Hampton University, teaching graduate level courses in educational and administrative law.

Amelia C. Merchant was appointed Director of Finance by the City Manager in 2017 by combining tasks and title from her former position as the Director of the Department of Management and Budget with the Finance Department, and now serves as the Deputy Director of Finance. Ms. Merchant has been employed by the City since 2001, previously serving in the positions of Budget/Management Analyst and Budget Administrator. Ms. Merchant received her Bachelor of Science degree in Physics from Norfolk State University through the Dozoretz National Institute for Minorities in Applied Science (DNIMAS) Program and a Master's Degree in Business Administration from Virginia Tech. She is a member of the Government Finance Officers Association of the United States and Canada (GFOA) and a member of the Virginia GFOA (VGFOA).

Harold R. Harless, Jr., Retirement System Manager, joined the City in 1999. Mr. Harless has served in various positions in the Department of Finance, including positions on the Retirement Administration team, since October 2000. Prior to joining the City, he was employed by First Union National Bank as a Trust Officer in the Capital Management Group. Mr. Harless received his Bachelor of Business Administration degree from Roanoke College.

Marc Nelson, Director of Economic Development, joined the City in 2011. Mr. Nelson performs professional and administrative functions, managing and directing all activities involving economic development. As Director of Economic Development, Mr. Nelson promotes development through relationships between the City and the business community, economic development agencies, state and regional agencies, and regional institutions of higher education. Mr. Nelson serves as liaison between the City and private sector development in the negotiation and development of performance agreements, evaluation of fiscal impacts, and developing recommendations to the City Manager and City Council. Mr. Nelson leads a staff of six City employees focused on a wide range of economic development initiatives, including business development, business retention and expansion, public-private investment and economic equity. Prior to joining Roanoke, Mr. Nelson worked for the City of Savannah, Georgia and the North Carolina Office of State Budget and Management. Mr. Nelson is a member of the Board of Directors for the Jefferson Center for the Performing Arts and is a classroom reader for the Star City Reads Program. Mr. Nelson received his Bachelor of Arts degree and a Master's degree in Public Administration from the University of North Carolina at Chapel Hill.

Governmental Services Provided by Roanoke

Roanoke provides a full range of governmental services to its residents, including general government administration, emergency services, public safety, public works, recreational activities, judicial administration, health and welfare activities, and community development activities. The City owns and operates a civic center and several parking facilities. The City also provides services through multijurisdictional efforts such as the Western Virginia Water Authority, the Regional Center for Animal Care and Protection, and the Roanoke Valley Resource Authority, and a regional solid waste facility. In addition, the City participates in such commissions as the Hotel Roanoke and Conference Center Commission, the Roanoke Valley Juvenile Detention Commission and the Roanoke Regional Airport Commission and is a member of the Roanoke Valley Broadband Authority.

For budgetary purposes, the City prioritizes these services as defined during the Program based Budgeting process, which the City implemented beginning in fiscal year 2024. The Program based Budgeting process is designed to improve services while obtaining a better return on the investment of public funds. These defined priorities are summarized below:

Community Safety – Assure community safety and judicial needs are met and promote a safe and desirable region.

Economy – Cultivate a thriving business environment and innovative workforce opportunities to ensure the prosperity of the community.

Education – Foster an environment for lifelong learning which encompasses cradle to career and beyond through shared services and community involvement.

Good Government – Provide exceptional, yet cost competitive government services that are collaborative, transparent, responsive, and innovative.

Human Services – Foster a caring community that uses a regional and collaborative approach, which encourages self-sufficiency while providing a social safety net to citizens when they are most vulnerable.

Infrastructure – Maintain and build quality infrastructure that supports healthy residential neighborhoods, successful commercial areas, and accessible public facilities and amenities.

Livability – Enhance Roanoke's exceptional vitality as an attractive, diverse, culturally inclusive, vibrant and active city in which to live, work and play.

Cybersecurity

The City, like many other municipalities, relies on a technology environment to conduct its operations. As such, it may face multiple cybersecurity threats, including but not limited to, hacking, viruses, malware and other such attacks on computer or other sensitive digital systems and networks. There can be no assurance that any security and operational control measures implemented by the City will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attack could impact operations and/or digital networks and the costs of remedying any such damage could be significant. To transfer and share these risks, the City has purchased a cyber-liability insurance policy. The City has two full-time employees dedicated to cybersecurity functions such as incident response, employee awareness and training, system security updates, and system security audits/assessments. The City has also adopted the U.S. Department of Commerce NIST (National Institute of Standards and Technology) Cybersecurity Framework for their security framework and follows a defense-in-depth strategy to enhance cybersecurity.

ECONOMIC PRIORITY

Economic Development

The City is the cultural and economic center of Southwest Virginia and is the largest city in Virginia west of Richmond. The City is home to nearly 100,000 residents and boasts a balanced and creative economy consisting of services, wholesale and retail trade, construction, manufacturing, transportation, health care, research & development, technology, warehousing, finance, insurance and real estate, public administration, and management of companies and enterprises. There are also industries specifically related to the arts, recreation, utilities and agriculture.

The City's Department of Economic Development (the "Department") continues to focus on traditional economic development initiatives, including: business attraction, retention, and expansion; asset promotion and marketing; and property redevelopment. The Department has also made the focus on growing the City's Innovation and Health Sciences sector a priority, as well as community development efforts centered on equity and entrepreneurship. As a result of the Department's Strategic Plan completed in December 2022, a more detailed focus on the Department's goals and objectives is enhancing the larger mission of growing the City's economy through a strong emphasis on business growth and marketing, business retention and expansion, entrepreneurship and innovation, economic opportunity and community vibrancy, and asset and infrastructure development.

The Department continually engages in marketing and communications activities with consistent updates to the Department's website and social media sites, keeping constituents informed while increasing lead generation for new residents, business relocations and capital investments. These outlets include the Department's website, BizRoanoke.com, and its monthly email newsletter, BizNews, as well as the monthly television show, BizRoanoke, with videos showcasing Roanoke's amenities, business leaders and community events. The Department's social media outlets continue to garner regional, national, and international attention with bi-weekly posts, while the Department's staff remains dedicated to serving businesses in the City's growing business community.

As a result of these ongoing efforts, the Department estimates that fiscal year 2023-2024 yielded $140,000,000 in new investment and created 900 new jobs.

Significant projects have occurred in the following sectors during fiscal year 2024:

- Manufacturing
- Finance
- Education

- Health Care
- Retail and Development
- Technology

Manufacturing

Manufacturers of liquid-filled, dry-type, Uniclad encapsulated coil power transformers, Virginia Transformer Corporation recently added 119 new plant jobs and 50 office jobs spread across two of their manufacturing facilities in the City of Roanoke. The company has invested $4.2 million in the purchase of their new facility in the Roanoke Centre for Industry and Technology ("RCIT") and will be moving forward with improvements.

Also, global power management company, Eaton Corporation, invested $2.7 million in their Roanoke facility also located in RCIT.

Chemsolv, Inc. located in the Roanoke Industrial Center in southeast Roanoke invested $850,000 in new equipment and an office expansion accommodating 68 employees. The company is a full-line chemical distributor offering chemical distribution, blending, tolling and distillation.

Global Metal Finishing, a multi-line aluminum anodizing and precision hard coating facility and recognized expert in the aluminum finishing industry since 1987, invested $358,000 in their facility at 3660 Aerial Way Drive.

Finance

Ridge View Bank broke ground for the company's $20 million headquarters and SMART Center in the City of Roanoke along the Franklin Road corridor bringing 20 additional jobs to the City. The 16,300-square-foot headquarters will feature a 2,800-square-foot SMART Center utilizing the latest technology to make financial transactions and information gathering both highly interactive and easier for customers, and will feature two floors and house office space for more than 50 employees and include a board room, training center, and multiple meeting spaces. Ridge View Bank will offer commercial and private banking, wealth, and treasury services along with additional offices for continued Roanoke expansion of organization. The headquarters is estimated to be complete by 2nd quarter 2024.

National Bank of Blacksburg broke ground on their first full-service branch in Roanoke, also along the Franklin Road corridor adjacent to Ridge View Bank's new corporate headquarters. The new $3 million branch will open in summer of 2024 with 10 new positions to the City of Roanoke.

First Bank based out of Strasburg, VA has invested $300,000 in renovations in space located along Church Avenue in downtown Roanoke. First National Corporation is the parent company and bank holding company of First Bank, a community bank that first opened for business in 1907. First Bank offers loan and deposit products and services through its website, www.fbvirginia.com, its mobile banking platform, a network of ATMs located throughout its market area, a loan production office, two customer service centers in retirement communities, and 20 bank branch office locations located throughout the Shenandoah Valley, the central regions of Virginia, the Roanoke Valley, and in the city of Richmond.

Education

The education sector in the City continues to grow and in their budget update in October 2023, Roanoke City Public Schools announced the following progress:

The school system's second technical school, the Charles W. Day Technical Education Center ("DAYTEC") opened to students January 22, 2024 following renovations of the former William Ruffner Middle School, located adjacent to William Fleming High School. The creation of DAYTEC has doubled Career & Technical Education ("CTE") seat capacity and ensures that all high school students have equitable opportunities to take CTE classes. DAYTEC's cost is a $24.5 million investment in the City of Roanoke, with a majority of the funding coming from the one-time American Rescue Plan Elementary and Secondary School Emergency Relief Fund ($15.5 million) and the Commonwealth of Virginia's School Construction Assistance Program ($7.3 million).

Also, $5.6 million was invested in an addition to Morningside Elementary School and $8.5 million in additions to James Breckinridge Middle School. Both of these projects were completed in November 2023.

Roanoke City Public School's new William B. Robertson Administration Building is now slated for completion by July 2025. Staff will move into the downtown Roanoke building, which previously housed the Roanoke Times, over time. The 3rd floor academics wing and 1st floor human resources wing will be completed by July 2024 and the 2nd floor, mezzanine level, and board room will be completed by July 2025. This total construction cost is estimated at $11 million.

Virginia Western Community College ("VWCC") celebrated the 15th anniversary in November 2023 of its CCAP program founded in 2008 as one of the largest "college promise" programs in Virginia. Over the years, it has provided more than $10 million in tuition support to more than 4,000 students. The funding ensures the opportunity for the program is available to every eligible high school senior in VWCC's service region and is the result of a public/private partnership in which a locality pledges a dollar amount for its recent high school graduates, then the Virginia Western Educational Foundation raises the matching amount from private companies, individuals and foundations.

Virginia Western Community College's Nursing Program proudly announced in February 2024, the unlocking of an achievement: 100 percent of graduates sitting for the NCLEX-RN exam in 2023 passed on the first attempt. Forty VWCC graduates, all of whom received an Associate of Applied Science in Nursing in May 2023, sat for the NCLEX-RN exam last year between April 1, 2023 and December 31, 2023. All passed on the first attempt, which is the first time in at least 10 years this has occurred. The national average of graduates from associate degree programs passing the NCLEX-RN on first attempt was 87.75% in 2023.

Healthcare and Innovation

The Healthcare and Innovation sector is growing in Roanoke and continues to play an increasingly important role in the City's economy. Projects affiliated with the Fralin Biomedical Research Institute ("FBRI"), the Virginia Tech Carilion School of Medicine and Carilion Clinic ("Carilion") continue to bring ancillary benefits in the form of recent job growth, spin off companies, and increased investment in the community. The following recent investments have been made into this sector:

In April 2023, the City entered into a Memorandum of Understanding (MOU) with the Virginia Department of Housing and Community Development (DHCD) to receive $15.7 million appropriated by the Virginia Legislature in 2022. The City is partnering with Carilion, the Virginia Tech Corporate Research Center (CRC), Verge, FBRI and VWCC to renovate a former medical office building located along South Jefferson Street in the City's Innovation Corridor. The project, Gemini Labs, will add more than 30,000 square feet and will be dedicated to startups, advancing technology businesses and research, including 10,000 square feet of wet and dry lab space, offices for biomedical and health sciences companies, and the virtual Johnson & Johnson JLABS program. The project will also offer a wide array of educational programs and professional growth opportunities, including the creation of 250 jobs. The City will provide a match of $1.95 million, bringing the total investment to approximately $19 million.

Carilion continues to expand its Roanoke facilities, with specific focus on construction of the now 14-story, 540,000 sf Crystal Spring Tower, scheduled to open in Spring 2025. Located just south of the existing Roanoke Memorial Hospital, the Tower will expand the existing emergency room by 130 additional beds, as well as provide a 40-bed observational unit for cardiovascular procedures. Additional work will include construction of a new building for psychiatric care and a new parking garage with 550 spaces along South Jefferson Street, which began in third quarter 2023. City Council approved the health care provider's $300 million expansion in November 2019, however, the project has now increased to $400 million.

Construction was completed by Brandon Avenue Partners, LLC bringing River Ridge Dermatology and Roanoke Oral Surgery to the City. This $15 million project located on Brandon Avenue includes the renovation of existing buildings, and construction of an addition joining the buildings. The project was completed in October 2023, bringing 50 new jobs to the City.

Carilion Roanoke Community Hospital, which is located at 101 Elm Avenue, SE, continues the renovation project of its first floor. This project represents an investment of $2,450,000. Additional renovations of the facility total $1.6 million.

Good Samaritan Hospice House has completed their free-standing hospice house on a six-acre property in the 4000 block of Cove Road with the facility opening in 2nd quarter, 2024. The one-story, 30,000 square-foot in-care hospice and home care hospice facility will include patient rooms and administrative space. The new facility will offer a home-like setting where people who have a life prognosis of six months or less can be cared for by professional staff. The campus includes a two-wing, 16-bed hospice house, administrative offices and a community bereavement center and is a $10,500,000 investment in the City, adding 25 to 30 jobs. Good Samaritan Hospice House will also be able to provide short-term respite care for families.

Hospitality and Tourism

South Roanoke Boutique Hotel announced a future complex in the South Roanoke neighborhood featuring an upscale four-story boutique hotel with 23 to 27 rooms and a fine-dining restaurant to seat 150 restaurant patrons. This represents an investment of $10 million. Construction has been delayed due to the slow supply chain of construction materials and affiliated costs; however, work will begin in summer 2024.

The renovation of Colony House Motor Lodge located along the Franklin Road corridor by Farrell Family Properties has begun. The property, which has been closed for five years, will become a boutique hotel featuring 67 rooms, 2 suites and 2 conference rooms in the months ahead. The project is an approximate $5 million investment with updates offering design and accommodations to attract modern travelers. The Colony House Motor Lodge was placed on the Virginia Landmarks Register in December 2022.

The Berglund Center completed renovations at the 710 Williamson Road location totaling $1,483,000 in late 2023. The construction project included the Annex Building with renovations to include a 5,700 square foot banquet hall, the Bella Vista Room which boasts picturesque windows, gorgeous views of the surrounding Blue Ridge Mountains, and a clean event space. The space serves as a venue for private and semi-private events with a capacity of 275 guests.

The Hotel Roanoke is undertaking complete room renovations totaling $14 million. This project is expected to be complete in October 2024 and includes the upgrading of all 329 rooms and the addition of a new spa with four treatment rooms. In addition, the proceeds of the Bonds described in this Official Statement will be used to finance an expansion and renovation of the conference center facilities and amenities at The Hotel Roanoke and Conference Center. This project will focus on expanding and enclosing the North Entry Courtyard entrance, renovation of Magnolia Terrace, increasing floor space, and addressing additional storage needs. The objective of this expansion project and renovation is to create unique event spaces that are sufficiently versatile to accommodate both private meetings and public events, while allowing for year-round usage. This project represents an investment of at least $10 million and a minimum of an additional 9600 sq. ft of floor space.

Transportation

Roanoke's economic activity is directly associated with the City's position as the major trade and transportation center in Western Virginia. The City is located at the intersection of major rail and highway routes.

The Virginia Passenger Rail Authority ("VPRA") announced in January 2024 increases in ridership in all four corridors in the Commonwealth of Virginia with more than 1.32 million passengers traveling on its state-supported Amtrak Virginia service during calendar year 2023. This was the highest ridership recorded since state-supported service began in 2009, and the total – 1,325,937 – beating calendar year 2022 ridership by 29.8%. Roanoke's ridership in calendar year 2023 increased 23.5% over calendar year 2022 with ridership at 331,836 in 2023 versus 268,774 in 2022. Ridership for the first half of calendar year 2022 included just five daily roundtrips as three were added in July 2022 – one to Roanoke and one to Norfolk.

All four Amtrak Virginia corridors saw increases year-over-year with Newport News leading the way with an increase of 36.8% over 2022.

Amtrak announced in February 2024 that more people are traveling by train with a record number stopping in Virginia and North Carolina. The top five stations in the Southeast in 2023 were the Staples Mill Road Station in Richmond, VA, Alexandria, VA, Charlotte, NC, Norfolk, VA, and Raleigh, NC. In addition to Richmond, Alexandria, and Norfolk, Amtrak Virginia also serves Newport News, Roanoke, and 12 other Virginia communities. In 2023, the service set a ridership record of more than 1.3 million passengers, making the Commonwealth one of the most popular travel destinations on the Amtrak national network. Plans are underway to expand Amtrak Virginia service through VPRA's Transforming Rail in Virginia initiative, resulting in two additional roundtrips in 2026 and three in 2030.

The Roanoke-Blacksburg Regional Airport ("ROA or the "Airport") started a 15-month parking lot enhancement project in January 2024 to build larger spaces, improve lighting, help the flow of traffic and make the existing parking experience at ROA more efficient. The project is expected to cost approximately $10 million. It will be debt-funded and re-paid by revenues generated directly by the Airport, as an investment to protect the Airport's largest source of revenue, parking. The project is expected to last approximately 15 months.

Retail and Development

In January 2023, developer Ed Walker announced plans for Riverdale Southeast. Working with other experienced developers, this landmark redevelopment project will transform the Roanoke Industrial Center into a mixed use community that will include multifamily housing, retail, commercial, industrial, and outdoor amenities. The project represents a $70 million investment, which includes a $10 million forgivable loan provided by the Economic Development Authority for the City of Roanoke with assistance from the City. The project began in April 2023 with Phase One which includes 375 apartments, restaurants and commercial space. The entire project is expected to take 17 years to complete.

Construction continues on the Randolph Street Project, which is located between Campbell and Salem Avenues, SW in downtown Roanoke. Hist: Re Partners is redeveloping the site to house a five story residential tower featuring 90 units and an accompanying office building, courtyard and public plaza. The project represents an investment of approximately $35 million and is expected to be completed in early 2024.

The former Days Inn located at 601 Orange Avenue, NE was rezoned and transformed into 88 one and two bedroom apartments, which opened as The Heights at Gateway Park in November 2023. This example of an adaptive reuse of an existing wood-framed 3-story hotel building into an apartment building with rents starting at $1,100/mo. has created a revitalization of this busy intersection, making a positive impact on the neighborhood. The project represents a $5,488,850 investment in the City.

Another new apartment complex for Roanoke was announced in March 2024 on a 50-acre northeast Roanoke site and construction has begun. The new complex will be the largest apartment community in the Roanoke Valley featuring 768 market-rate apartments and 5.5 acres for commercial use. The apartments include one, two, and three-bedroom units and is located on the Route 460-Orange Corridor, east of I-81. The new housing will sit near District Vue Apartments and the Cardinal Bicycle.

Amazon announced a last-mile distribution facility, purchasing 48 acres from Deschutes Brewery on Blue Hills Drive in the Roanoke Centre for Industry and Technology. This is a $50 million investment in the City of Roanoke creating 200 jobs. The company is scheduled to break ground in Spring 2024.

Six & Sky Restaurant opened on the rooftop of Center in the Square in downtown Roanoke in March 2024. The new restaurant offers seating for 93 indoors, 72 outdoors and creates 30 jobs in the City of Roanoke. This new asset to the city is an $800,000 investment.

Also in downtown, the City's 13th Starbucks opened on Floor One of 110 Franklin, the former Norfolk Southern Building. The Church Avenue-facing retail coffee shop is the company's new prototype and brings 10 new jobs to the City, with plans to hire 10 additional employees. Starbucks is a $1.3 million investment in downtown.

A Panda Express is being built at 4807 Valley View Boulevard, a $3 million investment, and is in close proximity to the new Bubba's 33 that replaces the popular Mexican restaurant that permanently closed its doors in October 2021. This will be the first Bubba's 33 in our region and is a $3 million investment in Roanoke.

Roanoke City Council accepted a concept to build two hotels in Northeastern Roanoke on 5.5 acres at the entrance to the Roanoke Centre for Industry and Technology providing additional options both for tourism and for visitors who are coming in to see people in the northeast part of the City. Construction will begin as soon as the properties are purchased by private developers.

Kalyan Hospitality has purchased the former Rodeway Inn on Thirlane Road in northwest Roanoke. The redevelopment project began in January 2024 and will become a new Hilton brand Spark, a value-driven offering that delivers reliable essentials and friendly service for guests. This is an $11 million investment in the City of Roanoke.

The owner of Valley Court located at 3601 Thirlane Road, NW has invested $777,000 in this property which houses the Virginia Employment Commission, United Health Group, and Virginia Career Works. Valley Court offers flex and office space in the heart of the commercial center of the Roanoke Valley close to Valley View Mall. The convenience of access to major thoroughfares, the Roanoke-Blacksburg Regional Airport, and abundant parking add to the appeal of this property.

Professional Services

International infrastructure consulting firm AECom, offering advisory, planning, design, engineering and construction management services invested $1,000,000 in office renovations located in the Wells Fargo Tower in downtown Roanoke.

Blue Ridge Memorial Gardens completed an expansion with the building of a 7,000 square-foot chapel and family community gathering center at their 5721 Airport Road, NW location. The facility opened January 1, 2024 and is a $2 million investment in the City.

Serenity Funeral Home and Cremation Service headquartered in downtown Roanoke is remodeling the former Terrace Theater at Crossroads Mall (Airport Road) into a funeral home, a $750,000 investment in the City of Roanoke. Due to a demand in business, the new facility will accommodate the need for additional space with a new chapel featuring seating for 450 guests, eight viewing rooms, a crematory and ample parking.

Roanoke County hosted a groundbreaking event in November 2023 to mark the construction of Roanoke County Public Safety Building #12 located in the City of Roanoke at 1465 Mexico Way, NE. The new $8 million, 12,500 square foot Fire and Rescue facility is anticipated to open in early 2025 to serve communities in east Roanoke County.

A major renovation of Goodwill's existing headquarters, Melrose Plaza kicked off with a groundbreaking ceremony in November 2023. The renovation will include a full-service grocery store, a bank branch, wellness center and free, public high school for adults along the Melrose corridor and is a $20 million project in the City of Roanoke.

ECONOMIC PROFILE

Employment

The chart below shows State, national and City unemployment rates for the past five years ending December 31, 2023. The chart shows that Roanoke's unemployment rate has typically been lower than the national average and has been relatively consistent with the Commonwealth's unemployment rates for this period.

Annual Unemployment Rates as of December 31

	2019	2020	2021	2022	2023
Roanoke MSA *	3.1%	4.3%	2.5%	2.6%	2.7%
Commonwealth of Virginia	2.8	4.9	3.2	3.0	3.0
United States	3.7	6.7	3.9	3.5	3.7

Source: U.S. Bureau of Labor Statistics
* MSA = Metropolitan Statistical Area

Roanoke's economy is well diversified with all census-defined industries located within its borders, and no industrial sector employing more than 26% of its labor force. This economic base is comprised of healthcare, public administration, retail trade, and accommodation/food services due, in part, to Roanoke's serving as the regional medical, leisure and cultural center of southwestern Virginia.

The following table sets forth the top 10 employers in the City of Roanoke.

City of Roanoke Major Employers as of December 31, 2023

Employer	Product or Industry	Approximate Number of Employees
Carilion Health Systems	Health Care	10,000+
Roanoke City Public Schools	Education	1,000+
United Parcel Services	Logistics	1,000+
City of Roanoke	Government	1,000+
Branch Group	Construction	500 to 1,000
Kroger	Retail	500 to 1,000
Food Lion	Retail	500 to 1,000
Lowe's Home Centers	Retail	500 to 1,000
Walmart	Retail	500 to 1,000
Steel Dynamics Roanoke Bar Division	Manufacturing	250 to 499

Source: Roanoke City Community Profile

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City of Roanoke Employment by Industrial Sector
3rd Quarter, 2023

Industry	Employment	Percentage
Health care and social assistance	13,159	24.2%
Retail trade	7,124	13.1%
Accommodation and food services	5,603	10.3%
Transportation and warehousing	4,282	7.9%
Construction	4,156	7.7%
Manufacturing	3,866	7.1%
Management of companies and enterprises	3,079	5.7%
Professional and technical services	2,692	5.0%
Finance and Insurance	2,440	4.5%
Administrative and waste services	2,431	4.5%
Other services, except public administration	2,227	4.1%
Arts, entertainment, and recreation	1,250	2.3%
Real estate and rental and leasing	898	1.7%
Educational services	539	1.0%
Information	399	0.7%
Unclassified	133	0.25%
Total:	**54,278**	100.0%

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages – 3rd QTR 2023

Construction Activity

The following table presents data on construction activity in the City during recent fiscal years:

Value of Building Permits

	COMMERCIAL		RESIDENTIAL		TOTAL	
Fiscal Year	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value
2013-14	583	$107,120,600	709	$21,150,152	1,292	$128,270,752
2014-15	535	113,585,224	610	17,416,192	1,145	131,001,416
2015-16	541	128,368,145	625	20,843,406	1,166	149,211,551
2016-17	2.302	78,154,510	2,642	43,531,306	4,944	121,685,816
2017-18	2.496	179,936,191	1,556	22,051,158	4,052	201,987,349
2018-19	1.171	109,105,574	1,664	23,021,002	2,835	132,126,576
2019-20	1,155	133,592,810	1,481	29,332,097	2,636	162,924,907
2020-21	963	134,905,663	1,708	28,595,264	2,671	163,500,927
2021-22	852	364,472,441[(1)]	1,789	33,990,995	2,641	398,463,436
2022-23	848	114,285,266	1,661	39,360,809	2,509	153,646,075

(1) Roanoke Memorial Hospital Expansion
Source: City of Roanoke, Planning, Building and Development Department, City of Roanoke, ACFR FY23

Personal Income

The following table compares per capita personal income for the City, the Commonwealth and the United States for the most recent calendar years for which information is available:

	2018	**2019**	**2020**	**2021**	**2022**
City of Roanoke	$41,237	$41,789	$45,563	$49,714	$50,807
Commonwealth of Virginia	56,133	58,368	61,474	66,838	68,985
United States	53,310	55,539	59,159	64,410	65,476

Source: St. Louis Fed

Cost of Living Index

The cost of living index measures regional differences in the cost of consumer goods and services such as housing, utilities, grocery items and transportation, and compares how expensive it is to live in one city versus another. The cost of living in the Roanoke region is 7.8% below the national average.

Region	**Index**
New York (Manhattan), NY	225.2%
Washington, D.C./Arlington, VA	136.8
Charlotte, NC	96.5
Richmond, VA	95.8
Chattanooga, TN	92.8
National Average	*100.0*
Roanoke Region	**92.2**

Source: www.coli.org, 2023-Annual Average

Housing

The following data is presented to illustrate the nature of housing in Roanoke for recent fiscal years:

	2019	**2020**	**2021**	**2022**	**2023**
Number of Single-Family Units	30,399	30,486	30,526	30,552	30,580
Number of Multi-Family Units	16,811	16,795	16,775	16,649	14,814
Total	47,210	47,281	47,301	47,201	45,394
Average Assessed Value – Single Family Unit Value	$132,091	$137,947	$144,237	$160,296	$180,237

Source: City of Roanoke, Office of Real Estate Valuation.

The City is committed to providing housing in quality neighborhoods, an important part of economic development, by taking a multi-tiered approach to expanding its housing options and by diversifying housing opportunities. The City leverages federal, local and in-kind contributions from public and private sources with the utilization of Community Development Block Grant (“CDBG”) and HOME Investment Partnerships (“HOME”) funding. CDBG funds are primarily intended to benefit low and moderate income persons and areas and the HOME program is exclusively for housing to benefit those of low or moderate income, including rehabilitation, new construction, homeownership assistance and improvements to rental housing. The City’s allocation of new CDBG and HOME entitlement funds for fiscal year 2023 for these two programs totaled $2,578,530. With carryover, and program income for CDBG and HOME, the adopted fiscal year 2023 budget for housing and community development programs was approximately $3,324,287 for non-administrative programs related to housing and neighborhood development.

The City encourages economic growth in green-living housing and offers a special tax rate on the use of certain energy-efficient buildings. This program is available for buildings that exceed the energy efficient standards as prescribed by the Virginia Uniform Statewide Building Code by 30% or more.

LIVABILITY PRIORITY

The City of Roanoke has been recognized regionally and nationally for its outstanding quality of life. The City was selected as one of "America's Most Livable Communities" by Partners for Livable Communities, a national, nonprofit organization working to restore and renew communities. Additionally, the City implemented the Parks and Arts program, which provides venues for a wide variety of local and regional artists, dancers, and musicians to showcase their talents, and has also been distinguished through various awards. The program was developed to foster community interaction with innovative arts programming and emphasizes the City's Arts and Cultural Plan goal to bring performing and visual arts directly to its neighborhoods.

Entertainment

Roanoke offers numerous and diverse entertainment choices which contribute to citizens' overall quality of life. One of the primary entertainment venues in Roanoke is the Berglund Center (formerly the Roanoke Civic Center) which includes a 10,500 seat coliseum, a 2,148 seat performing arts theatre, a 14,000 square foot exhibition hall, and a 46,000 square foot special events center. The Berglund Special Events Center is a flexible facility that is suitable for a variety of larger events that require contiguous space such as consumer shows, trade shows and social events and is the largest facility of its kind in southwest Virginia. The Berglund Center features the Roanoke Symphony Orchestra, a Broadway show series, various large-scale concerts, family shows, and sporting events throughout the year. In addition to the Berglund Center, another cultural venue is the Jefferson Center. The Jefferson Center's Shaftman Performance Hall plays host to the Roanoke Ballet, Opera Roanoke, and an array of popular jazz and pop performances.

Center in the Square, located in the core of downtown Roanoke, attracts visitors from across the region, including children from various Virginia school districts. Within the Center in the Square's signature building are fascinating aquariums, a butterfly garden habitat, a retail antique store, and partner organizations including the Harrison Museum of African American Culture, the Don & Barbara Smith Children's Museum (Kids Square), the History Museum of Western Virginia, the Mill Mountain Theatre, the Roanoke Pinball Museum, Opera Roanoke, the Mill Mountain Theatre, and the Roanoke Ballet. Located near Center in the Square are the Virginia Transportation Museum and the O. Winston Link Museum where residents and tourists alike can also learn about the City's history.

The Taubman Museum of Art is a world class 81,000 square foot center for art, entertainment, and cultural events that received the International Architecture Award from the Chicago Athenaeum. The Taubman Museum includes a 16,000 square foot art gallery, an atrium for musical events, an indoor café, and an education center.

Festivals such as Dickens of a Christmas, the St. Patrick's Day Parade and the Celtic, Strawberry, Peach, and Latino Festivals, along with Local Colors and Roanoke's Festival in the Park abound year-round along City streets, in Elmwood Park and in the Center in the Square, offering many free monthly activities throughout the year.

Roanoke's leisure time offerings also include a number of concert venues. An annual summer concert series in Elmwood Park, including Party in the Park, features a variety of musical talent weekly and is sponsored by Downtown Roanoke, Inc. Another similar downtown event, First Fridays at Five, held the first and third Fridays of each of the spring and summer months, benefits local charities. "Movies in the Park" is also held on summer evenings at either Elmwood Park or the Wells Fargo Tower green space adjacent to the City Market building.

Libraries

Roanoke supports and promotes lifelong learning for all citizens. The Library Master Plan seeks to enhance the quality of life and promote the well-being of the community through the delivery of programs and services. The City's six library locations, two outreach kiosks, and a newly installed neighborhood eBranch serve as access points to engage, educate, and empower the people of Roanoke through expansive community enrichment. The overarching goal of Roanoke Public Libraries (the "Libraries") is to ensure inclusive and equal access for all citizens to library services and programming in all areas of the City. The Libraries provide many free resources to citizens including books and materials, computer and internet access, online resources, technology training, resume and job hunt support, research assistance, and wireless access at all locations, as well as a range of free events for children and adults throughout the year. In order to serve Roanoke's ever-changing population well, the Libraries continue to evaluate the needs of patrons and expand and update the Libraries footprint in the community.

For more than a decade, the Libraries have undergone an extensive, system-wide renovation process to expand equality of service within the City. In conjunction with the 2016 renovation of the City's Main Library, the City completed renovations to the Raleigh Court library in 2016. Raleigh Court library reopened in March 2016 and includes a community room that can be used for meetings outside of opening hours, a separate teen area, a recording studio, and a courtyard. Since reopening, circulation at the Raleigh Court branch has more than tripled. Expansion and renovation of the Williamson Road branch was completed and the branch reopened on November 13, 2017. Improvements at the Williamson Road branch include an expansion that doubled the square footage of the branch, a large community room available for use after hours, an enclosed patio for programs, study rooms and an expanded youth and teen center. The Melrose branch construction is also complete and the new facility opened July 22, 2019. The branch square footage is over double in size. It includes a teen center, a community room, small business center, new computers and books, a STEAM Lab for science, technology, engineering, art, and math classes, a music lab, a dedicated children's area, adult books and materials and a quiet reading area. In February 2021, the Libraries developed a state-of-the-art neighborhood eBranch for literacy programs, children's activities, and educational materials in a friendly outdoor environment. The Crystal Spring eBranch has been very popular and provides a unique twenty-four-hour, seven-day-a-week service model for citizens who may need extended hours. The Gainsboro Library also received a significant renovation and re-opened its doors in June 2021. This renovation included new shelving, a large teen center, historic picture displays and meeting room update as well as additional technology and books. Future plans include renovation to the Belmont Branch Library, as well as the launching of an Urban Outreach bookmobile to expand services across the City.

The Libraries also offer extensive community partnerships programs to serve the Roanoke community, including Star City Reads, winner of several All-America City Awards and a 2021 Virginia Municipal League Innovation Award. Star City Reads is a citywide coalition of 36 community partners, spearheaded by the Libraries and in coordination with the Campaign for Grade Level Reading, to improve the grade-level reading outcomes of Roanoke children. Star City Reads also coordinates with the RCPS to engage students at home and in the classroom and increase literacy through book distribution, education, and family events. The Libraries coordinate all book distribution for Star City Reads with over 180,000 books given to Roanoke's children since 2012. In June 2019, the City was awarded the first ever All America City Hall of Fame Award for the work of Star City Reads and the Feed and Read initiative. The Libraries' Feed and Read program is a partnership with Feeding America, providing free USDA-approved meals and literacy activities for children year round at every library has served 210,000 meals since its beginning in 2012. Since 2014, the Libraries, through an initiative with the Life Ring Foundation, also distributed the Roanoke Baby Board Book to every child born at Carilion with the support of Turn the Page volunteers. Turn the Page volunteers have distributed the Roanoke Baby Board Book to more than 25,000 children born at Carilion Clinic. In 2021, following the success of the original English version, this program was expanded to reach the thousands of Spanish-speaking families in the area with the Roanoke Baby Bilingual Board Book. The Libraries also distributed 20,000 additional bilingual books to local hospitals to promote early literacy. Since 2021, the Libraries have received over 41,000 books through large donations from the SOHO Center to extend children's literacy initiatives at all grade levels throughout Roanoke. With these and many more programs, the Libraries continue to promote equal access to education for all of the Roanoke Valley with innovative programs for children, teens, and adults.

Parks and Recreation

The City enjoys a unique combination of urban amenities surrounded by significant natural beauty and outdoor and recreational activities. The City's Parks and Recreation Department manages 69 parks, plazas, and greenways; supports more than 100 cultural events on an annual basis; and serves more than 115,000 individuals through more than 2,000 recreation programs.

The GO Outside Festival (GO Fest) has become a fall staple with over 150 outdoor activities and events. This annual event encourages healthy and active outdoor recreation by combining camping, music, gear, races, and demonstrations, all in a beautiful outdoor setting.

The Appalachian Trail and Blue Ridge Parkway surround the City. The City's greenway system continues to grow and develop, gaining favor with visitors as well as residents of the Roanoke Valley. More than 25 miles of paved trails currently exist. The Lick Run, Garden City, Tinker Creek, Murray Run, Mill Mountain, Read Mountain, and Roanoke River greenways serve thousands of patrons annually. The City continues to enhance accessibility to roadways and trailways for cycling enthusiasts and is a "Bicycle Friendly Community." With more than 100 miles of trails, the City has become a national destination for mountain biking enthusiasts. Together with neighboring localities, the region received the Silver Ride Center designation from the International Mountain Bicycling Association, the only such center on the East Coast.

The Roanoke Department of Parks and Recreation (PLAY Roanoke) is a full-service, nationally accredited municipal agency providing thousands of recreational opportunities throughout an extensive park system. It was initially accredited in 2008 through the Commission for Accreditation of Park and Recreation Agencies, was reaccredited in 2013, 2018, and again in 2023, and is one of only 192 accredited parks and recreation agencies throughout the US. The department currently employs 70 full-time employees and more than 150 part-time and seasonal employees. The Parks and Recreation Department's mission is to "Build a welcoming community through PLAY" and its vision is to "Be the reason people choose Roanoke." The department's core values are Health and Well-Being, Inclusion, Service Excellence, and Sustainability.

The City's parks and recreation system includes many natural assets, including the 660-acre Mill Mountain Park located within the corridor of the National Park Service's Blue Ridge Parkway. This regional park serves as a gateway to Roanoke and brings in nearly 300,000 visitors annually. The park includes picnic facilities, overlooks, multi-use trails, and the Mill Mountain Zoo. Also within the park is Discovery Center, an award-winning interpretive center. Additionally, Carvins Cove Natural Reserve at 11,363-plus acres provides nearly 60 miles of multi-use trails for hiking and mountain biking as well as other outdoor activities including kayaking, canoeing, fishing and picnicking. Roanoke has nearly 13,000 acres of parkland in total. Parkland includes 69 park properties, eight community centers, 55 practice and/or competitive ball fields, 34 outdoor basketball courts, 51 tennis courts, 75 playgrounds, two Olympic-sized swimming pools, one gymnasium, a skate park, two disc golf courses, and over 100 miles of trails. The City's greenway system has become one of its most treasured assets with over 25 miles of greenways within the City limits and two additional miles under development.

The Parks and Recreation Department offers more than 2,000 programs annually in 10 specialized programming areas: adult athletics, outdoor recreation, environmental education, travel, youth development, fitness and wellness, cultural arts, events, and youth athletics. The department also collaborates with Roanoke County Parks, Recreation and Tourism in offering recreational programming for citizens with disabilities. Each year, the City contributes both funding and in-kind support to this program.

Outdoor recreation also includes several annual foot races through the City. The Blue Ridge Marathon, a nationally recognized foot race held in April of each year (except 2020 due to COVID-19) to benefit and preserve the Blue Ridge Parkway, is one of the most challenging and beautiful marathons in the nation attracting well over 1,000 runners. The annual Drumstick Dash, a fundraiser for the Roanoke Rescue Mission, has become a Thanksgiving Day tradition for the last 17 years. The City and surrounding jurisdictions hosted the IRONMAN 70.3 Virginia's Blue Ridge in 2021, 2022 and 2023.

Other nearby outdoor recreational attractions include the Jefferson National Forest, Appalachian Trail, Smith Mountain Lake, Dixie Limestone Caverns, Natural Bridge, and Explore Park.

Shopping Malls and Retail Areas

In addition to the bustling Downtown area which includes the Roanoke City Market and surrounding restaurants and specialty stores, the residents of Roanoke enjoy a variety of shopping opportunities. Over 275 stores are located in the metropolitan area's three regional malls. Numerous community, neighborhood, and discount shopping centers are conveniently dispersed throughout the area.

DEMOGRAPHIC PROFILE

Population

The City of Roanoke is the Commonwealth's largest city west of Richmond and the economic center of western Virginia. The metropolitan statistical area, of which the City is the focal point, includes the Cities of Roanoke and Salem, the Town of Vinton, and the Counties of Roanoke, Botetourt, Craig and Franklin with a combined population of 313,052 (Weldon Cooper Center estimate as of July 1, 2023). Recent population statistics for the City as of July 1 of each year are presented below.

2010 (U.S. Census) ……………………………………….	97,032
2019 (Weldon Cooper Center estimate)…..……….………	99,920
2020 (Weldon Cooper Center estimate)……….……….	99,348
2021 (Weldon Cooper Center estimate)…………………..	99,795
2022 (Weldon Cooper Center estimate)…………………..	99,883
2023 (Weldon Cooper Center estimate)…………………..	98,865

EDUCATION PRIORITY

Profile of the School District

The City shows a strong commitment to education by providing more funding toward education than any other area of government. Through a negotiated school funding formula between the City and Roanoke City Public Schools ("RCPS"), 40% of local tax dollars are provided to RCPS, which equates to more than $101.4 million budgeted for fiscal year 2024. The total school division expenditure budget for fiscal year 2024 is $287.1 million.

During the 2022-23 school year, RCPS provided a comprehensive program of study for 13,509 students in grades pre-kindergarten through twelve. In 2022-23, there were seventeen elementary schools, five middle schools, two high schools, the Roanoke Valley Governor's School for Science and Technology, a vocational school, two alternative education facilities, adult education programs, and preschool programs for at-risk children.

All of Roanoke City schools were accredited for the 2022-2023 school year. Accreditation ratings are based on performance during the previous school year.

HIGHER EDUCATION

Twenty-two institutions of higher learning, enrolling over 91,000 students, are located within a 60-mile radius of Roanoke. Virginia Tech, which is located in Blacksburg, 35 miles from Roanoke, is a major educational institution with over 30,000 students. Institutions located in the City include the Virginia Tech – Carilion School of Medicine, Virginia Western Community College, and Radford University – Carilion (formerly the Jefferson College of Health Sciences). Other institutions within close proximity include Hollins University, Radford University, Roanoke College, and Ferrum College.

SAFETY PRIORITY

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

The Roanoke Police Department has been accredited by the Commission on Accreditation for Law Enforcement Agencies (CALEA) since July 1994, and is one of only four law enforcement agencies in the Commonwealth of Virginia to attain accreditation in two CALEA programs – Law Enforcement and Training Academies. Roanoke Police successfully launched the Roanoke Valley HOPE Initiative in August 2016. The program is designed to connect drug users with police and the right health resources. The program has helped over 1,300 people find detox and treatment for substance use disorders.

Roanoke Fire-EMS has been an accredited agency with the Commission on Fire Accreditation International Inc. (CFAI) since 2002, meeting the criteria established through the CFAI's voluntary self-assessment and accreditation program. The fire protection services of the City of Roanoke, as rated by an insurance industry advisory company is Class 1, which is the highest fire-protection rating by the Insurance Service Office (ISO), known as the Public Protection Classification program. The City of Roanoke is one of 324 nationwide Internationally Accredited Fire agencies and one of only 123 in the nation that holds an ISO rating of Class 1 as well as holding accreditation. The Fire-EMS Department is also a partner with Roanoke County and the City of Salem in a Regional Fire-EMS Training Center, a regional hiring process, and has automatic and enhanced mutual aid response agreements in place to ensure the closest and most efficient response of Fire-EMS resources. The regional hiring process has enabled Roanoke Fire-EMS to increase its emphasis on recruiting a diverse workforce, including the launch of a new website. As a strategy to provide a more diverse and inclusive workforce, the City's Fire-EMS Department minimum hiring age is 18.

The Roanoke City Sheriff's Office remains nationally accredited through the American Correctional Association, since 1991, and the National Commission on Correctional Healthcare, since 1987. In 2013, the department earned the accreditation of the Virginia Law Enforcement Professional Standards Commission (VLESPC), followed by the federal Prison Rape Elimination Act (PREA) in August of 2014. The Sheriff's Office became a member agency for Project Lifesaver International Headquarters in 2017. There are 29 current clients enrolled in this program.

The E-911 Emergency Communications Center provides enhanced 911 (E-911) service 24 hours a day for wireline and wireless 911 calls. All cellular vendors provide Phase II GPS technology which assists with location information as mandated by the Federal Communications Commission (FCC). The agency is equipped with a Computer Aided Dispatch (CAD) System with mapping capability to assist with identifying the location of wireless callers. This system enables the dispatcher to provide basic medical information while sending the appropriate public safety entity during a medical emergency. Roanoke E-911 is one of the first 911 centers accepting text to 911 calls from the four major wireless carriers. In March 2021, Commission on Accreditation of Law Enforcement Agencies (CALEA) reaccredited Roanoke E-911. Roanoke E-911 is also a P33 certified training agency, a designation earned by meeting or exceeding all of the emergency communications center training standards set by the Association of Public-Safety Communications Officials (APCO) International.

Since the outbreak of COVID-19, the E911 Center has continued to research ways to continue 911 services during a pandemic or any state of emergency. In 2021, the agency acquired Virtual Private Network (VPN) laptops that will allow 911 services to continue remotely.

In September 2020, the City completed construction on a new 911 facility called the Blue Hills Communication Center. The City believes this facility is unique in that it is a partnership between the City and Virginia 811. Virginia 811 provides the 'call before you dig' services for utility companies for the entire state and operates a call center of approximately 80 personnel. Combining these two similar functions into one facility not only saved costs by avoiding duplication of common requirements but the City believes that this will also lead to long-term collaboration between public safety and utilities. The new facility incorporates many features to ensure these critical functions remain in operation. These include resilient electrical rooms, uninterruptable power sources and emergency generators. The building was also designed with state of the art provisions such as geographically diverse points of entry into the facility with significant room for growth and air conditioning and fire safety systems designed for data centers. The new construction improved the connection to the valley radio system from a single connection to a triple redundant connection. As part of the design the City also increased the number of dispatch positions from 15 to 24 with room for additional growth. These additional positions provide more flexibility to surge operations for major events. The new facility also has a small amount of space for personnel to stay overnight in the event travel conditions are hazardous. Overall, the new facility has improved the City's ability to serve the citizens.

In November 2018, the City implemented a new CAD (Computer Aided Dispatch) system. Among the enhancements, this system provided the Automated Secure Alarm System Protocol (ASAP). ASAP provides two-way communication between alarm monitoring companies and the E-911 center. This shortens the amount of time and increases the accuracy of reporting burglar, fire and other emergency alarms. This ultimately means shorter response times and better service to Roanoke's citizens. Roanoke was one of the first E-911 centers west of Richmond to implement this capability. Another key feature is the integration of enhanced location services for wireless devices. The E-911 center now automatically receives location information from enabled devices that use all the sensors available to the phone. In the past, 911 call location for these devices was limited to GPS location, which was easily affected by buildings, vegetation and other factors. Often this enhanced location is significantly more accurate than that provided by GPS. In addition, a fully redundant hardware and software infrastructure was implemented at the E-911 back-up facility in Roanoke County.

The City, along with the Counties of Roanoke and Botetourt, and the Town of Vinton, jointly participate on the Advisory Board which is responsible for the general fiscal and management policies for the Regional Center for Animal Care and Protection ("RCACP"). Each participating locality pays monthly amounts for its share of operating costs, debt service, and to fund reserves for the operating and maintenance needs of the RCACP based on the locality's average use of the facility.

HUMAN SERVICES PRIORITY

Roanoke, as the largest city west of the state capitol, supports a high demand for human services from the community. The Human Services staff unites public and private institutions to encourage and support caring communities by assisting individuals and families to achieve self-sufficiency and healthy lives with a variety of financial and employment programs. A partnership with RCPS and the City of Roanoke Central Intake program provides assistance to students by preventing them from entering into homelessness or rehousing them to a stable environment. The City of Roanoke's Central Intake program also partners with the Western Virginia Water Authority to provide water bill assistance to customers who are facing a utility cutoff or to assist with re-connections for those whose services have been disconnected.

In 2023, 777 households were prevented from entering homelessness through Central Intake, the Community Housing Resource Center, Total Action for Progress' ("TAP") Supportive Services for Veteran Families ("SSVF") program, the Presbyterian Community Center, and Roanoke Area Ministries. Critical housing services for individuals and families to quickly exit homelessness and stabilize in permanent housing are also provided. In 2023, 294 individuals were rapidly re-housed through the Community Housing Resource Center and TAP's Supportive SSVF program. The City of Roanoke's Homeless Assistance Team placed 220 individuals in permanent housing in 2023. Commonwealth Catholic Charities and the Salem VA Medical Center provided permanent supportive housing services to 146 Veterans and chronically homeless individuals in 2023.

INFRASTRUCTURE PRIORITY

The focus of this priority is to proactively and efficiently maintain the infrastructure or fundamental capital assets required to support the operation of City activities and deliver essential services. It includes the City's streets and rights of way, parks, information technology equipment and software, fleet and capital equipment, buildings, greenways, public spaces, and stormwater facilities. Many types of infrastructure necessary for the community to function are provided by other agencies or companies such as the Western Virginia Water Authority, Roanoke Regional Airport, Norfolk Southern, Virginia Department of Transportation ("VDOT"), and utility companies.

Transportation

Economic activity is directly associated with the City's position as the major trade and transportation center in Western Virginia. The City is located at the intersection of major rail and highway routes.

The City has worked diligently to address the transportation and parking needs of citizens and visitors in the downtown area. The City-owned Greater Roanoke Transit Company ("GRTC") (also known as Valley Metro), provides a range of transit services to address the needs of the community. Services include: fixed route, Starline Trolley, which circulates between downtown and the Carilion Clinic Campus, Smart Way, which links the Roanoke Valley to the New River Valley, Smart Way Express, which directly links Virginia Tech Carilion and the campus of

Virginia Tech, and STAR paratransit service. Smart Way also provides a thru-bus connection to Roanoke's Amtrak station.

The City's public parking system in downtown includes seven garages and four surface lots, and the monitoring and enforcement of on-street parking. The parking system offers competitive daily, overnight, and monthly rates, and, at limited locations, free after hours and weekend parking.

Highways

Located approximately equidistant between New York City and Atlanta, Roanoke is connected to the nation's network of interstate highways by Interstate 81, which runs north and south through the Shenandoah Valley of Virginia. U.S. Route 460, connecting the City to Virginia's Tidewater port facilities and other interstate routes, provides direct east–west travel. U.S. Routes 220 and 11 provide alternate arteries for automotive traffic in the City's metropolitan statistical area. Interstate 581 connects the downtown and Roanoke-Blacksburg Regional Airport directly with Interstate 81 and U.S. Route 220. Additionally, Interstate 73, which will run from Michigan to South Carolina, is proposed to follow a route passing through Roanoke along Interstate 581. To ensure this occurs, the Interstate 73 Coalition has been formed and includes the City of Roanoke, Roanoke County, Franklin County, Henry County, and the City of Martinsville. The focus of the Coalition is to raise awareness of the project and its benefits for the area, and generate action towards construction. Once completed, the increased connectivity to the Roanoke area is anticipated to have a significant positive economic impact.

The Public Works Department uses bond funding to support capital improvements and maintenance activities within the City's rights of way. This work includes maintenance, repairs and replacement of bridges and other structures, construction of new curbs, gutters, and sidewalks, maintenance and repairs to existing curbs, gutters, and sidewalks, construction of new and maintenance of existing stormwater conveyances, and construction of new street scape projects. These efforts are intended to ensure that City assets are appropriately maintained to extend their service lives and to ensure that new construction supports the City's comprehensive plan, of which a significant element is to make Roanoke more walkable, bikeable, and comfortable for all users of the City's streets.

Railroad

Roanoke was established in the late 1800s at the junction of the Norfolk and Western and Shenandoah Valley railroads. In 1982, N&W and Southern Railway were consolidated into Norfolk Southern, now one of the nation's largest and most prosperous rail transportation companies.

In August 2013, Norfolk Southern, Amtrak, the City of Roanoke and the Commonwealth of Virginia entered into an agreement to extend the Amtrak Virginia regional intercity passenger rail service from Lynchburg to Roanoke and provide direct same seat service as far north as Boston. To date, the City has completed infrastructure improvements to facilitate the construction of the boarding platform and passenger rail siding; and design and engineering of the rail siding are currently underway. The City has vacated a portion of the existing right-of-way along Norfolk Avenue for the construction of the passenger rail siding and platform by Norfolk Southern, using funding provided by the Commonwealth of Virginia. It is estimated that passenger rail service between Roanoke and Lynchburg will lead to future job creation and economic growth in the Roanoke metropolitan area. The passenger rail system extending to Roanoke first entered operation in the fall of 2017.

Air Transport Services

The Roanoke-Blacksburg Regional Airport is served by Delta Airlines, regional affiliates of United Airlines, regional affiliates of American Airlines, and Allegiant Air. These airlines offer approximately 40 scheduled airline flights arriving and departing daily, with nonstop departure flights to six major hubs, with one stop service to nearly 500 cities worldwide. Regional and/or full sized jet service is available from Roanoke to the eight destinations of Atlanta, Charlotte, Chicago, New York, Philadelphia, Washington-Dulles, Orlando/Sanford, and St. Petersburg.

The Roanoke Regional Airport Commission, an independent subdivision of the Commonwealth of Virginia created in 1987, owns and operates the airport. The City of Roanoke and the County of Roanoke each appoint members to the Commission. The City of Salem joined the Airport Commission in 2020.

The airfield consists of approximately 900 acres, with two runways. One runway is 5,810 feet long, and the other is 6,802 feet long to facilitate safe aircraft operations in adverse weather conditions. Both runways are equipped with instrument landing systems. A six-gate, 98,000 square foot passenger terminal serves the airport.

During 2023, approximately 687,724 passengers passed through the airport, and 51,467 scheduled aircraft operations took place. Roanoke-Blacksburg Regional Airport's primary and secondary passenger service areas extend outward over a 60-mile radius, encompassing at least 19 counties, including three in West Virginia. One full service and two specialty fixed base operators are located on the field, including a fully certified flight school.

In addition to air passenger carriers and general aviation users, two major air cargo companies (FedEx and UPS) fly into and out of the airport on a scheduled basis. In 2023, these two and other cargo companies carried nearly 12,000 tons of cargo. United States Customs provides services upon request.

Truck and Bus Service

A number of interstate carriers are authorized to operate in the area. Specialized trucking services in the region include hauling and rigging, tank trucks, household moving, and parcel delivery.

Passenger bus service is available via Greyhound Bus Lines, with numerous schedules daily for local and long distance travel.

GRTC is owned by the City, provides local bus service for approximately 2.5 million passengers annually. GRTC provides transportation along routes throughout the City with access to specific destinations by way of the "Smart Way" Bus. The Smart Way is a commuter bus service that links the Roanoke Valley to the New River Valley. The Smart Way begins service at Campbell Court, with stops at the Hotel Roanoke, the Roanoke Regional Airport, two park and ride lots along Interstate 81 at exits 140 and 118A, Laurel Street, the Virginia Tech Corporate Research Center, Main Street in downtown Blacksburg, and the Squires Student Center on the campus of Virginia Tech. Rider fare is only $4 each way.

GRTC also offers the "Smart Way Express" which is a specialized service created to connect students, professors, researchers, and patients to the Virginia Tech main campus in Blacksburg, VA and the Virginia Tech Carilion School of Medicine and Research Institute ("VTCRI") located in downtown Roanoke. This service is provided free of charge to anyone with a valid Virginia Tech, VTCRI, Carilion Clinic, or Radford University ID. All other members of the general public can access this service on a first-come, first-served basis for just $4.

Water and Wastewater Pollution Control

The Western Virginia Water Authority ("Water Authority") was formed in July 2004 by the consolidation of the City's and the County of Roanoke's drinking water and wastewater pollution control functions. Franklin County later joined the Water Authority as a member locality and Botetourt County joined in 2015. The Town of Boones Mill's utility system was acquired in December 2021, and on July 1, 2022, the Authority acquired the Town of Vinton's water and wastewater systems. The Water Authority's mission is to ensure an adequate supply of drinking water and wastewater treatment for Roanoke Valley residents. The Water Authority provides drinking water to over 159,000 residential and commercial accounts and wastewater service to more than 186,000 residents throughout the entire Roanoke Valley through contracts with other area localities. The Water Authority is governed by an eight-member board, with three members appointed by the City of Roanoke, three members appointed by Roanoke County and one member each appointed by Franklin County and Botetourt County.

The Water Authority owns and operates the Carvins Cove Reservoir and Filtration Plant, the Spring Hollow Reservoir and Treatment Plant, the Crystal Spring Filtration Plant, and the Falling Creek Reservoir and Filtration

Plant. The Water Authority maintains 1,222 miles of water mains, 977 miles of sewer mains and 5,612 fire hydrants in the service area. It treats more than 46 million gallons of wastewater every day.

Pursuant to an Operating Agreement among the City, the County, the Water Authority and the Virginia Resources Authority, the Water Authority assumed certain liabilities of the City of Roanoke and Roanoke County representing obligations secured by revenues related to the respective drinking water and wastewater utilities. The Water Authority agreed to pay to the City and the County amounts equal to debt service due on the localities' liabilities not legally assumed by the Water Authority. The City's obligations not assumed by the Water Authority include the City's general obligation debt issued by the City for its Water and Water Pollution Control Enterprise functions. The Water Authority has agreed to pay to the City amounts equal to debt service on this general obligation debt. The Water Authority has covenanted under the Operating Agreement to fix, charge and collect rates, fees and charges sufficient to pay expenses of the Water Authority and pay debt service on assumed obligations and the City's affected general obligations.

GOOD GOVERNMENT PRIORITY

The pillars of good government are strong and accountable leadership; competent and motivated employees; efficient and effective operations and responsible financial management.

Budgetary Procedures

The City Charter requires the City Manager to submit a balanced budget to the City Council at least 60 days prior to the beginning of each fiscal year. The annual budget process begins with a strategic planning session with City Council in October of each year. Based upon the planning session strategy, the City develops its annual budget utilizing Program Based Budgeting (PBB) principles, a subset of the Priority Based Budgeting process, which connects local government resources with the results most important to the community. More specifically, the process entails departments submitting requests for appropriations in support of these programs. Prior to budget development an initiative to collect insights and new ideas is undertaken through a phased information gathering process called for in the Budget Preparation Manual. Following the receipt of budget requests, reviews are conducted by staff in the Division of Management and Budget and the Budget Committee. Following a detailed budget development process, including monthly Budget/Financial Planning Work Sessions with City Council, the City Manager prepares a recommended budget for submission to the City Council and citizens for input. The recommended budget includes any proposed adjustments in tax rates and fees for services.

The proposed budget of Roanoke City Public Schools, which includes local funding from the City of Roanoke, is submitted to the City Manager for incorporation into the budget development and adoption process. The City Council makes an annual appropriation of local funds to the School Fund, adopts the School Fund budget, and authorizes school capital projects.

After a public hearing and work sessions with the City Council, the recommended budget, as may be amended, is adopted in final form by the City Council. During the fiscal year, monthly reviews of revenues and expenditures are undertaken by the Department of Finance. Subsequently, monthly financial reports are prepared and presented to the City Council.

The public hearing for the adoption of the fiscal year 2024 budget occurred on April 27, 2023 and the City Council adopted the fiscal year 2024 budget on May 8, 2023.

The City received the GFOA Distinguished Budget Presentation Award for its annual budget document for fiscal year 2023 and is currently awaiting the opinion from the GFOA for the fiscal year 2024 fiscal year budget presentation award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, financial plan, operations guide, and communications device. The City has been a recipient of the Distinguished Budget Award for the last 38 consecutive years.

Annual Comprehensive Financial Report (ACFR)

Roanoke's Annual Comprehensive Financial Report ("ACFR") includes the funds utilized to provide financial accountability for City operations. Each fund is considered to be a separate accounting entity and consists of the following major funds: General, Debt Service, Capital Projects, Enterprise, Internal Service, and Fiduciary. These funds are described in more detail in the ACFR and in the audited financial statements attached as Appendix B to this Official Statement. Since 1973, the City's financial statements have been audited annually by independent certified public accountants. The most recently completed audit, for the fiscal year ended June 30, 2023 was performed by Brown Edwards, Certified Public Accountants, Roanoke, Virginia.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Roanoke, Virginia, for its ACFR for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose content conforms to program standards. The ACFR must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. A copy of the GFOA Certificate of Achievement is included in the introductory section of the ACFR and is valid for a one-year period. The City has received a Certificate of Achievement for 48 years. The 2023 ACFR was prepared in conformity with the Certificate of Achievement program requirements and standards, and has been submitted to the GFOA to determine its eligibility for another certificate.

The accounting policies and procedures utilized by the City are in accordance with generally accepted accounting principles. Entity wide statements provide information about the City as a whole using the full accrual basis of accounting, which is the method used by most private-sector enterprises. All current year revenues and expenses are reported in the Statement of Activities regardless of when cash is received or paid. The modified accrual basis of accounting is used for the General, Debt Service, Special Revenue and Capital Projects Funds. Under this method, revenues are recognized in the accounting period in which they are objectively measurable and available. Expenditures, other than principal and interest on long-term debt and compensated absences, are recorded when the related liability is incurred. Principal and interest on long-term debt and compensated absences are recognized when due. Enterprise Funds, Internal Service Funds, Pension and OPEB Trust Funds are accounted for on the accrual basis of accounting.

The activities of Roanoke City Public Schools are reported separately as the School Component Unit. The School Board issues a separately published ACFR reflecting the operations of the public school system as a legally separate entity. The School Board's operations are included in the City's ACFR in the form of a discretely presented component unit. Although legally separate, the City must include component units in the City's financial reporting for fair representation in conformity with Generally Accepted Accounting Principles.

GRTC is also a discretely presented component unit and has a seven-member board composed of two City Council members, two City employees, one regional customer, one representative of the physically challenged community and one citizen of the community at large. GRTC issues separately published financial statements reflecting the operations of the public transit system as a legally separate entity.

The audited Annual Comprehensive Financial Report of the City for the fiscal year ended June 30, 2023 is available on the City's website at www.roanokeva.gov or from the Director of Finance, Noel C. Taylor Municipal Building, Room 461, 215 Church Avenue, S.W., Roanoke, Virginia 24011.

Financial Policies

Financial policies serve as the framework for the financial operation of City government as well as the basis for budget development. Policies are in place to provide guidance in the areas of budget, expenditures, reserves, revenues, and debt management. The City's Reserve and Debt Management Policies include specific review and target dates to ensure the policies provide appropriate guidance and are representative of the current economic climate. The policies also include a requisite bi-annual review to ensure the policies reflect the most current information and take into consideration any regulatory requirements as well as any changes specific to the City's financial condition.

Investment Management

The City's investment and cash management program is directed by the City's Investment Committee which is comprised of representatives from the Office of the Treasurer and the Department of Finance.

City funds are invested in accordance with the laws of the Commonwealth. The City Treasurer has established an investment policy, the objectives of which are to ensure safety and repayment of principal, provide flexibility to meet cash requirements, maximize investment of all available funds, obtain the highest competitive yield on investments and ensure investments are in compliance with the Reporting and Disclosure Regulations of the Governmental Accounting Standards Board. In accordance with its investment policy, the City has never invested in instruments referred to as derivatives or structured investment products related to sub-prime mortgages and does not employ leverage in its investments.

During fiscal year 2023, the City's portfolio size was approximately $165.2 million. This included investments of the governmental funds, proprietary funds and fiduciary funds, but excluded the City's Component Units, Hotel Roanoke Conference Center Commission ("HRCCC"), Pension Plan Trust Fund and OPEB Trust Fund. The funds are invested in money market accounts, U.S. Treasury/Agency obligations, the Local Government Investment Pool managed by the Commonwealth of Virginia, the Virginia Investment Pool and certificates of deposit. The City's investment decisions are guided by its investment policy.

GENERAL FUND REVENUE AND EXPENDITURES

The following is a discussion of the General Fund revenue structure and major classifications of General Fund expenditures. The information is based on audited data as of June 30, 2023 See Appendix B to this Official Statement for the audited general purpose financial statements of the City relating to the General Fund for the fiscal year ended June 30, 2023.

Revenues

General Property Taxes. An annual ad valorem ("according to value") tax is levied by the City Council on the assessed value of real and personal property located within the City as of January 1 in the fiscal year preceding the fiscal year in which the tax is levied and due. The ratio of the assessed value of real property to its estimated fair market value is 100% as required by the Code of Virginia. During a reassessment, all property values are examined and adjustments are made where necessary to guarantee all property is assessed at market value. Real property taxes are payable in two installments, on October 5 and April 5 of the fiscal year in which they are levied. Personal property taxes are due on May 31, and are prorated in cases where a taxpayer owns the property only part of the year. A portion of personal property tax is paid by the Commonwealth of Virginia in accordance with the Personal Property Tax Relief Act. For fiscal year 2023, property taxes (including penalties for late payment of prior years' taxes) represented 40.9% of total General Fund revenues.

Other Local Taxes. The City levies various other local taxes including sales and use taxes, a tax on consumer utility bills, business, professional and occupational license taxes, a cigarette tax, a transient lodging tax, and a prepared food and beverage tax. Other local taxes represented 27.0% of total General Fund revenues for fiscal year 2023.

Intergovernmental Revenue. The City and its School component unit receive revenue from the Commonwealth of Virginia for a portion of shared expenses including certain expenditures for social services, the operation of constitutional offices, non-categorical aid, law enforcement, highway construction, operation of correctional facilities, and education. Revenues from the Commonwealth of Virginia and Federal government represented 24.5% of total General Fund revenues in fiscal year 2023.

Other Revenues. Other sources of revenue represented 7.6% of total General Fund revenues in fiscal year 2023 and include permits, fees, licenses, fines, forfeitures, rents, interest, charges for services and miscellaneous revenues.

Expenditures

Costs of General City Government. Payments for the costs of the operation of the City are made from the General Fund. Such costs include expenditures for general and judicial administration, public safety, public works, health and welfare services, community development, parks, recreation, and cultural and economic development. This classification represented 63.7% of total General Fund expenditures and net transfers during fiscal year 2023.

Costs of Education. A portion of the taxes levied by the City fund the operation of the City of Roanoke Public Schools. The local funding of the School Board component unit represented 28.6% of total expenditures and net transfers from the General Fund in fiscal year 2023.

Transfers to GRTC. Transfers are made in the form of operating subsidies or to fund capital projects. During fiscal year 2023, such transfers represented 0.5% of the total General Fund expenditures and net transfers.

Transfer to Debt Service Fund. Debt service requirements on City general government indebtedness are paid by a transfer from the General Fund to the Debt Service Fund. During fiscal year 2023, such transfers represented 4.2% of the total General Fund expenditures and net transfers.

Transfers to Other Funds. Transfers are made to fund capital projects and provide local match on grants. Transfers are also made to proprietary funds in the form of operating subsidies or to fund capital projects. During fiscal year 2023, such transfers represented 3.0% of the total General Fund expenditures and net transfers.

Summary of General Fund Revenues and Expenditures

The summary statement for the fiscal years 2019 through 2023 in the table below has been compiled from the audited general purpose financial statements. Data for fiscal year 2023 should be read in conjunction with the related general purpose financial statements and notes thereto appearing in Appendix B to this Official Statement.. Additional detail on the adopted budget for fiscal year 2024 is described below under the heading “Fiscal Year 2024 Budget Highlights”.

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General Fund
Fiscal Year Ended June 30

	2019	2020	2021	2022	2023	Adopted Budget 2024
Revenues:						
Local Tax	$204,319,350	$204,306,603	212,256,761	$224,628,930	$236,692,813	$250,332,400
Permit Fees	1,182,535	1,202,393	1,324,087	1,949,141	1,413,767	1,932,500
Fines and Forfeitures	1,183,005	1,061,114	863,283	758,877	637,786	769,000
Rental Income	279,409	137,561	161,481	277,138	306,140	-
Investment Income	786,573	386,787	84,027	195,189	3,967,116	1,736,000
Intergovernmental	73,631,726	74,419,878	75,188,311	77,764,539	85,385,875	81,899,000
Charges for Services	17,302,622	17,162,967	17,174,267	18,263,122	18,992,808	17,736,000
Miscellaneous	807,394	879,961	2,676,784	1,213,464	1,025,112	995,100
Total Revenues	299,492,614	299,557,264	309,729,001	325,050,400	348,421,417	355,400,000
Expenditures:						
General Government	19,738,378	20,580,134	21,698,776	22,457,915	30,765,725	29,507,190
Judicial administration	8,589,533	8,911,364	8,507,511	9,523,981	9,865,184	10,369,763
Public Safety	67,033,038	67,082,886	60,920,437	72,157,056	77,180,506	79,475,213
Public Works	32,697,492	30,732,556	30,876,459	32,095,557	27,585,326	34,831,809
Health and welfare	39,603,461	41,040,289	41,957,631	44,193,663	47,792,124	48,445,447
Parks, recreation and cultural	9,616,230	9,937,193	9,658,377	10,753,631	11,060,845	11,900,139
Community development	10,090,218	9,817,366	8,786,243	10,690,408	10,314,732	12,681,314
Nondepartmental						6,001,859
Transfers (net):						
School Board Component Unit	83,340,423	83,439,689	86,847,413	91,266,398	96,181,038	101,481,211
Greater Roanoke Transit Co.	1,991,161	2,031,161	-	1,773,432	1,773,432	2,163,000
Debt Service Fund	12,792,448	12,608,931	11,601,331	13,096,822	14,052,374	14,129,027
Capital Projects fund	6,791,408	10,652,065	8,518,926	15,368,549	4,649,697	2,844,137
Other	2,540,465	442,198	4,842,132	5,610,655	5,550,218	1,569,891
Total Expenditures and Net Transfers	294,824,255	297,275,832	294,215,236	328,988,067	336,771,201	355,400,000
Net increase (decrease) in Fund Balance	4,668,359	2,281,432	15,513,765	(3,937,667)	11,650,216	-
Fund Balance, beginning of year	39,844,711	44,513,070	46,794,502	62,308,267	58,370,600	67,999,728
Fund Balance, end of year	$44,513,070	$46,794,502	$62,308,267	$58,370,600	$70,020,816	$67,999,728

Notes

The above summary has been prepared in accordance with generally accepted accounting principals prescribed by the Governmental Accounting. Standards Board (GASB). See the general purposes financial statements included in Appendix C for more detailed information.

The above summary presents audited actual revenues, expenditures and fund balances of the General Fund of the City for the five fiscal years ended June 30, 2019 through June 30, 2023, and the adopted budget for the year ended June 30, 2024.

Fiscal Year 2024 Budget Highlights

The City's operating budget for fiscal year 2024 was adopted by council on May 8, 2023. The Adopted Budget for Fiscal Year 2024 totals $355,400,000. For fiscal year 2024, a goal of furthering equity and enhancing compensation to attract/retain employees were major focal points. The total budget increase is $30,611,000 or 9.4% from the fiscal year 2023 adopted budget. Below are a few important expenditure increases:

- Compensation – $9,660,536 – Increase in budgeted funding for a compensation increase inclusive of movement of public safety employees to a final step placement, general employees toward a new minimum but no greater than a 7% and no less than a $2,000 increase, as well as inclusion of increased compensation for employees included in the HeadStart compensation movement. All Constitutional Officers, Appointed Officials and Directors are to receive a 3% increase.
- Retirement – $5,320,058 – Increase in funding due to an increase in the required contribution level from a 14.37% level to a 21.14% level.

- Roanoke City Public Schools – $8,939,334 – Operating funding for Roanoke City Public Schools increase determined by the school funding formula.
- Human Services – $2,117,800 – Funding to provide for Alternative/Private Day School for RCPS students, overtime for Adult Protective Services and Benefits as well as GPS monitoring as an alternative to detention provided by Juvenile Justice as ordered by judges.

These expenditure increases were primarily funded from the following revenue generating taxes/grants:

- Real Estate Tax – $10,303,600 – The real estate tax is the single largest source of revenue for the City. This tax includes general real estate & district taxes (Downtown and Williamson Road). Property values increased as a result of the general reassessment and new construction activity. Important elements of Roanoke's real estate taxation system are programs that provide relief to certain taxpayers or on selected types of properties. For fiscal year 2024 this relief is comprised of relief to the elderly and disabled taxpayers including some Veterans, relief on agricultural properties, and relief for properties under rehabilitation. Additionally, leased and energy-efficient properties receive tax exemptions. These relief programs are intended to benefit those on fixed incomes or with limited ability to cover the costs of increased taxes or to provide incentives for owners who invest in the rehabilitation of aged properties. The City's real estate taxes are due annually in two installments, October 5th and April 5th. Fiscal year 2024 is forecasted to increase by 9.8% over the fiscal year 2023 adopted budget.
- Personal Property Tax – $3,119,000 – The personal property tax is the second largest local tax. Annual assessments of the personal property tax are made in early April, and the tax due date is May 31st. Fiscal year 2024 is anticipated to increase by 10.79% compared to the fiscal year 2023 adopted budget.
- Sales Tax – $4,000,000 - Sales tax is Roanoke's third largest local tax and is collected at a 1% rate. Revenue for fiscal year 2024 is expected to increase by 16.0% when compared to the fiscal year 2023 adopted budget.
- Intergovernmental Revenue – $5,319,300 – Intergovernmental revenue from the commonwealth and federal grants or reimbursements for costs incurred. Most of the revenue in this category is within Social Services and generated from services rendered to the citizens of Roanoke. This category comprises 23.04% of General Fund revenues.

Fiscal Year 2025 Budget Highlights

The City's operating budget for fiscal year 2025 was adopted by council on May 13, 2024. The adopted budget for fiscal year 2025 totals $379,106,000. For fiscal year 2025, the goals of furthering equity and enhancing compensation to attract/retain employees were major focal points. The total budget increase is $23,706,000 or 6.7% from the fiscal year 2024 adopted budget. Below are a few important expenditure increases:

- Compensation – $10,978,635 – Compensation increases primarily for Public Safety employees to advance to the next step on the step-pay plan, increase in starting pay for police and firefighters, increased compensation for paramedics, moved non-sworn positions to their target minimum salaries and 3% cost of living adjustment for non-sworn employees.
- Roanoke City Public Schools – $5,419,750 – Operating funding for Roanoke City Public Schools increase determined by the school funding formula.
- Ongoing and One-Time Departmental Requests – $4,664,133 – Increase in funding due to increased inflationary pressures on costs for equipment, materials, supplies, and contractual services.
- Fund Transfers – $1,744,019 – Increase of funding for Debt Service Reserve, Risk Management Reserve, Civic Facilities, and Grant matching funds.

- External Agencies – $899,463 – Funding for community partners including Blue Ridge Behavioral Health, Mill Mountain Zoo, RVTV-3 and others.

- These expenditure increases were primarily funded from the following taxes/grants:

- Real Estate Tax – $7,909,000 – The real estate tax is the single largest source of revenue for the City representing over 32% of the adopted budget over the previous 5 years. This tax includes general real estate & district taxes (Downtown and Williamson Road) and is levied at a rate of $1.22 per $100 of real property value. Real Estate tax is budgeted to increase by 6.88% over fiscal year 2024.

- Intergovernmental Revenue – $6,989,000 – Intergovernmental revenue from the commonwealth and federal grants or reimbursements for costs incurred. Most of the revenue in this category is within Social Services and generated from services rendered to the citizens of Roanoke. This revenue is budgeted to increase by 8.53% compared to fiscal year 2024.

- Prepared Food and Beverage Tax – $3,250,000 – The prepared food and beverage tax is a local tax of 5.5% on each dollar for businesses that sell food. The food and beverage tax is budgeted to increase 17.1% over fiscal year 2024 due to inflationary pressures and anticipated increases in consumer patronage at restaurants.

- Charges for Services – $2,831,000 – Charges for services consist of an array of revenue classes including court fees, sanitation charges, library charges, public safety fees, recreation program fees, human services collections etc. Charges for services are budgeted to increase 16.0% compare to fiscal year 2024.

Operating Data

The following data are presented to illustrate the trends and characteristics of the value of taxable property in Roanoke, property tax rates, tax collection experience, the ten largest holders of real property and taxable retail sales in the City during recent years.

Assessed Value of All Taxable Property

Year	Real Property	Personal Property	Public Service Corporations	Total Assessed Value	Total Estimated Actual Value
2014	$6,679,969,872	$859,809,462	$414,953,913	$7,954,733,247	$8,526,954,997
2015	6,693,874,349	899,096,367	437,573,144	8,030,543,860	8,634,365,581
2016	6,724,229,966	942,611,706	439,744,208	8,106,585,880	8,742,785,092
2017	6,783,463,907	943,805,249	451,184,702	8,178,453,858	8,817,419,846
2018	6,970,302,556	956,571,007	437,557,641	8,364,431,204	9,011,349,475
2019	7,180,263,228	993,064,406	471,816,290	8,645,143,921	9,316,391,122
2020	7,444,437,601	1,031,434,753	489,031,454	8,964,903,808	9,661,222,140
2021	7,764,101,330	1,083,274,770	488,147,929	9,335,524,029	10,073,067,773
2022	8,629,427,867	1,207,279,732	450,208,362	10,286,915,961	11,109,857,029
2023	8,512,032,700	1,165,244,218	221,613,090	9,898,890,008	10,701,204,626

Source: City of Roanoke, ACFR as of June 30, 2023.

Property Tax Rates
(Per $100 Assessed Value)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Real Property(1)	$1.19	$1.19	$1.22	$1.22	$1.22	$1.22	$1.22	$1.22	$1.22	$1.22
Personal Property	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45	3.45
Public Service Corporations	1.19	1.19	1.22	1.22	1.22	1.22	1.22	1.22	1.22	1.22

Source: City of Roanoke, ACFR as of June 30, 2023.
(1)The real estate tax rate was $1.19 per $100 of assessed value effective July 1, 2006. Effective July 1, 2015, the rate increased to $1.22 per $100 of assessed value.

Assessed Value of Taxable Commercial Real Estate Property

Year	Commercial Property*	Real Property	Commercial Property Percentage
2019	$2,819,307,700	$7,580,044,600	37.19%
2020	2,965,458,500	7,962,115,600	37.24
2021	2,969,993,300	8,172,621,794	36.34
2022	3,041,887,000	8,812,158,000	34.52
2023	3,174,317,800	9,684,425,500	32.78

Source: City of Roanoke, Office of Real Estate Valuation.
*Excludes Assessed value for multi-family properties, residential, exempt property, and public service corporations.

General Property Tax Levies and Collections

Year	Total Levy	Current Collections	% of Levy	Delinquent Collections	Total Collection of Current & Delinquent Taxes	% of Current & Delinquent Collected to Tax Levy*
2014	$113,183,821	$105,352,996	93.08%	$3,445,666	$108,798,662	96.13%
2015	115,885,506	107,051,158	92.38	3,179,202	110,230,361	95.12
2016	119,869,392	110,973,949	92.58	3,240,530	114,214,479	95.28
2017	120,894,494	111,241,686	92.02	3,762,800	115,004,486	95.13
2018	123,059,222	114,277,633	92.86	3,167,218	117,444,851	95.44
2019	126,568,227	116,743,493	92.24	4,047,295	120,790,788	95.44
2020	131,348,076	121,376,632	92.41	3,426,248	124,802,880	95.02
2021	136,379,330	126,827,811	93.00	2,647,637	129,475,448	94.94
2022	153,887,747	131,306,928	85.33	5,578,762	136,885,690	88.95
2023	148,193,002	141,445,662	95.45	0	141,445,622	95.45

Source: City of Roanoke Department of Finance and Treasurer's Office
*In 2022, the City provided a personal property tax rebate of approximately $5.9 million. As taxes were levied and subsequently rebated, collection percentage is lower than prior years.

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.

Ten Largest Taxpayers

The following data shows the assessed value of the real and personal property of the ten largest taxpayers in the City for the fiscal year ended June 30, 2023.

Taxpayer	Description	2023 Assessed Value	Percentage of Total Assessed Valuation
Carilion	Healthcare Provider	$287,362,150	2.79%
Appalachian Power Co.	Public Utility	200,337,931	1.95%
Norfolk Southern Railway	Transportation	153,639,651	1.49%
Valley View Mall LLC	Shopping Mall	138,618,900	1.35%
Roanoke Gas Company	Public Utility	71,344,176	0.69%
Roanoke Electric Steel Corp	Primary Metals	54,037,295	0.53%
HR Foundation, Inc.	Hotel	40,520,019	0.39%
BRC Orange Ave LLC	Housing	40,370,900	0.39%
Advance Auto	Auto Parts	32,495,316	0.32%
Wholesome Harvest	Bakery	31,805,495	0.31%
Total:		**$ 1,050,531,844**	**10.21%**

Source: City of Roanoke Commissioner of the Revenue and Real Estate Office.

Taxable Retail Sales

Calendar Year	Total Retail Sales
2014	1,785,467,436
2015	1,853,019,507
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	2,267,380,381

Source: Virginia Department of Taxation, City of Roanoke, ACFR as of June 30, 2023.
Notes: Data excludes prescription drug sales.

DEBT ADMINISTRATION

Pursuant to the Constitution of Virginia and the Virginia Public Finance Act of 1991 (Chapter 26 of Title 15.2, Code of Virginia, 1950 (the "Act")), a city in Virginia is authorized to issue general obligation bonds secured by a pledge of its full faith and credit. In addition to the authority to issue general obligation bonds pursuant to the Act, the City is authorized to issue bonds under its Charter provided such issuance is approved at a referendum of voters in the City. In either case, for the payment of such bonds, the governing body of the City is required to levy, if necessary, an ad valorem ("according to value") tax on all property in the City subject to local taxation. The issuance by cities in Virginia of bonds or other interest bearing obligations is limited to 10% of the assessed value of real property in the city subject to taxation as shown by the last preceding assessment for taxes. In determining the limitation, certain classes of indebtedness may be excluded, including revenue bonds, general obligation bonds payable from a specific revenue producing undertaking, and revenue anticipation notes maturing in one year or less.

The City's debt management policy includes the following guidelines: Net debt will not exceed 4% of the assessed value of real estate, personal property and public service corporations; tax-supported general obligation debt service shall not exceed 10% of General Fund expenditures; and tax-supported debt will be structured in a manner such that not less than 60% of the aggregate outstanding tax-supported debt will be retired within ten years. The City monitors these ratios to ensure ongoing compliance with the Debt Management Policy. Furthermore, the annual budget and financial planning sessions held between City Council and the administration provides a forum for discussion of the City's long term capital financing plans.

The City has outstanding $248,680,582 aggregate principal amount of general obligation bonds, Virginia Public School Authority (VPSA) bonds, and Qualified Zone Academy Bonds (QZAB) as of June 30, 2023, as follows:

Public Improvements..	$ 132,345,607
School Projects...	83,338,727
Public Improvements -Utilities[(1)]	945,000
Stormwater	14,162,293
Civic Facilities	12,357,134
Parking Garages	5,531,821
Total[(2)]	$ 248,680,582

(1) General Obligation Bonds to be contractually repaid by the Western Virginia Water Authority.
(2) Excludes $30,750,000 aggregate principal amount of the City's General Obligation Public Improvement Bonds, Series 2023 issued on November 30, 2023.

The public improvements, Civic Facilities, and certain school indebtedness shown above are provided from the General Fund of the City. The Parking Fund and Stormwater Utility Fund are responsible for debt service on garage facilities and drainage infrastructure, respectively. If funding in an Enterprise Fund is not sufficient to pay debt service, the City Council is obligated to make such payment from the General Fund or from any other available monies.

Legal Debt Margin

The City's legal debt margin as of June 30, 2023 was as follows:

Total Assessed Value of Real Estate, 2023[(1)]		$8,512,427,867
Legal Debt Limit: 10%		851,203,270
Debt applicable to limitation:		
Total Debt[(2)]	267,506,245	
Less: Available in Debt Service Fund	(83,741)	267,422,504
Legal Debt Margin		$ 583,780,766

(1) Source: City of Roanoke, ACFR as of June 30, 2023.
(2) Excludes $30,750,000 aggregate principal amount of the City's General Obligation Public Improvement Bonds, Series 2023 issued on November 30, 2023.

Amortization Schedules

Total principal and interest payments to retire all outstanding indebtedness of the City are shown in the following tables:

Tax-Supported Indebtedness*

	Outstanding Prior to Current Issue**			Current Issue			Total Debt Service
Fiscal Year Ending June 30	Principal	Interest	Total	Principal	Interest	Subtotal	Total
2024	$19,707,188	$8,330,884	$28,038,072				$28,038,072
2025	21,885,682	8,440,632	30,326,315		$583,187	$583,187	30,909,502
2026	18,649,255	7,622,661	26,271,915		679,442	679,442	26,951,357
2027	16,952,946	6,896,237	23,849,183	$185,000	679,442	864,442	24,713,625
2028	26,522,583	6,212,252	32,734,834	195,000	670,469	865,469	33,600,303
2029	15,847,785	5,111,789	20,959,575	205,000	661,109	866,109	21,825,684
2030	14,538,942	4,531,838	19,070,781	215,000	651,167	866,167	19,936,948
2031	14,454,285	3,994,119	18,448,404	225,000	640,675	865,675	19,314,079
2032	13,574,425	3,484,077	17,058,502	235,000	629,650	864,650	17,923,152
2033	13,289,022	2,982,492	16,271,514	250,000	618,017	868,017	17,139,531
2034	11,906,937	2,541,550	14,448,487	260,000	605,517	865,517	15,314,004
2035	10,962,678	2,112,173	13,074,851	275,000	592,387	867,387	13,942,238
2036	9,745,053	1,713,206	11,458,259	290,000	578,362	868,362	12,326,621
2037	8,591,621	1,410,641	10,002,262	305,000	563,485	868,485	10,870,747
2038	7,148,234	1,142,503	8,290,737	320,000	547,625	867,625	9,158,362
2039	7,164,891	928,571	8,093,462	335,000	530,985	865,985	8,959,447
2040	7,176,594	720,324	7,896,918	355,000	513,398	868,398	8,765,316
2041	7,138,345	509,918	7,648,263	370,000	494,760	864,760	8,513,023
2042	5,660,000	300,600	5,960,600	390,000	475,150	865,150	6,825,750
2043	2,850,000	132,288	2,982,288	410,000	454,480	864,480	3,846,768
2044	2,160,000	43,675	2,203,675	435,000	432,340	867,340	3,071,015
2045				460,000	408,850	868,850	868,850
2046				480,000	384,010	864,010	864,010
2047				510,000	358,090	868,090	868,090
2048				535,000	330,550	865,550	865,550
2049				565,000	301,660	866,660	866,660
2050				595,000	271,150	866,150	866,150
2051				630,000	238,425	868,425	868,425
2052				665,000	203,775	868,775	868,775
2053				700,000	167,200	867,200	867,200
2054				740,000	128,700	868,700	868,700
2055				780,000	88,000	868,000	868,000
2056				820,000	45,100	865,100	865,100
TOTAL	$255,926,467	$69,162,431	$325,088,897	$12,735,000	$14,527,154	$27,262,154	$352,351,051

* Includes Public Improvement Bonds for the City and School Board, Virginia Public School Authority Bonds, Literary Fund Loan Bonds, Qualified Zone Academy Bonds, Qualified School Construction Bonds, Civic Facilities General Obligation Bonds, and Capital Leases and General Obligation debt for the Western Virginia Regional Industrial Facility.

** Recovery Zone Economic Development Bonds and Qualified School Construction Bonds debt service is net of interest subsidy.

Parking Enterprise Fund Supported General Obligation Indebtedness

Fiscal Year Ending June 30	Principal	Interest	Total
2024	$866,168	$187,505	$1,053,673
2025	876,851	164,057	1,040,908
2026	778,802	138,257	917,059
2027	610,000	113,475	723,475
2028	635,000	94,825	729,825
2029	455,000	73,306	528,306
2030	475,000	55,675	530,675
2031	410,000	35,488	445,488
2032	425,000	18,063	443,063
Total	$5,531,821	$880,651	$6,412,472

General Obligation Indebtedness to be Paid Contractually by Western Virginia Water Authority

Fiscal Year Ending June 30	Principal	Interest	Total
2024	945,000	13,995	958,995
Total	$945,000	$13,995	$958,995

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General Obligation Indebtedness Supported by the Stormwater Fund

Debt Service Outstanding

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$621,732	$522,310	$1,144,042
2025	811,314	611,404	1,422,717
2026	923,477	576,030	1,499,509
2027	957,684	537,926	1,495,610
2028	982,170	502,517	1,484,687
2029	948,540	466,598	1,415,138
2030	970,318	429,744	1,400,062
2031	1,009,082	391,859	1,400,941
2032	1,042,121	353,979	1,396,100
2033	1,021,742	314,428	1,336,170
2034	1,053,162	279,378	1,332,540
2035	986,877	243,493	1,230,370
2036	937,532	209,385	1,146,917
2037	850,671	178,401	1,029,072
2038	768,899	149,860	918,759
2039	787,216	124,993	912,209
2040	820,626	100,533	921,159
2041	844,131	74,765	918,596
2042	740,000	48,200	788,200
2043	500,000	24,400	524,400
2044	395,000	7,900	402,900
TOTAL	$17,972,293	$6,148,102	$24,120,396

Debt Ratios

The following data is presented to show trends in the relationship of the net general obligation bonded indebtedness of the City to its estimated population and to the total estimated actual value of taxable property in the City.

Fiscal Year)	Population (A)	Total Estimated Actual Value	Governmental Activities Gross Bonded Debt (B)	Business-type Activities Gross Bonded Debt (B)	Less Bonds Supported By Western Virginia Water Authority	Less Amount Available in Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Total Estimated Actual Value	Net Bonded Debt Per Capita
2014	98,913	8,526,954,997	217,261,926	26,817,066	10,989,900	1,406,148	231,682,944	2.72	2,325.25
2015	99,320	8,634,365,581	214,885,676	27,203,128	9,968,500	1,508,122	230,612,182	2.67	2,307.21
2016	99,681	8,742,785,092	210,393,462	30,109,234	9,405,800	1,011,031	230,085,865	2.63	2,294.75
2017	99,644	8,817,419,846	208,814,498	33,675,339	8,213,900	539,265	233,736,672	2.65	2,323.03
2018	99,837	9,011,349,475	199,521,519	31,488,513	7,003,200	41,733	223,965,099	2.49	2,228.64
2019	99,920	9,316,391,122	200,500,454	30,765,932	5,767,800	17,890	225,478,696	2.42	2,244.82
2020	99,348	9,661,222,140	224,716,453	34,585,420	4,515,516	17,215	254,769,142	2.64	2,548.07
2021	99,795	10,073,067,733	235,308,788	36,938,205	3,200,614	76,816	268,969,563	2.67	2,697.52
2022	99,883	11,145,069,247	239,814,070	37,052,185	1,870,000	235,769	274,760,485	2.47	2,755.75
2023	98,865	10,701,204,627	233,463,450	34,042,795	945,000	83,741	266,477,504	2.49	2,695.37

Source: City of Roanoke, ACFR as of June 30, 2023.
(A) Estimated values obtained from Weldon – Cooper Center for Public Service
(B) Gross Bonded Debt includes Leases and Bond Premiums.

CAPITAL IMPROVEMENT PROGRAM-
FUTURE BORROWING REQUIREMENTS

Prior to adoption of the annual capital and operating budgets, the City Manager presents a capital improvement program ("CIP") to the City Council. In development of this plan, particular attention is focused upon the first year of the plan since it subsequently affects the City Manager's capital budget request for the ensuing fiscal year. The CIP presents information on each project in detail.

The current CIP covers the fiscal years 2024 through 2028, and provides for the following proposed expenditures and projected sources of funding as presented in the following tables:

Capital Improvement Program Fiscal Years 2024-2028
Summary of Estimated Expenditures

Project Classification	2024	2025-2028	Total Cost
Public Buildings……………………….	$5,091,586	$40,669,081	$45,760,667
Fleet Capital Replacement…………….	6,144,449	17,435,437	23,579,886
Parks…………………………………...	10,163,444	12,656,258	22,819,702
Public Schools…………………………	12,855,000	20,000,000	32,855,000
Streets, Sidewalks and Bridges……….	36,974,077	75,053,138	112,027,215
Technology Improvements……………	6,561,739	10,880,854	17,442,593
Civic Center Facility………………….	1,643,733	6,000,000	7,643,733
Stormwater Management……………...	12,683,400	26,619,503	39,302,903
Parking Improvements	450,000	1,800,000	2,250,000
	$92,567,428	$211,114,271	$303,681,699

Sources of Funds:	FY 2024 – 2028
Existing/Future Capital Funds	$2,278,526
Intergovernmental Funding	33,534,213
Future Cash Funds	40,017,660
Third Party	625,709
General Revenue	2,974,342
Stormwater Revenues	7,231,499
Future Cash Surplus/One Time Funds	3,882,421
General Obligation Bond and Bond Anticipation Note Issues	213,137,329
	$278,781,061

Source: City of Roanoke Capital Improvement Plan FY 2024-2028

EMPLOYEE RETIREMENT PLANS

The City of Roanoke Pension Plan ("Pension Plan") covers substantially all full-time regular City employees, except for employees of the Roanoke Sheriff's Department who participate in the Virginia Retirement System ("VRS"), and certain non-professional School Board employees. The Pension Plan is a defined benefit plan established by the City Council and is included in the City's financial statements as the Pension Trust Fund. The Pension Plan consists of the Employee's Retirement System ("ERS") for employees hired before July 1, 1984, the Employee's Supplemental Retirement System ("ESRS") for employees hired on or after July 1, 1984, and for those hired before July 1, 1984 who elected to join ESRS. The City's contribution rate is based on an actuarially determined amount. The Pension Plan received total contributions of $16,413,269 in fiscal year 2023.

The City's multi-year phase in of changes to the Pension Plan, developed following a two-year review of retirement benefits and initially adopted effective July 1, 2013, has been completed. The adopted changes included the introduction of a new benefit and choice of benefit type for employees hired on a prospective basis effective July 1, 2014. In addition to these changes, employees hired on or after July 1, 2014, are required to contribute 5% of compensation toward the cost of their retirement benefit. Effective July 1, 2015, the required 5% employee contribution was extended to employees hired prior to July 1, 2014. The Pension Plan modifications are expected to improve the long-term financial sustainability of the Pension Plan over time.

In addition, the Pension Plan modifications included the adoption of a formula defining cost of living adjustments ("COLA") for current and future retirees. The adopted COLA policy resulted in recognition of a liability for the cost of living increase one year earlier than required by GASB Statement No. 67. The COLA policy calls for a cost of living adjustment equal to two-thirds of the urban Consumer Price Index ("CPI"), not to exceed 4% and not to exceed the active employee pay raise. Over the long term, retirement benefits costs are expected to decline as a result of the changes.

Following the completion of the most recent five-year actuarial experience study as of June 30, 2021, the Board of Trustees of the Pension Plan approved changes to the actuarial assumptions. The approved changes included several modifications to the demographic and economic assumptions. Changes to the demographic assumptions included a decrease in healthy and disabled mortality rates and slight increases in retirement and termination rates. Changes to the economic assumptions included a slight increase in the inflation assumption from 2.25% to 2.50%, a slight increase to the related cost of living adjustment from 1.50% to 1.67%, a slight decrease in the salary increase assumption, and a decrease in the expected rate of return on investments from 7.25% to 7.00%. Overall, the combined impact of these assumption changes resulted in a significant increase in the actuarial liability of the Pension Plan as well as a significant increase in the actuarial determined contribution rate. Net Position Restricted for Pensions increased by $11.6 million in fiscal year 2023 as a result of net investment income. The 10.00% return experienced was above the expected rate of return of 7.00%. Total contributions increased $279 thousand due to an increase in total covered payroll of $9.1 million. The Pension Plan's Fiduciary Net Position as a Percentage of Total Pension Liability declined to 62.84% as of June 30, 2023 from 63.67% as of June 30, 2022, primarily as a result of salary increases and a cost-of-living adjustment in excess of the actuarial assumption. The actuarially determined contribution rate, inclusive of the 5% employee contribution, was 19.37% of covered payroll for fiscal year 2023 compared to 21.10% in fiscal year 2022.

Additional information regarding the Roanoke Pension Plan and retirement benefits can be found in the City's ACFR and separately published Pension Plan Annual Comprehensive Financial Report ("Pension ACFR"). The Pension ACFR can be found on the City's website at www.roanokeva.gov or from the Director of Finance, Noel C. Taylor, Municipal Building, Room 465, 215 Church Avenue, S.W., Roanoke, Virginia 24011.

OTHER POST-EMPLOYMENT BENEFIT PLANS

The City's Post-Retirement Health Plan provides eligible City employees the opportunity to continue health insurance coverage upon retirement. The Plan was established by the City Council and is included in the City's financial statements as the Other Post-Employment Benefit Plans ("OPEB") Trust Fund.

The City's policy is to fully-fund actuarially determined OPEB costs, which include both normal costs and the amortization of the unfunded accrued liability. Assets of the OPEB Trust Fund are held in the Virginia Pooled OPEB Trust Fund ("OPEB Trust Fund"). The OPEB Trust Fund investments are recorded at net asset value. The Virginia OPEB Trust Fund Board of Trustees establishes investment objectives, risk tolerance and asset allocation policies in light of the investment policy, market and economic conditions, and generally prevailing prudent investment practices.

The City's annual OPEB cost is calculated based on the annual required contribution ("ARC") of the employer, an amount actuarially determined in accordance with GAAP. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 30 years.

City employees with 15 years of continuous service, enrolled in the City's health plan at the date of retirement, and under the age of 65 are eligible to participate in the City's Post-Retirement Health Plan upon retirement. Retirees, participating in the Post-Retirement Health Plan, benefit from a lower insurance rate as a result of inclusion in the health plan with active City employees. This lower insurance rate results in an implicit benefit which qualifies as an other post-employment benefit in accordance with GAAP.

Although the City's annual payments were for combined participants, the share of claims related to retirees represent a higher per capita cost of the total claims. Accordingly, contributions reflected in the OPEB calculations were adjusted to reflect the portion of contributions for active employees are subsidizing the retiree claims. For fiscal year 2023, the retirees contributed $523,000 to the Post-Retirement Health Plan. The City contributed $285,000 to a qualified trust, as defined by GAAP, to fund the annual required contribution of $808,000 for fiscal year 2023. It is the City's intent to fully-fund the annual required contribution each fiscal year.

The Line of Duty Act ("LODA") provides benefits to local government employees who hold specified hazardous duty positions (Code of Virginia §9.1-400 et seq.). By statute, LODA benefits must be provided. The Virginia Department of Accounts administers the benefit.

The Line of Duty plan is a single employer OPEB plan which provides a death benefit of $100,000 to beneficiaries of public safety officers who die in the line of duty. The Line of Duty plan also provides a death benefit of $25,000 to beneficiaries of public safety employees who die within five years of becoming disabled from a qualifying illness, as defined in the LODA. Further, a medical benefit is provided to disabled public safety employees as well as their spouses and dependents and, if circumstances dictate, their surviving spouses and dependents. The Commonwealth of Virginia has the authority to establish and amend Line of Duty plan benefits. The City's Line of Duty plan does not issue a stand-alone financial report.

The City's annual Line of Duty cost is calculated based on the ARC of the employer. The City's policy is to fully-fund actuarially determined LODA costs. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability over a period not to exceed 30 years.

Assets of the OPEB/LODA Trust fund are held in the Virginia Pooled OPEB Trust Fund ("OPEB Trust Fund"). The OPEB Trust Fund investments are recorded at net asset value.

For fiscal year 2023, the City contributed $283,700 to the Line of Duty plan for death benefits and health insurance based on projected pay-as-you-go financing. No additional contribution was required by the City to a qualified trust, as defined by GAAP, to fund the actuarially determined contribution of $253,600 for fiscal year 2023. It is the City's intent to fully-fund the actuarially determined contribution each year.

The VRS Group Life Insurance Program ("GLI Program") is a multiple employer, cost-sharing, defined benefit plan. The GLI Program provides basic coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and provides the authority under which benefit terms are established or may be amended. For fiscal year 2023, the City recognized VRS GLI OPEB expense of $13,000. Since there was a change in proportionate share between June 30, 2021 and June 30, 2022, a portion of the VRS GLI Net OPEB expense was related to deferred amounts from changes in proportion.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE CITY OF ROANOKE, VIRGINIA, FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Roanoke, Virginia (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Notes 1 and 9 to the financial statements, in 2023, the City adopted new accounting guidance, *GASB Statement No. 96 Subscription Based Information Technology Arrangements.* Our opinion is not modified with respect to this matter.

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Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on the Audit of the Financial Statements (Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion, budgetary comparison information, and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
March 27, 2024

CITY OF ROANOKE, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023
(UNAUDITED)

This section of the City of Roanoke, Virginia's (City) Annual Comprehensive Financial Report (ACFR) presents Management's Discussion and Analysis (MD&A) of the City's financial performance during the fiscal year ended June 30, 2023. The MD&A should be read in conjunction with the preceding transmittal letter and the City's financial statements.

FINANCIAL HIGHLIGHTS

- At the end of the fiscal year, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $472.3 million, an increase of $5.2 million or 1.1%, over the prior year's ending balance of $467.1 million. Net position was comprised of $481.7 million, attributable to the City's net investment in capital assets, $21,449 restricted for debt service, offset by a negative unrestricted amount of $9.4 million.

- Net position for governmental activities increased $2.9 million. For the fiscal year, $409.9 million of revenues, generated by taxes and other revenues for governmental programs, exceeded expenses by $5.5 million (before transfers), a decline from the prior year excess of $26.3 million.

- In the City's business-type activities, net position increased by $2.3 million compared to a prior year increase of $6.4 million. Total change in net position before transfers for business-type activities experienced a decrease of $0.4 million over the prior year.

- The City's governmental funds reported a combined ending fund balance of $109.9 million, an 11.4% decrease compared to prior year. Of the total fund balance, 1.2% was held in reserves, 18.2% was committed (mainly for projects in the capital improvement program), 10.9% categorized as stabilization, 0.1% is unspendable (primarily inventory), 13.5% is restricted (debt service, grants, and unspent bond proceeds), 17.4% is assigned for future use and 38.7% remained available for spending at the City's discretion as unassigned.

- The City has maintained its AA+/Aa2 bond rating from Fitch, Moody's and Standard and Poor's rating agencies. This reaffirmation of a stable outlook allowed the City to secure a total interest cost of 3.73% for its 2023 Series Bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

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

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

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

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

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

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

FINANCIAL ANALYSIS OF THE PRIMARY GOVERNMENT

A comparative analysis of government-wide information follows:

Summary of Net Position
as of June 30, 2023 and 2022
(In Millions)

	Governmental Activities 2023	Governmental Activities 2022	Business-type Activities 2023	Business-type Activities 2022	Total Primary Government 2023	Total Primary Government 2022
Current and other assets	$ 247.6	$ 234.5	$ 19.7	$ 25.4	$ 267.3	$ 259.9
Capital assets, net	648.9	644.8	86.0	82.1	734.9	726.9
Total assets	**896.5**	**879.3**	**105.7**	**107.5**	**1,002.2**	**986.8**
Deferred outflows of resources	**115.7**	**20.2**	**6.2**	**1.9**	**121.9**	**22.1**
Other liabilities	129.9	120.0	7.2	8.7	137.1	128.7
Long-term liabilities	460.2	286.1	41.5	36.2	501.7	322.3
Total liabilities	**590.1**	**406.1**	**48.7**	**44.9**	**638.8**	**451.0**
Deferred inflows of resources	**10.4**	**84.6**	**2.6**	**6.2**	**13.0**	**90.8**
Net Position:						
Net investment in capital assets	427.1	434.6	54.6	51.5	481.7	486.1
Restricted for Debt Service	-	0.2	-	-	-	0.2
Unrestricted (deficit)	(15.4)	(26.0)	6.0	6.8	(9.4)	(19.2)
Total net position	**$ 411.7**	**$ 408.8**	**$ 60.6**	**$ 58.3**	**$ 472.3**	**$ 467.1**

Net Position:

The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $472.3 million at the close of the fiscal year. The City's combined net position, (the City's bottom line) increased by $5.2 million from prior year's ending balance of $467.1 million. Net position from governmental activities increased by $2.9 million. Business-type activities resulted in an increase in net position of $2.3 million.

The largest component of the City's net position was the investment in capital assets ($481.7 million) (e.g., land, buildings, infrastructure improvements, machinery, and equipment, net of accumulated depreciation) less any related outstanding debt and payables used to acquire those assets, plus any unspent bond proceeds. The slight increase in the City's net position is a result of an improvement in the deficit balance in unrestricted net position and restricted debt funding. Net position is reported as restricted when constraints on its use are externally imposed by creditors, grantors, contributors, or regulators, or are imposed by law through constitutional provisions or enabling legislation. Restricted net position related to debt service totaled $21,449. The City's unrestricted net position, which is used to finance the day-to-day operations of the City, totaled a negative $15.4 million, a decrease of $10.6 million from fiscal year 2022 unrestricted net position.

FINANCIAL ANALYSIS OF THE PRIMARY GOVERNMENT (Continued)

Summary of Changes in Net Position:

The following table summarizes the changes in net position:

Summary of Changes in Net Position
For the Years Ended June 30, 2023 and 2022
(In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Revenues						
Program Revenues:						
Charges for services	$ 23.6	$ 20.4	$ 22.0	$ 21.4	$ 45.6	$ 41.8
Operating grants and contributions	97.5	83.8	2.2	5.9	99.7	89.7
Capital grants and contributions	22.4	7.8	4.0	3.1	26.4	10.9
General Revenues:						
Taxes:						
Property tax	140.9	136.8	-	-	140.9	136.8
Local portion of state sales taxes	28.0	26.4	-	-	28.0	26.4
Business and professional occupational license taxes	15.8	15.3	-	-	15.8	15.3
Utility taxes	9.2	9.4	-	-	9.2	9.4
Prepared food and beverage taxes	20.8	19.3	-	-	20.8	19.3
Commonwealth share-personal property taxes	8.0	8.1	-	-	8.0	8.1
Cigarette taxes	1.6	1.8	-	-	1.6	1.8
Transient room taxes	5.4	4.7	-	-	5.4	4.7
Telecommunications taxes	4.8	5.0	-	-	4.8	5.0
Motor vehicle license taxes	3.4	2.7	-	-	3.4	2.7
Other taxes	5.1	5.7	-	-	5.1	5.7
Other	-	-	-	-	-	-
State aid not restricted	2.4	1.1	-	-	2.4	1.1
Recovered cost	-	0.3	-	-	-	0.3
Payment from Component Unit	12.7	12.7	-	-	12.7	12.7
Grants and contributions	1.4	1.5	-	-	1.4	1.5
Interest and investment income	5.8	0.3	0.5	-	6.3	0.3
Miscellaneous	0.2	0.3	0.6	1.0	0.8	1.3
Total Revenues	**$ 409.0**	**$ 363.4**	**$ 29.3**	**$ 31.4**	**$ 438.3**	**$ 394.8**

FINANCIAL ANALYSIS OF THE PRIMARY GOVERNMENT (Continued)

Summary of Changes in Net Position (Continued):

The following table continues the summaries of net position:

Summary of Changes in Net Position
For the Years Ended June 30, 2023 and 2022
(In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Expenses						
General Government	$ 55.6	$ 40.9	$ -	$ -	$ 55.6	$ 40.9
Judicial Administration	11.8	9.0	-	-	11.8	9.0
Public Safety	92.3	65.1	-	-	92.3	65.1
Public Works	45.8	50.8	-	-	45.8	50.8
Health and Welfare	51.1	47.3	-	-	51.1	47.3
Parks, Recreation and Cultural	17.8	12.8	-	-	17.8	12.8
Community Development	17.2	16.8	-	-	17.2	16.8
Education	104.8	87.5	-	-	104.8	87.5
Interest and Fiscal Charges	7.1	6.9	-	-	7.1	6.9
Civic Facilities	-	-	18.5	19.2	18.5	19.2
Parking	-	-	3.9	3.3	3.9	3.3
Stormwater Utility	-	-	7.2	5.4	7.2	5.4
Total Expenses	**403.5**	**337.1**	**29.6**	**27.9**	**433.1**	**365.0**
Increase in Net Position before Transfers	5.5	26.3	(0.3)	3.5	5.2	29.8
Transfers	(2.6)	(2.9)	2.6	2.9	-	-
Increase in Net Position	2.9	23.4	2.3	6.4	5.2	29.8
Total Net Position, Beginning	**408.8**	**385.4**	**58.3**	**51.9**	**467.1**	**437.3**
Total Net Position, Ending	**$ 411.7**	**$ 408.8**	**$ 60.6**	**$ 58.3**	**$ 472.3**	**$ 467.1**

Governmental Activities

The net position of governmental activities increased $2.9 million as compared to the $23.4 million increase in prior year. Significant current year activities affecting net position include:

- Governmental Activities' revenues increased 12.5% and was primarily due to receipt of grants and capital contributions. Expenses increased year over year by 19.7% related in part to Public Safety compensation enhancements outside of a traditional annual cost of living pay increase and additional funding per the formula for K-12 education.

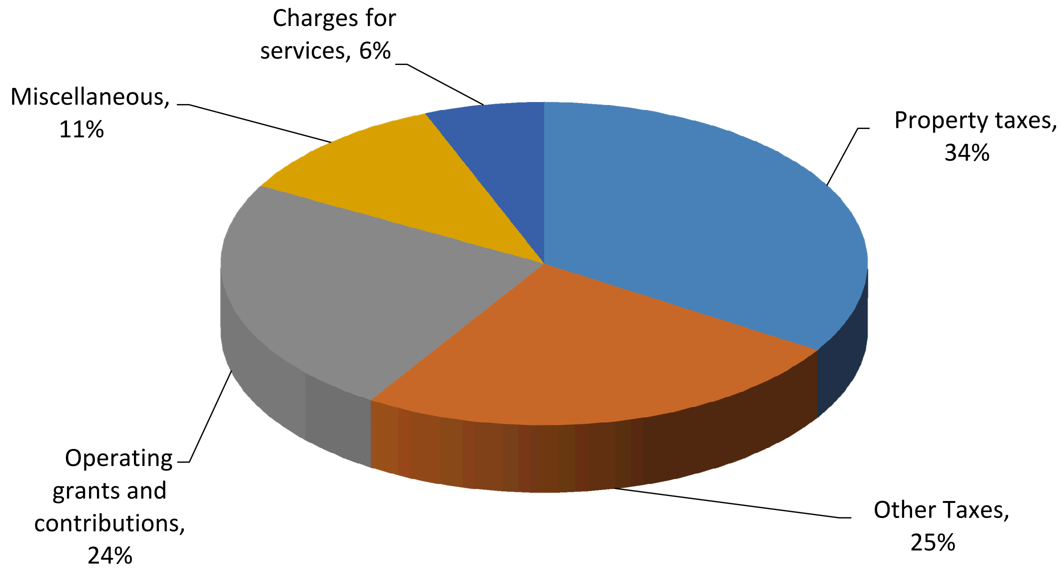
- The City continued to maintain and implement financial controls to ensure that the expenses of general government programs were contained within budget. Staffing was at levels based on ongoing program activities and departments maintained fiscal restraint.

FINANCIAL ANALYSIS OF THE PRIMARY GOVERNMENT (Continued)

Summary of Charges

Revenues generated for governmental activities are presented below by category:

Revenue by Source – Primary Government for the year ended June 30, 2023



The property tax classification was approximately 34% of the total revenue generated by governmental activities and included real estate tax, the local portion of personal property tax, and public service corporation taxes. Real estate tax revenue, the largest source of revenue for the City, totaled $104.2 million. The assessed value of real property in the City increased 2.8% for the 2023 calendar year due to new construction and reassessments.

Personal property tax revenue, including the Commonwealth share and public service tax, totaled $42.4 million. The revenue received locally from citizens totaled $31.1 million. Funding from the Commonwealth under its amended Personal Property Tax Relief Act (PPTRA) program provided revenue totaling $8.1 million. Revenue from the Commonwealth provided relief of 45.9% on the first $20,000 in vehicle value for the current fiscal year and is included in the other taxes category.

Sales, prepared food and beverage, business and professional occupational license, utility, telecommunication, transient room and cigarette taxes, as well as funding from the Commonwealth under PPTRA, comprised the majority of other local taxes collected by the City. Other taxes equated to approximately 25% of total revenues generated for governmental activities.

Operating grants and contributions was approximately 24% of governmental activities' revenues. Social service programs, street maintenance funds, reimbursement for shared expenses of constitutional officers, reimbursement for funding received under House Bill 599 for law enforcement, and jail per diems are some of the major sources of revenue included in this category.

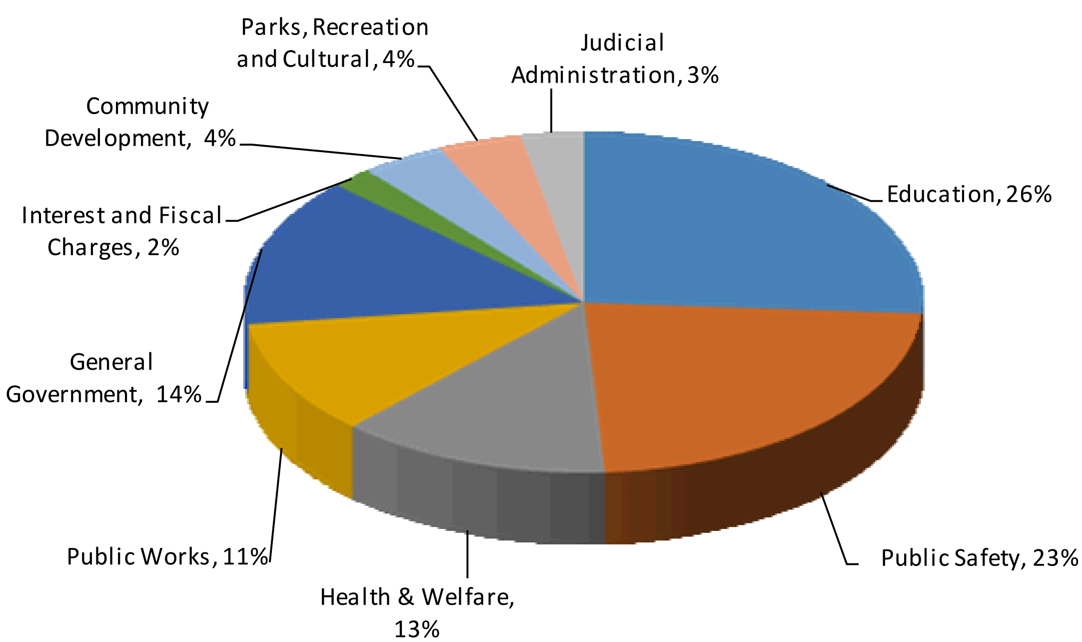
FINANCIAL ANALYSIS OF THE PRIMARY GOVERNMENT (Continued)

Summary of Charges (Continued)

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

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

Expenses – Primary Government for the year ended June 30, 2023



Education comprised 26% of governmental activities. Funding of $104.8 million was provided to the Roanoke City School Board to support operations and debt service.

Public Safety expenses comprised approximately 23% of expenses of the governmental activities. Operations of the City Jail, Police and Fire Departments were included in this category, along with expenses of Emergency Medical Services, Communications (E911 Call Center), and the cost of juvenile justice programs.

Public Works and Health and Welfare expenses comprised approximately 11% and 13%, respectively, of governmental activities expenses. Expenses for Solid Waste Management, Building Maintenance, Street Paving and Street Maintenance were included in the Public Works category. The Children's Services Act and social services programs were the majority of expenses reported in the Health and Welfare category.

<u>Business-type Activities</u>

The net position of business-type activities increased the City's net position $2.3 million. Expenses for the City's business-type activities totaled $29.6 million.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds - For the fiscal year ended June 30, 2023 the governmental funds reported a combined ending fund balance of $109.9 million, a decrease of $11.4 million from the prior year. Approximately 38.7% of this total for fiscal year 2023 ($42.5 million) constitutes unassigned fund balance and consists of the Unassigned General Fund Reserve and Unassigned Stabilization Reserve, which provides the City with sufficient working capital and a margin of financial safety to address unforeseen, one-time expenditure emergencies or declines in revenues for which there is no other budgetary resource or other designations of fund balance available to satisfy the funding need. The Assigned fund balance of approximately $32.4 million is intended to be used by the City for specific purposes, but does not meet the criteria to be classified as restricted or committed. Committed fund balance of approximately $20.0 million consisted of funding for outstanding purchase commitments and future years' capital project expenditures. Approximately $14.8 million of the fund balance is restricted and consists of funds, provided by bonded debt for future capital project expenditures, funds restricted to debt service and grants. The remaining fund balance of approximately $158,689 is nonspendable and consists of prepaid balances and inventory.

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

The General Fund is the primary operating fund of the City. The total fund balance increased by $11.6 million (revenue of $348.4 million less expenditures of $312.5 million and other financing uses of $24.3 million net transfers) and the unassigned fund balance increase by just under $1.0 million to $42.5 million.

Local taxes increased by 5.4% compared to last year. Taxes related to real estate, personal property, sales, licenses, transient, and prepared food and beverage, all increased for the fiscal year 2023. Utility, cigarette, and telecommunication taxes decreased for the fiscal year 2023. Real estate taxes, the City's largest single source of revenue, increased 7.4% as a result primarily of an increase in assessed property value and some new construction.

Intergovernmental revenue is the third largest source of General Fund revenues accounting for $85.4 million in fiscal year 2023. The Commonwealth is the primary source of Intergovernmental revenue by providing revenues for social services programs, street maintenance funds, and law enforcement funding received under House Bill 599.

In fiscal year 2023 the total increase in funding from the Commonwealth compared to fiscal year 2022 was approximately $7.6 million or 10%.

Total Governmental Funds Balance decreased $11.4 million compared to the prior year attributable to slight increase in intergovernmental revenues to the debt service fund and having significantly less other financing sources (see Exhibit E) in the capital project fund with bonds issued in fiscal year 2022 versus only Bond Anticipation Notes for much less in fiscal year 2023 to provide for the needs of the capital projects ongoing.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Actual General Fund revenues were $23.6 million or 7.3% higher than the original adopted fiscal year 2023 revenues estimates, and were higher than the final revenue estimates by $8.0 million or 2.3%. The General Fund revenue increase versus original budget was driven by local revenue performance, primarily real estate, personal property, and sales taxes.

In the local tax area, real estate tax increase is due to increased real estate assessment; personal property, business and professional license, sales, prepared food and beverage and transient taxes improved as a result of economic activity and some measure of inflation and exceeded the original adopted budget. The 2023 budget projected a slight growth in these categories, while the actual growth increased in all categories. Performance of other local taxes, such as communications and motor vehicle license taxes, experienced a slight decrease from the original adopted budget. Overall, the City has rebounded from the adverse impact of constraints placed on business during the COVID-19 pandemic and appears to be in recovery.

Actual General Fund expenditures and transfers were higher than the original budget by $15.8 million or 4.9% due to the use of American Rescue Plan Act of 2021 (ARPA) funds dedicated for various projects and revenue replacement. LEAN methodology continues to be a focus for the City to continually improve efficiencies and reduce costs for the benefit of Roanoke citizens.

During fiscal year 2023, City Council amended the budget several times. The prior year's budget was adopted with conservative revenue estimates and enhanced expenditure restrictions due to lingering effects of COVID-19. Additionally, current year's budget was developed during a time of uncertainty and the revenue budget was prepared using caution. The budget amendments or supplemental appropriation ordinances were primarily related to education, health and welfare, building maintenance, public safety, and fire operations.

CAPITAL ASSETS

As of June 30, 2023, the City's capital assets for its governmental and business-type activities amounted to $734.9 million, net of accumulated depreciation. This investment includes land, historical treasures, construction in progress, land improvements, buildings and structures, equipment and infrastructure. The City's capital assets increased year over year by $7.9 million or 10.9% when compared to fiscal year ended 2022.

The following table shows summarized balances of major categories of capital assets as of June 30, 2023 and 2022.

Summary of Capital Assets
Net of Depreciation
as of June 30, 2023 and 2022
(In Millions)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land and Improvements	$ 61.7	$ 52.6	$ 10.6	$ 9.2	$ 72.3	$ 61.8
Buildings and Improvements	302.5	302.2	43.7	45.8	346.2	348.0
Equipment	29.7	31.0	3.4	4.0	33.1	35.0
Infrastructure	234.8	229.7	18.7	18.3	253.5	248.0
Construction in Progress	19.5	28.6	9.6	4.8	29.1	33.4
Historical Treasures	0.7	0.7	-	-	0.7	0.7
Total	$ 648.9	$ 644.8	$ 86.0	$ 82.1	$ 734.9	$ 726.9

The City uses the Modified Approach for certain infrastructure assets deemed 'inexhaustible' as defined by GAAP, and is required to conduct a semi-annual (January and July) assessment of the condition level of 100% of the Flood Reduction infrastructure assets. The assessment is based on the United States Army Corps of Engineers (USACE) "Inspection, Maintenance and Operational Report." City and USACE policy require the condition level to be maintained at or above a Fair (2) rating. As of June 30, 2023, the infrastructure had an average assessment rating of 2.0, which meets the required minimum rating of 2. The fiscal year 2023 Budget (estimated) of $82,850 ensured adequate funding for maintenance if the maintenance was performed by procured contractors. Actual costs were lower because the City handled maintenance internally versus procuring services from a contracted vendor.

Comparison of Estimated to Actual Maintenance Costs

	2021	2022	2023
Estimated	$61,507	$142,346	$82,850
Actual	$104,943	$61,795	$24,812

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

LONG-TERM DEBT

At June 30, 2023, the City's long-term liabilities, excluding net pension liability, capital lease obligations, compensated absences, and claims payable, totaled $264.9 million, comprised of $231.0 million related to governmental activities and $33.9 million related to business-type activities. Total debt decreased by $11.8 million during the fiscal year. On April 6, 2023, the City issued a Taxable Revenue Bond Anticipation Note in the amount of $ 10,135,000. The note is for a development project undertaken by the Economic Development Authority of the City of Roanoke.

Management is responsible for the identification and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the City changed accounting polices related to subscription accounting by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 96, *Subscription-Based Information Technology Arrangements* in 2023. The adoption of the standard resulted in a recognition of increased liability of $.5 million attributed to the primary government. There was no cumulative effect on beginning net position.

As of April 2023, the City most recent issuance, ratings for S&P and Fitch rating agencies are AA+. The City's continued strong bond ratings will translate into reduced borrowing costs related to its capital improvement projects.

The *Charter of the City* and *Code of Virginia* limit the City's net debt to 10% of the assessed valuation of real estate within the City limits. The limit applies to tax supported debt paid by the governmental funds. Long-term liabilities of business-type funds will be met by revenues generated by those funds. The City considers long-term debt of its Stormwater Utility and Parking Enterprise Funds to be self-supporting. Additionally, in accordance with its contractual agreement with the Western Virginia Water Authority, the City will receive funding from the Authority toward $0.9 million of general obligation debt. The City's tax-supported debt of $231 million less the Debt Service Fund Balance of $0.2 million designated for the repayment of debt service is well below the legal debt limit of $851.2 million.

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The average unemployment in the Roanoke Metropolitan Statistical Area (MSA), which includes the City, for fiscal year 2023 was 3.1%, according to the Bureau of Labor Statistics, down from an average of 3.4% in the prior fiscal year. Comparatively, the national unemployment in fiscal year 2023 was 3.6% for fiscal year down from 3.8%. Employment in Roanoke is diverse with representation within the area of all census-defined industries. The industries providing the largest number of jobs in the region are health care and social assistance. Additional information concerning the City's demographics and employment is presented in Tables 13, 16, 17, 18, 20, and 21 of the Statistical Section.

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

Roanoke's income levels trail the state and national averages; however, they compare quite well when adjusted for the cost of living. Fiscal year 2023 financial performance was indicative of an improving economy as the City continues recovery from the impacts of the COVID-19 pandemic. However, the City continues to anticipate challenges lingering with the uncertain economic conditions and continued higher than pre-Ukraine war interest rates.

The City's General Fund tax revenues increased in fiscal year 2024 adopted budget. Increases in real estate, personal property, sales, business license, transient occupancy, admission and prepared food and beverage taxes were offset by decreases in cigarette tax. Both bank franchise and telecommunications tax were level budgeted. The City was able to increase the General Fund reserve balances by $0.4 million to ensure sufficient working capital, coverage for risk claims, and to provide continued financial security during the aftermath of the COVID-19 Pandemic, as well as, unforeseen future events and economic and cyclical downturns.

The average assessed value of single-family housing units increased from $159,462 in fiscal year 2022 to $179,593 in fiscal year 2023, or 12.6%. The value for residential permits increased 15.8% and the value for commercial permits decreased by 68.6% (primarily due to one expansion project in fiscal year 2022 that was not replicated in fiscal year 2023) from fiscal year 2022 to fiscal year 2023.

Fiscally responsible budgeting for 2023 provided for continued programming levels for services in response to an increase in real estate and property tax revenues. Programming levels remained stable.

General Fund fiscal year 2024 budgeted revenues increased 9.4% compared to the fiscal year 2023 adopted budget (exclusive of ARPA Funds). The increase was attributable to specific taxes as noted in the previous paragraph. General property taxes increased $14.0 million or 9.8% compared to the fiscal year 2023 adopted budget. Other local taxes are expected to perform well, achieving an increase of $8.9 million or 10.4% compared to fiscal year 2023 adopted budget. Overall, fiscal year 2023 revenues performed above expectations, given the continued challenges for the overall economy.

Funding to Schools for fiscal year 2024 is projected at $101.5 million, an increase of $8.9 million, or 9.6% more than fiscal year 2023 budgeted amount. As the City looks ahead toward fiscal year 2025, uncertainty continues around hovering inflation, continued higher than pre-Ukraine war interest rates, and a wait and see approach being taken by the Federal Reserve Bank. Strategic budget priorities include compensation adjustments, education, facilities and equipment, community partners, continued implementation of Star City Strong Recovery and Resiliency projects, capital projects, continued support of the Comprehensive Plan recommendations and the parks and recreation master plan. As revenues and the economy continue to improve, finite resources will be prioritized and allocated in an equitable and empowering manner.

The City continues to be the center of a strong regional business environment with a creative, diverse, and growing community. Management believes that the positive fiscal year 2024 revenue estimates are attainable. Local taxes, including real estate and personal property taxes, are consistently performing above fiscal year 2023 levels.

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

The City's Pension Plan's increase in Net Position Restricted for Pensions is due primarily to positive investment performance. The Plan experienced an investment return of 9.89%, net of fees, for the fiscal year ended June 30, 2023, indicative of the anticipated recession's soft landing. The Plan's domestic growth equities produced the highest performance returns for the plan The Plan's long-term annualized returns continue to rank in the top quartile of the investment advisor's comparative returns. We believe the Plan's well diversified asset allocation remains well positioned given the expectation for the near-term market volatility.

The residential real estate market in the City continues to show signs of an increasing cost of sales market (in spite of interest rate levels) due to lack of supply of current housing and double digit increases in assessed values for residential and multi-family real property. The commercial sector in the City is showing signs of stability with a high demand in industrial properties and lesser activity in retail, restaurants, and hospitality markets. These markets balance each other out, and we are monitoring the situation carefully and expect information prior to the beginning of the budgeting process for fiscal year 2024. The real estate assessment process aligns well with the budgeting process in that real estate assessments are established in January of each year with an effective date of July 1st of the same year. This allows the City to plan and revise programs as needed to maintain a balanced budget as real estate tax revenues are known and defined.

The Roanoke economy continues to show signs of strength and resiliency. Local taxes indicate an increase in economic activity and growth. Management believes that conservative current fiscal year 2024 revenue estimates will be achieved. Challenges exist in predicting the timing and rate of growth moving forward. Performance of local taxes, excluding real estate and personal property taxes, will be a key indicator for fiscal year 2024. With continued funding from the federal government through ARPA, economic support continues for many sectors within our community. The Star City Strong Recovery and Resiliency Advisory Panel developed recommendations for utilizing $64.6 million in federal funding provided through ARPA for the City of Roanoke and is in use as projects are under development and construction. The City's continued focus will be on a deliberate prioritization of services and programs that are responsive to the needs of those who are being served as the City continues to measure each initiative with a diversity, equity and inclusion lens to ensure its citizens are served without prejudice.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives and their uses. Questions concerning this report or requests for additional information should be directed to the Director of Finance, 215 Church Avenue, SW, Room 461, Roanoke, Virginia 24011, telephone (540) 853-2824 or email finance@roanokeva.gov. The City's website address is www.roanokeva.gov.

BASIC
FINANCIAL STATEMENTS

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Exhibit A

CITY OF ROANOKE, VIRGINIA

STATEMENT OF NET POSITION
June 30, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	GRTC
Assets					
Cash and Cash Equivalents					
Unrestricted	$ 156,084,504	$ 13,099,125	$ 169,183,629	$ 52,099,179	$ 177,724
Restricted	15,761,343	2,467,732	18,229,075	-	-
Investments	7,642,533	665,430	8,307,963	-	-
Due from City of Roanoke	-	-	-	5,029,481	54,606
Due from Component Unit	19,141,640	-	19,141,640	-	-
Due from Other Governments	19,928,400	-	19,928,400	27,932,334	4,045,689
Taxes and Accounts Receivable, Net	28,402,109	917,883	29,319,992	1,925,076	405,523
Lease Receivable	160,338	2,314,581	2,474,919	-	-
Inventory	77,934	165,130	243,064	-	744,524
Prepaids	480,755	109,527	590,282	196,725	4,125
Net Pension Asset	-	-	-	1,422,568	-
Net OPEB Asset	-	-	-	20,497	-
Capital Assets:					
Non-depreciable Capital Assets	137,877,381	18,900,928	156,778,309	20,354,960	2,708,854
Depreciable Capital Assets, Net	510,985,825	67,103,356	578,089,181	41,187,847	27,134,380
Capital Assets, Net	648,863,206	86,004,284	734,867,490	61,542,807	29,843,234
Total Assets	**$ 896,542,762**	**$ 105,743,692**	**$ 1,002,286,454**	**$ 150,168,667**	**$ 35,275,425**
Deferred Outflows of Resources					
Deferred Outflows related to Pension	$ 108,921,681	$ 5,214,231	$ 114,135,912	$ 29,246,014	$ -
Deferred Outflows related to OPEB	4,984,114	295,153	5,279,267	3,197,649	-
Deferred Outflows from Debt Refundings	1,787,026	701,976	2,489,002	-	-
Total Deferred Outflows of Resources	**$ 115,692,821**	**$ 6,211,360**	**$ 121,904,181**	**$ 32,443,663**	**$ -**
Liabilities					
Accounts Payable and Accrued Expenses	$ 24,749,843	$ 1,905,193	$ 26,655,036	$ 17,012,862	$ 4,291,032
Accrued Interest Payable	2,022,025	278,861	2,300,886	-	-
Due to Component Unit	5,084,087	-	5,084,087	-	-
Due to Fiduciary Funds	864,983	43,216	908,199	-	-
Due to Other Governments	56,432,631	-	56,432,631	-	-
Unearned Revenues	10,435,582	1,648,946	12,084,528	3,142,422	-
Pollution Remediation	-	56,876	56,876	-	-
Long-term Liabilities Due Within One Year	30,343,890	3,292,403	33,636,293	26,462,676	-
Long-term Liabilities Due In More Than One Year:					
Net Pension Liability	222,869,609	10,047,117	232,916,726	96,627,550	-
Net OPEB Liability	11,009,921	468,024	11,477,945	17,558,395	-
Other Long-term Liabilities Due in More Than One Year, Net	226,306,394	31,003,767	257,310,161	18,268,682	-
Total Liabilities	**$ 590,118,965**	**$ 48,744,403**	**$ 638,863,368**	**$ 179,072,587**	**$ 4,291,032**
Deferred Inflows of Resources					
Deferred Inflows from Leases	156,322	2,252,030	2,408,352	-	-
Deferred Inflows from Debt Refundings	236,791	2,434	239,225	-	-
Deferred Inflows related to Pension	4,113,815	57,062	4,170,877	20,673,514	-
Deferred Inflows related to OPEB	5,913,700	334,143	6,247,843	2,128,015	-
Total Deferred Inflows of Resources	**$ 10,420,628**	**$ 2,645,669**	**$ 13,066,297**	**$ 22,801,529**	**$ -**
Net Position					
Net Investment in Capital Assets	$ 427,100,720	$ 54,554,100	$ 481,654,820	$ 26,183,954	$ 29,843,234
Restricted for:					
Pension and OPEB Assets	-	-	-	1,443,065	-
Debt Service	21,449	-	21,449	-	-
Unrestricted	(15,426,179)	6,010,880	(9,415,299)	(46,888,805)	1,141,159
Total Net Position	**$ 411,695,990**	**$ 60,564,980**	**$ 472,260,970**	**$ (19,261,786)**	**$ 30,984,393**

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

CITY OF ROANOKE, VIRGINIA

STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	$ 55,616,106	$ 2,484,800	$ 14,402,438	$ 173,301
Judicial Administration	11,768,024	1,627,642	10,296,847	-
Public Safety	92,394,611	8,669,058	9,825,864	-
Public Works	45,760,816	5,323,300	18,673,062	1,188,284
Health and Welfare	51,161,057	3,994,016	39,374,499	-
Parks, Recreation and Cultural	17,752,125	795,763	881,697	2,712,551
Community Development	17,220,324	662,223	3,988,026	150,640
Education	104,777,341	-	-	18,115,152
Interest and Fiscal Charges	7,071,278	-	-	-
Total Governmental Activities	**403,521,682**	**23,556,802**	**97,442,433**	**22,339,928**
Business-type Activities:				
Civic Facilities	18,570,002	11,255,742	2,164,319	-
Parking	3,964,666	3,597,219	-	-
Stormwater Utility	7,192,474	7,167,617	-	4,058,514
Total Business-type Activities	**29,727,142**	**22,020,578**	**2,164,319**	**4,058,514**
Total Primary Government	**$ 433,248,824**	**$ 45,577,380**	**$ 99,606,752**	**$ 26,398,442**
Component Units:				
School Board of the City of Roanoke	$ 272,863,659	$ 6,994,083	$ 111,138,873	$ -
Greater Roanoke Transit Company	$ 14,948,120	$ 1,183,167	$ 10,936,669	$ 8,357,396

General Revenues:

Taxes:

General Property - Real Estate and Personal Property

Local Portion of State Sales

Business and Professional Occupational License

Utility

Prepared Food and Beverage

Commonwealth Share - Personal Property

Cigarette

Transient Room

Telecommunication

Motor Vehicle License

Other taxes

Recovered Costs

Other

State Aid Not Restricted to a Specific Program

Payment from City of Roanoke

Payment from Component Unit

Grants and Contributions Not Restricted to Specific Programs

Interest and Investment Income

Miscellaneous

Transfers

Transfers

Total General Revenues and Transfers

Change in Net Position

Total Net Position at Beginning of Year

Total Net Position at End of Year

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	School Board	GRTC
$ (38,555,567)	$ -	$ (38,555,567)	$ -	$ -
156,465	-	156,465	-	-
(73,899,689)	-	(73,899,689)	-	-
(20,576,170)	-	(20,576,170)	-	-
(7,792,542)	-	(7,792,542)	-	-
(13,362,114)	-	(13,362,114)	-	-
(12,419,435)	-	(12,419,435)	-	-
(86,662,189)	-	(86,662,189)	-	-
(7,071,278)	-	(7,071,278)	-	-
(260,182,519)	**-**	**(260,182,519)**	**-**	**-**
-	(5,149,941)	(5,149,941)	-	-
-	(367,447)	(367,447)	-	-
-	4,033,657	4,033,657	-	-
-	**(1,483,731)**	**(1,483,731)**	**-**	**-**
$ (260,182,519)	**$ (1,483,731)**	**$ (261,666,250)**	**$ -**	**$ -**
$ -	$ -	$ -	$ (154,730,703)	$ -
$ -	$ -	$ -	$ -	$ 5,529,112
$ 140,928,953	$ -	$ 140,928,953	$ -	$ -
28,038,520	-	28,038,520	-	-
15,800,550	-	15,800,550	-	-
9,165,773	-	9,165,773	-	-
20,810,566	-	20,810,566	-	-
8,075,992	-	8,075,992	-	-
1,624,895	-	1,624,895	-	-
5,438,880	-	5,438,880	-	-
4,824,376	-	4,824,376	-	-
3,402,539	-	3,402,539	-	-
5,053,868	-	5,053,868	-	-
58,729	-	58,729	-	-
-	-	-	-	261,586
2,393,484	-	2,393,484	83,026,300	-
-	-	-	96,177,037	-
12,686,378	-	12,686,378	-	-
1,399,043	-	1,399,043	-	-
5,767,924	505,040	6,272,964	1,910,199	-
239,763	579,704	819,467	1,164,758	-
(2,652,442)	2,652,442	-	-	-
263,057,791	**3,737,186**	**266,794,977**	**182,278,294**	**261,586**
2,875,272	2,253,455	5,128,727	27,547,591	5,790,698
408,820,718	**58,311,525**	**467,132,243**	**(46,809,377)**	**25,193,695**
$ 411,695,990	**$ 60,564,980**	**$ 472,260,970**	**$ (19,261,786)**	**$ 30,984,393**

Exhibit C

CITY OF ROANOKE, VIRGINIA

BALANCE SHEET –
GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Debt Service Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents					
Unrestricted	$ 57,939,691	$ 168,155	$ 62,303,538	$ 27,635,491	$ 148,046,875
Restricted	-	-	-	15,761,343	15,761,343
Investments	3,647,444	3,769	1,753,174	1,776,739	7,181,126
Due from Component Unit	1,019,750	-	6,738	-	1,026,488
Due from Other Governments	14,265,724	-	826,084	219,523	15,311,331
Due from Federal Governments	77,965		2,355,793	1,238,311	3,672,069
Taxes Receivable, net of Allowance	24,956,819	-	-	-	24,956,819
Accounts Receivable, net of Allowance	1,707,867	-	1,737,423	-	3,445,290
Lease Receivable	160,338	-	-	-	160,338
Inventory	77,934	-	-	-	77,934
Prepaids	18,464	62,291	-	-	80,755
Total Assets	**$ 103,871,996**	**$ 234,215**	**$ 68,982,750**	**$ 46,631,407**	**$ 219,720,368**
LIABILITIES					
Accounts Payable and Accrued Expenditures	$ 18,636,872	$ 150,475	1,469,777	4,436,514	$ 24,693,638
Due to Other Governments	11,509	-	56,421,122	-	56,432,631
Due to Fiduciary Funds	864,983	-	-	-	864,983
Due to Component Unit	3,638,392	-	-	1,445,695	5,084,087
Unearned Revenues	-	-	8,489,409	1,946,173	10,435,582
Total Liabilities	**23,151,756**	**150,475**	**66,380,308**	**7,828,382**	**97,510,921**
DEFERRED INFLOWS OF RESOURCES					
Uncollected Taxes and Charges	10,543,102	-	-	-	10,543,102
Deferred Inflows- Leases	156,322	-	-	-	156,322
Deferred Inflow from Opioid Settlement	-	-	1,639,151	-	1,639,151
Total Deferred Inflows of Resources	**10,699,424**	**-**	**1,639,151**	**-**	**12,338,575**
FUND BALANCES					
Nonspendable:					
Inventory and Prepaids	96,398	62,291	-	-	158,689
Restricted:					
Debt Service	-	21,449	-	-	21,449
Grants	-	-	963,291	-	963,291
Unspent Bond Proceeds	-	-	-	13,815,169	13,815,169
Committed:					
Encumbrances:					
Community Development	346,944	-	-	191,639	538,583
General Government	834,540	-	-	2,437,616	3,272,156
Health and Human Welfare	30,137	-	-	-	30,137
Judicial Administration	2,170	-	-	71,160	73,330
Parks, Recreation, and Cultural	79,549	-	-	2,841,884	2,921,433
Public Safety	655,202	-	-	117,347	772,549
Public Works	1,866,858	-	-	10,548,735	12,415,593
Assigned:					
Reserves	1,300,000	-	-	-	1,300,000
Stabilization	11,957,292	-	-	-	11,957,292
Future Capital Projects	10,376,985	-	-	8,779,475	19,156,460
Unassigned	42,474,741	-	-	-	42,474,741
Total Fund Balances	**70,020,816**	**83,740**	**963,291**	**38,803,025**	**109,870,872**
Total Liabilities, Deferred Inflows of Resources and Fund Balances	**$ 103,871,996**	**$ 234,215**	**$ 68,982,750**	**$ 46,631,407**	**$ 219,720,368**

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

Exhibit D

CITY OF ROANOKE, VIRGINIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS′
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2023

Total Fund Balance - Governmental Funds		$ 109,870,872
Amounts reported for governmental activities in the Statement of Net Position are different due to:		
Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported as assets in the governmental funds.		
Governmental capital assets, at cost	1,071,698,080	
Less: accumulated depreciation	(422,834,874)	648,863,206
Other assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds.		
Deferred outflows (inflows) of resources from debt refundings resulting in loss (gain)	6,055,148	
Less: accumulated amortization	(4,504,913)	
Long-term capital asset receivable from Roanoke City Public Schools Component Unit	18,115,152	
Receivable from Western Virginia Water Authority	945,000	20,610,387
Property taxes receivable, which are expected to be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds.		10,543,102
Opioid settlements receivable, which are expected to be collected in future years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the governmental funds.		1,639,151
Long-term liabilities, including bonds payable with related accrued interest, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Governmental bonds and loans payable	(216,629,334)	
Lease liabilities	(1,518,854)	
Subscription liabilities	(568,123)	
Bond premium	(24,074,101)	
Less: accumulated amortization of bond premium	9,679,828	
Compensated absences	(9,772,472)	
Accrued interest payable	(2,022,025)	(244,905,081)
Long-term liabilities and deferred flows of resources related to pensions and other post-employment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds.		
Net deferred outflows related to pensions	108,921,681	
Net deferred inflows related to pensions	(4,113,815)	
Net pension liability	(222,869,609)	
Net deferred outflows of resources related to OPEB	4,984,114	
Net deferred inflows of resources related to OPEB	(5,913,700)	
Net OPEB liability	(11,009,921)	
		(130,001,250)
Internal Service Fund is used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, deferred inflows and net position of the Internal Service Fund are included with governmental activities in the Statement of Net Position.		(4,924,397)
Total Net Position of Governmental Activities		$ 411,695,990

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

CITY OF ROANOKE, VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	General Fund	Debt Service Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES					
Local Taxes	$ 236,692,813	$ -	$ -	$ -	$ 236,692,813
Permits, Fees and Licenses	1,413,767	-	-	-	1,413,767
Fines and Forfeitures	637,786	-	-	-	637,786
Rental Income	306,140	-	-	-	306,140
Investment Income	3,967,116	48,256	12,589	1,531,648	5,559,609
Intergovernmental	85,385,875	12,684,588	22,439,968	3,976,715	124,487,146
Charges for Services	18,992,808	-	-	-	18,992,808
Miscellaneous	1,025,112	-	765,623	232,654	2,023,389
Total Revenues	**348,421,417**	**12,732,844**	**23,218,180**	**5,741,017**	**390,113,458**
EXPENDITURES					
Current Operating:					
General Government	30,765,725	-	13,015,485	32,368	43,813,578
Judicial Administration	9,865,184	-	443,635	-	10,308,819
Public Safety	77,180,506	-	2,508,312	-	79,688,818
Public Works	29,358,758	-	-	1,548,374	30,907,132
Health and Welfare	47,792,124	-	933,693	-	48,725,817
Parks, Recreation and Cultural	11,060,845	-	2,618,463	-	13,679,308
Community Development	10,314,732	-	4,611,676	-	14,926,408
Education	96,181,038	-	32,244	-	96,213,282
Other	-	-	1,358,278	-	1,358,278
Debt Service:					
Principal Retirement	-	19,071,971	-		19,071,971
Interest and Other Charges	-	7,865,276	-	-	7,865,276
Capital Outlays	-	-	-	41,668,137	41,668,137
Total Expenditures	**312,518,912**	**26,937,247**	**25,521,786**	**43,248,879**	**408,226,824**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**35,902,505**	**(14,204,403)**	**(2,303,606)**	**(37,507,862)**	**(18,113,366)**
OTHER FINANCING SOURCES (USES)					
Issuance of Subscription Liability	-	-	-	713,029	713,029
Issuance of Bond Anticipation Notes	-	-	-	10,135,000	10,135,000
Transfers In	6,500	14,052,374	3,266,775	4,744,198	22,069,847
Transfers Out	(24,258,789)	-	-	(1,961,500)	(26,220,289)
Total Other Financing Sources and (Uses), net	**(24,252,289)**	**14,052,374**	**3,266,775**	**13,630,727**	**6,697,587**
Net Change in Fund Balances	11,650,216	(152,029)	963,169	(23,877,135)	(11,415,779)
Fund Balances at Beginning of Year	**58,370,600**	**235,769**	**122**	**62,680,160**	**121,286,651**
Fund Balances at End of Year	**$ 70,020,816**	**$ 83,740**	**$ 963,291**	**$ 38,803,025**	**$ 109,870,872**

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

Exhibit F

CITY OF ROANOKE, VIRGINIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Net Change in Fund Balance - Governmental Funds		$ (11,415,779)
Amounts reported for Governmental Activities in the Statement of Activities are different due to:		
Governmental Funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate the cost of those assets over the life of the asset.		
Expenditures for capital assets	32,523,077	
Book value of assets disposed	(165,842)	
Less: current year depreciation expense	(28,308,997)	4,048,238
Revenue in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.		
Changes in long-term amounts due from component unit	18,115,152	
Changes in tax deferred inflows	1,604,635	
Changes in opioid settlement deferred inflow	1,639,151	21,358,938
Revenues in the Statement of Activities that were previously recognized in the Statement of Activities.		
Net principal reimbursed by Western Virginia Water Authority	(925,000)	(925,000)
Bond and other long-term debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Subscriptions	(713,029)	
Bond and other long-term debt proceeds	(10,135,000)	
Principal payments	19,071,971	8,223,942
Governmental funds report employer pension and other post employment benefit contributions as expenditures. However, in the Statement of Activities, the cost of benefits earned net of employee contributions is reported as pension expense.		
Subsequent employer pension contribution	12,727,869	
Employer pension expense	(29,796,383)	
Subsequent employer OPEB contribution and administrative expense	762,848	
Employer OPEB expense	628,572	(15,677,094)
Certain expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Amortization of bond premiums	1,227,435	
Changes in deferred loss on refundings	(373,579)	
Change in long-term compensated absences	(1,171,344)	
Change in accrued interest payable	(59,858)	(377,346)
The Internal Service Fund is used by management to charge the costs of certain services to individual funds. The change in net position of the Internal Service Fund is reported with Governmental Activities.		(2,360,627)
Change in Net Position - Governmental Activities		$ 2,875,272

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

Exhibit G

CITY OF ROANOKE, VIRGINIA

STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2023

	Enterprise Funds				
	Stormwater	Civic Facilities	Parking	Total	Internal Service Fund
Assets					
Current Assets:					
Cash and Cash Equivalents	$ 8,272,583	$ 1,841,365	$ 2,985,177	$ 13,099,125	$ 8,037,629
Cash and Investments - Restricted	2,113,371	354,361	-	2,467,732	-
Investments	481,658	-	183,772	665,430	461,407
Accounts Receivable, Net	285,943	629,462	2,478	917,883	-
Lease Receivable	-	21,356	494,577	515,933	-
Inventory	-	165,130	-	165,130	-
Prepaids	-	109,527	-	109,527	400,000
Total Current Assets	**11,153,555**	**3,121,201**	**3,666,004**	**17,940,760**	**8,899,036**
Noncurrent Assets:					
Lease Receivable	-	33,631	1,765,017	1,798,648	-
Capital Assets:					
Land, Land Improvements, and Infrastructure	27,301,059	1,215,005	3,326,508	31,842,572	-
Buildings and Structures	320,312	44,894,637	48,588,115	93,803,064	-
Equipment and Other Capital Assets	5,630,326	2,921,721	1,297,904	9,849,951	-
Construction in Progress	5,242,295	3,497,148	884,477	9,623,920	-
Less: Accumulated Depreciation	(6,374,548)	(27,036,595)	(25,704,080)	(59,115,223)	-
Capital Assets, Net	**32,119,444**	**25,491,916**	**28,392,924**	**86,004,284**	**-**
Total Assets	**43,272,999**	**28,646,748**	**33,823,945**	**105,743,692**	**8,899,036**
Deferred Outflows of Resources					
Deferred Outflows Related to Pension	3,186,793	1,963,175	64,263	5,214,231	-
Deferred Outflows Related to OPEB	152,240	120,495	22,418	295,153	-
Deferred Outflows Related to Deferred Loss on Refundings	67,449	209,600	424,927	701,976	-
Total Deferred Outflows of Resources	**3,406,482**	**2,293,270**	**511,608**	**6,211,360**	**-**
Liabilities					
Current Liabilities:					
Accounts Payable and Accrued Expenses	777,533	760,868	366,792	1,905,193	56,205
Accrued Interest Payable	117,569	107,068	54,224	278,861	-
Due to Other Funds	25,770	16,794	652	43,216	-
Unearned Revenue	-	1,555,291	93,655	1,648,946	-
Other Liabilities	-	56,876	-	56,876	-
Long-Term Liabilities Due Within One Year	796,100	1,610,700	885,603	3,292,403	-
Total Current Liabilities	**1,716,972**	**4,107,597**	**1,400,926**	**7,225,495**	**56,205**
Long-Term Liabilities:					
Compensated Absences Payable	176,615	138,673	2,133	317,421	-
Claims Payable	-	-	-	-	13,767,228
General Obligation Bonds Payable, Net	15,075,052	13,207,696	5,672,803	33,955,551	-
Lease Liabilities	1,539	2,683	18,976	23,198	-
Net Pension Liability	6,072,924	3,884,885	89,308	10,047,117	-
Net OPEB Liability	292,898	171,173	3,953	468,024	-
Less: Current Maturities	(796,100)	(1,610,700)	(885,603)	(3,292,403)	-
Total Long-Term Liabilities	**20,822,928**	**15,794,410**	**4,901,570**	**41,518,908**	**13,767,228**
Total Liabilities	**22,539,900**	**19,902,007**	**6,302,496**	**48,744,403**	**13,823,433**
Deferred Inflows of Resources					
Deferred Inflows Related to Pension	11,946	41,952	3,164	57,062	-
Deferred Inflows Related to OPEB	193,097	137,834	3,212	334,143	-
Deferred Inflows Related to Leases	-	52,910	2,199,120	2,252,030	-
Deferred Inflows Related to Gain on Refundings	-	2,434	-	2,434	-
Total Deferred Inflows of Resources	**205,043**	**235,130**	**2,205,496**	**2,645,669**	**-**
Net Position					
Net Investment in Capital Assets	18,784,450	12,643,578	23,126,072	54,554,100	-
Unrestricted (deficit)	5,150,088	(1,840,697)	2,701,489	6,010,880	(4,924,397)
Total Net Position	**$ 23,934,538**	**$ 10,802,881**	**$ 25,827,561**	**$ 60,564,980**	**$ (4,924,397)**

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

Exhibit H

CITY OF ROANOKE, VIRGINIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
Year Ended June 30, 2023

	Enterprise Funds				
	Stormwater	Civic Facilities	Parking	Total	Internal Service Fund
Operating Revenues					
Charges for Services	$ -	$ 11,255,742	$ 3,597,219	$ 14,852,961	$ 16,948,847
Stormwater Fees	7,167,617	-	-	7,167,617	-
Other Revenue	-	579,704	-	579,704	861,348
Total Operating Revenues	**7,167,617**	**11,835,446**	**3,597,219**	**22,600,282**	**17,810,195**
Operating Expenses					
Personal Services	3,989,932	3,656,023	74,887	7,720,842	-
Other Services and Charges	957,475	12,491,733	2,464,916	15,914,124	21,829,329
Materials and Supplies	798,947	680,232	3,844	1,483,023	-
Depreciation and Amortization	964,024	1,344,559	1,109,308	3,417,891	-
Total Operating Expenses	**6,710,378**	**18,172,547**	**3,652,955**	**28,535,880**	**21,829,329**
Operating Income (Loss)	**457,239**	**(6,337,101)**	**(55,736)**	**(5,935,598)**	**(4,019,134)**
Nonoperating Revenues (Expenses)					
Operating Grants	-	2,164,319	-	2,164,319	-
Investment Income	297,930	63,783	143,327	505,040	160,507
Loss on disposal of asset	-	-	(105,007)	(105,007)	-
Interest Expense	(482,096)	(397,455)	(206,704)	(1,086,255)	-
Net Nonoperating Revenues (Expenses)	**(184,166)**	**1,830,647**	**(168,384)**	**1,478,097**	**160,507**
Income (Loss) Before Transfers	**273,073**	**(4,506,454)**	**(224,120)**	**(4,457,501)**	**(3,858,627)**
Capital Contributions and Transfers					
Capital Grants	488,856	-	-	488,856	-
Legal Settlements	3,569,658	-	-	3,569,658	-
Transfers In	-	2,746,943	-	2,746,943	1,498,000
Transfer Out	(94,501)	-	-	(94,501)	-
Net Capital Contributions and Transfers	**3,964,013**	**2,746,943**	**-**	**6,710,956**	**1,498,000**
Change in Net Position	4,237,086	(1,759,511)	(224,120)	2,253,455	(2,360,627)
Total Net Position at Beginning of Year	**19,697,452**	**12,562,392**	**26,051,681**	**58,311,525**	**(2,563,770)**
Total Net Position at End of Year	**$ 23,934,538**	**$ 10,802,881**	**$ 25,827,561**	**$ 60,564,980**	**$ (4,924,397)**

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

Exhibit I

CITY OF ROANOKE, VIRGINIA

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
Year Ended June 30, 2023

	Enterprise Funds				
	Stormwater	Civic Facilities	Parking	Total	Internal Service Fund
Cash Flow From Operating Activities					
Cash Received from Customers	$ 7,113,711	$ 11,643,423	$ 3,537,086	$ 22,294,220	$ 17,810,195
Cash Payments to Suppliers for Goods and Services	(1,815,051)	(12,861,520)	(2,155,068)	(16,831,639)	56,205
Cash Payments from Other Funds	12,017	58,989	284	71,290	-
Cash Payments to Employees	(3,452,440)	(3,108,161)	(65,012)	(6,625,613)	-
Cash Payments for Claims	-	-	-	-	(22,627,670)
Net Cash Provided by (Used in) Operating Activities	**1,858,237**	**(4,267,269)**	**1,317,290**	**(1,091,742)**	**(4,761,270)**
Cash Flow From Noncapital Financing Activities:					
Cash Received from Grants	3,079,353	-	-	3,079,353	-
Cash Received from Legal Settlement	3,569,658	-	-	3,569,658	-
Transfers In (Out)	(94,501)	2,746,943	-	2,652,442	1,498,000
Net Cash Provided by Noncapital Financing Activities	**6,554,510**	**2,746,943**	**-**	**9,301,453**	**1,498,000**
Cash Flow From Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(4,433,217)	(2,236,759)	(443,600)	(7,113,576)	-
Cash Received from Capital Grants	488,856	-	-	488,856	-
Principal Paid on Bonds and Lease Liabilities	(574,639)	(1,357,637)	(841,166)	(2,773,442)	-
Interest Paid on Bonds and Lease Liabilities	(537,934)	(468,700)	(268,026)	(1,274,660)	-
Net Cash Used in Capital and Related Financing Activities	**(5,056,934)**	**(4,063,096)**	**(1,552,792)**	**(10,672,822)**	**-**
Cash Flow From Investing Activities:					
Interest Received	297,930	63,783	143,327	505,040	160,507
Net Cash Provided by Investing Activities	**297,930**	**63,783**	**143,327**	**505,040**	**160,507**
Net Increase (Decrease) in Cash and Cash Equivalents	**3,653,743**	**(5,519,639)**	**(92,175)**	**(1,958,071)**	**(3,102,763)**
Cash and Cash Equivalents at July 1	**7,213,869**	**7,715,365**	**3,261,124**	**18,190,358**	**11,601,799**
Cash and Cash Equivalents at June 30	**$ 10,867,612**	**$ 2,195,726**	**$ 3,168,949**	**$ 16,232,287**	**$ 8,499,036**

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

Exhibit I
(Continued)

CITY OF ROANOKE, VIRGINIA

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
Year Ended June 30, 2023

	Enterprise Funds				
	Stormwater	Civic Facilities	Parking	Total	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating Income (Loss)	$ 457,239	$ (6,337,101)	$ (55,736)	$ (5,935,598)	$ (4,019,134)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation and amortization	964,024	1,344,559	1,109,308	3,417,891	-
Pension expense, net of employer contributions	545,368	523,232	8,874	1,077,474	-
OPEB expense, net of employer contributions	(49,498)	6,937	645	(41,916)	-
Increase in Accounts Receivable	(53,906)	(859,600)	(60,133)	(973,639)	-
Increase in Inventory	-	(40,079)	-	(40,079)	-
(Increase) decrease in Other Assets	-	380,901	-	380,901	(70,000)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(58,629)	350,524	313,692	605,587	56,205
Increase in Due to Other Funds	12,017	7,449	284	19,750	-
Increase in Other Liabilities	-	51,540	-	51,540	-
Increase in Compensated Absences Payable	41,622	17,693	356	59,671	-
Increase in Unearned Revenues	-	286,676	-	286,676	-
(Decrease) in Claims Payable	-	-	-	-	(728,341)
Total Adjustments	**1,400,998**	**2,069,832**	**1,373,026**	**4,843,856**	**(742,136)**
Net Cash Provided by (Used in) Operating Activities	**$ 1,858,237**	**$ (4,267,269)**	**$ 1,317,290**	**$ (1,091,742)**	**$ (4,761,270)**
Reconciliation to Exhibit G					
Cash and Cash Equivalents	$ 8,272,583	$ 1,841,365	$ 2,985,177	$ 13,099,125	$ 8,037,629
Investments	481,658	-	183,772	665,430	461,407
Cash and investments - restricted	2,113,371	354,361	-	2,467,732	-
	$ 10,867,612	$ 2,195,726	$ 3,168,949	$ 16,232,287	$ 8,499,036

Noncash Capital and Financing Activities:

Stormwater Fund noncash activities consisted of capital asset acquisitions of $384,691 recorded as accounts payable at June 30, 2023.

Civic Facilities Fund noncash activities consisted of capital asset acquisitions of $189,148 recorded as accounts payable at June 30, 2023.

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

Exhibit J

CITY OF ROANOKE, VIRGINIA

STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
June 30, 2023

	Pension and OPEB Trust Funds	Hotel Roanoke and Inmate Custodial Funds
ASSETS		
Cash and Cash Equivalents	$ 504,090	$ 2,972,465
Receivables:		
Employer Contributions (Includes Due From Other Funds of $908,199)	1,024,210	-
Employee Contributions	205,882	-
Investment Income	663,623	-
Other Asset/Receivables	-	31,703
Receivable for Security Transactions	972,077	-
Total Receivables	2,865,792	31,703
Investments Held by Trustee, at Fair Value:		
Cash Equivalents	3,041,438	-
Government Securities	16,176,014	-
Municipal and Agency Bonds	40,215,370	-
Corporate Bonds	28,048,542	-
Common Stocks	62,994,772	-
Domestic Mutual Funds	190,116,858	-
International Mutual Funds	69,019,358	-
Real Estate Mutual Funds	35,513,315	-
Investment in Pooled Funds	10,421,532	988,060
Total Investments	455,547,199	988,060
Total Assets	458,917,081	3,992,228
LIABILITIES		
Accounts Payable and Accrued Expenses	271,030	46,914
Unearned Revenue	-	1,130,591
Payable for Security Transactions	1,328,756	-
Total Liabilities	1,599,786	1,177,505
Net Position Restricted for Hotel Roanoke Conference Center Fund	**-**	**2,794,551**
Net Position Restricted for Inmate Fund	**-**	**20,172**
Net Position Restricted for Pension Fund	**446,895,763**	**-**
Net Position Restricted for OPEB Fund	**10,421,532**	-
Total Net Position	**$ 457,317,295**	**$ 2,814,723**

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

CITY OF ROANOKE, VIRGINIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
Year Ended June 30, 2023

	Pension and OPEB Trust Funds	Hotel Roanoke and Inmate Custodial Funds
Additions/(Reductions)		
Contributions from Employer	$ 13,468,371	$ -
Contributions from Employee	4,036,598	-
Contributions from Virginia Tech	-	80,000
Contributions from City	-	80,000
Contributions from Inmates	-	62,236
Investment Income		
Net Appreciation in Fair Value of Investments	29,682,864	-
Interest	2,964,105	102,861
Dividends	9,290,534	-
Other	3,331	326,518
Total Investment Income	41,940,834	429,379
Less: Investment Expenses	(1,144,958)	-
Net Investment Income	40,795,876	429,379
Total Additions	**58,300,845**	**651,615**
Deductions		
Benefit Payments	45,184,205	-
Administrative Expenses	511,187	184,777
Total Deductions	**45,695,392**	**184,777**
Change in Net Position	**12,605,453**	**466,838**
Fiduciary Net Position at Beginning of Year	**444,711,842**	**2,347,885**
Fiduciary Net Position at End of Year	**$ 457,317,295**	**$ 2,814,723**

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

(1) Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

Discretely Presented Component Units

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

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

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

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

(1) Summary of Significant Accounting Policies (Continued)

B. Financial Statement Presentation

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

Government-Wide Financial Statements and Fund Financial Statements

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

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

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

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

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

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

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

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

(1) Summary of Significant Accounting Policies (Continued)

B. Financial Statement Presentation (Continued)

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

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

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

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

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

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

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

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

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

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

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

(1) Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

D. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in order to reserve the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as Committed Fund Balance since they do not constitute current year expenditures or liabilities and as such, are approved by Council for inclusion in the next fiscal year budget. Encumbrances are reported as expenditures using the budgetary basis of accounting. Unspent appropriations lapse at year-end. These encumbrances are subject to re-appropriation by City Council in the succeeding fiscal year. For fiscal year ended June 30, 2023, significant encumbrances in the General Fund totaled $3.8 million and related to fleet management, social services, prisoner sustenance, and street and other maintenance contracts.

(1) Summary of Significant Accounting Policies (Continued)

E. Deposits and Investments

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

F. Interfund Receivables and Payables

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

G. Allowance for Uncollectible Taxes and Accounts Receivable

The City calculates its allowance for uncollectible receivables based on historical collection data and specific account analyses. At June 30, 2023, the allowance for General Fund uncollectible taxes receivable was $6,231,140. At June 30, 2023, the allowance for General Fund uncollectible accounts receivable was $1,591,923. At June 30, 2023, the allowance for the Stormwater uncollectible customer receivable was $32,303. No allowance was recorded for Civic Facilities and Parking as of June 30, 2023.

H. Property Taxes

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

Personal property tax is normally due on or before May 31 during the year of assessment. The personal property tax rate was $3.45 per $100 of assessed value for the year. The Commonwealth funds localities for a portion of the personal property taxes billed to property tax owners. The Personal Property Tax Relief Act as amended provides a flat amount of reimbursement to localities, such as the City of Roanoke, thereby altering the percent of tax relief provided. The Commonwealth's share of the tax was 42.4% for tax year 2023. A penalty of 10% of unpaid real estate and personal property tax is due for late payment. Interest on unpaid taxes is 10% in the first year. Thereafter, the interest is calculated using the Internal Revenue Service (IRS) rate. At June 30, 2023, the IRS rate was 7%.

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

(1) Summary of Significant Accounting Policies (Continued)

I. Inventory and Prepaid Items

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

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

J. Capital Assets

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

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

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

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

K. Subscriptions

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). This new standard requires reporting an intangible right-to-use asset and subscription liability for IT contracts.

(1) Summary of Significant Accounting Policies (Continued)

L. Compensated Absences Payable

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

Liabilities for compensated absences are not liquidated until leave is actually taken by employees or leave balances are paid upon termination. Accordingly, in the governmental fund’s financial statements, no expenditure is reported for compensated absences until they are paid. Current and non-current portions of compensated absences totaling $9,772,472 are recorded for governmental activities in the government-wide statements and represent a reconciling item between the government-wide and governmental fund presentations.

M. Unearned Revenues

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

N. Long-Term Obligations

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

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

O. Net Position and Fund Balance

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

(1) Summary of Significant Accounting Policies (Continued)

O. Net Position and Fund Balance (Continued)

Fund Balances – Governmental Funds

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

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

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

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

The City maintains fund balance reserve policies to ensure sound financial management, protecting the City's credit ratings, ensuring prudent use of the City's debt issuance authority and guiding the City and its managers in policy and debt issuance decisions. Key components of the reserve policies are as follows as of June 30, 2023:

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

(1) Summary of Significant Accounting Policies (Continued)

O. Net Position and Fund Balance (Continued)

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

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

P. Use of Estimates

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

Q. Deferred Inflows/Outflows of Resources

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

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

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

(1) Summary of Significant Accounting Policies (Continued)

Q. Deferred Inflows/Outflows of Resources (Continued)

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

(2) Deposits and Investments

Governmental Funds

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

Deposits:

Custodial Credit Risk – Deposits: City deposits face the risk that in the event of a bank failure, the City's deposits may not be returned. To mitigate this risk, the City's investment policy requires all deposits to be federally secured or held in accordance with the Virginia Security for Public Deposits Act (the "Act"). Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC) must pledge collateral to the Commonwealth of Virginia. In agreement with the policy, as of June 30, 2023, the entire deposit balance held in the bank's trust department under the City's name was covered by the FDIC or collateralized in accordance with the Act.

(2) Deposits and Investments (Continued)

Investments:

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

Investments at June 30, 2023, consisted of the following:

	Total Primary Government	School Board Component Unit	Fiduciary Funds
Virginia LGIP	$ 12,456,937	$ 49,398,294	$ -
VIP Stable NAV Liquidity Pool (VIP)	120,847,430	-	2,780,642
Bank Deposits	2,309,246	-	27,800
Money Market Accounts	4,954,635	-	-
US Treasury / Agency Securities	8,307,963	-	988,060
Mutual Funds	16,282,900	-	-
Total	$ 165,159,111	$ 49,398,294	$ 3,796,502

(2) Deposits and Investments (Continued)

Governmental Funds (Continued)

Investment Policy: (Continued)

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

	Total Primary Government	School Board Component Unit	Fiduciary Funds (Custodial Funds)
Total Investments	$ 165,159,111	$ 49,398,294	$ 3,796,502
Less: Short-Term Maturities:			
Virginia LGIP	(12,456,937)	(49,398,294)	-
VIP Stable NAV Liquidity Pool (VIP)	(120,847,430)	-	(2,780,642)
Bank Deposits	(2,309,246)	-	(27,800)
Money Markey Accounts	(4,954,635)	-	-
Mutual Funds	(16,282,900)	-	-
Total Investments - Exhibit A and J	$ 8,307,963	$ -	$ 988,060

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

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

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

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

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

(2) Deposits and Investments (Continued)

Governmental Funds (Continued)

Investment Policy: (Continued)

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

At June 30, 2023, investment holdings as a percentage of total investments, excluding OPEB Trust Fund investments, were as follows:

Investment Type	Primary Government	Component Unit	Fiduciary Funds (Custodial Funds)	Credit Rating
Virginia LGIP	7.54 %	100.00 %	- %	AAAm
Virginia Stable NAV Liquidity Pool (VIP)	73.17	-	73.24	AAAm
Bank Deposits	1.40	-	0.73	AAAm
Money Market Accounts	3.00	-	-	AAAm
US Treasury / Agency Securities	5.03	-	26.03	AA+
Mutual Funds	9.86	-	-	AAAm
Total Investment Percentage	100.00%	100.00%	100.00%	

(2) Deposits and Investments (Continued)

Governmental Funds (Continued)

Investment Policy: (Continued)

Custodial Credit Risk - Investments. For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investments at June 30, 2023, were held in the name of the City. The City's investment policy requires all Purchase Securities, Money Market instruments, and Certificates of Deposit with maturity dates less than thirty (30) days to be held by the Bank or Securities Dealer through which they were purchased.

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

Investments are considered to be exposed to custodial credit risk if they are uninsured and unregistered with the securities held by the counterparty or by its trust department or agent, but not in the City's name. At June 30, 2023, the City did not hold any investments considered to be exposed to custodial credit risk. The School Board and GRTC component units do not hold any investments exposed to custodial credit risk.

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

At June 30, 2023, the portions of the City's debt securities that exceed 5% of the total value, excluding certificates of deposit, which were fully insured by Federal Deposit Insurance Corporation (FDIC) and the Virginia LGIP, were as follows:

Issuer	Percent of Portfolio Government
State Non-Arbitrage Program	9.86%

At June 30, 2023, the School Board's investment portfolio, $49,398,294 was invested in the Virginia LGIP.

(2) Deposits and Investments (Continued)

Governmental Funds (Continued)

Investment Policy: (Continued)

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

As of June 30, 2023, the Primary Government had the following investments and maturities:

		Investment Maturity	
Investment Type	**Fair Value**	**Less than 1 year**	**More than 1 year**
Virginia LGIP	$ 12,456,937	$ 12,456,937	$ -
VIP Stable NAV Liquidity Pool (VIP)	120,847,430	120,847,430	-
Bank Deposits	2,309,246	2,309,246	-
Money Markey Accounts	4,954,635	4,954,635	-
Mutual Funds	8,307,963	4,338,443	3,969,520
Federal Agency Bonds/Notes	16,282,900	16,282,900	-
Total	$ 165,159,111	$ 161,189,591	$ 3,969,520

As of June 30, 2023, the School Board Component Unit had the following investments and maturities:

	Investment Maturity	
	Fair Value	**Less than 1 year**
Virginia LGIP	$ 49,398,294	$ 49,398,294

As of June 30, 2023, the Hotel Roanoke Conference Center Commission, a custodial fund, had the following investments and maturities:

		Investment Maturity	
	Fair Value	**Less than 1 year**	**More than 1 year**
Virginia LGIP & VIP	$ 3,796,502	$ 2,808,442	$ 988,060

(2) Deposits and Investments (Continued)

Separately Presented Fiduciary Funds

Pension Trust Fund (the "Plan")

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

Plan Investments as of June 30, 2023 consisted of the following:

Investment in pooled funds (1)	$	3,183,628
U.S. Government Securities		16,176,014
Municipal and Agency Bonds		40,215,370
Corporate Bonds		28,048,542
Common Stocks		62,994,772
Domestic Mutual Funds		190,116,858
International Mutual Funds		69,019,358
Real Estate Funds		35,513,315
Total Investments	$	445,267,857

(1) Local Government Investment Pool (LGIP) in the amount of $142,190 is included in Cash and Cash Equivalents in the statement of Fiduciary Net Position

Fair Value of Investments

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

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

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

(2) Deposits and Investments (Continued)

Separately Presented Fiduciary Funds (Continued)

Fair Value of Investments (Continued)

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

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

Investments Measured at Net Position Value

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Fixed Income Investments				
Co-mingled domestic fixed income	$ 30,580,367	$ -	Daily	0-3 Days
Total Fixed Income Investment measured at the NAV	30,580,367	-		
Equity Investments				
Co-mingled domestic equity	41,190,256	-	Daily	0-3 Days
Total Equity Investments measured at the NAV	41,190,256	-		
Real Estate Investments				
Real Estate	35,513,315	-	Quarterly	45-90 Days
Total Real Estate Investments measured at the NAV	35,513,315	-		
Total Investments measured at the NAV	$ 107,283,938	$ -		

(2) Deposits and Investments (Continued)

Separately Presented Fiduciary Funds (Continued)

Fair Value of Investments (Continued)

		Fair Value Measures Using		
	June 30, 2023	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Input (Level 3)
Investments by fair value level				
Fixed Income				
U.S. Government Securities	$ 16,176,014	$ -	$ 16,176,014	$ -
Municipal and Agency Bonds	40,215,370	-	40,215,370	-
Corporate Bonds	28,048,542	-	28,048,542	-
Domestic Bond Mutual Funds	3,437,872	3,437,872	-	-
Total Fixed Income	87,877,798	3,437,872	84,439,926	-
Domestic Equity				
Financial and Utility Common Stock	17,143,984	17,143,984	-	-
Basic Industrial and Materials Common Stock	13,422,092	13,422,092	-	-
Consumer and Service Common Stock	23,567,265	23,567,265	-	-
Technology and Telecommunications Common Stock	8,861,431	8,861,431	-	-
Domestic Equity Mutual Fund	114,908,363	114,908,363	-	-
Total Domestic Equity	177,903,135	177,903,135	-	-
International Equity				
International Equity Mutual Fund	69,019,358	69,019,358	-	-
Total International Equity	69,019,358	69,019,358	-	-
Short-term Investments				
Cash and Cash Equivalents	3,041,438	3,041,438	-	-
Total Short-term Investments	3,041,438	3,041,438	-	-
Total Investments by Fair Value Level	$ 337,841,729	$ 253,401,803	$ 84,439,926	$ -

(2) Deposits and Investments (Continued)

Separately Presented Fiduciary Funds (Continued)

Fair Value of Investments (Continued)

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

As of June 30, 2023, the Plan's pooled and fixed income investments consisted of the following:

	2023	Moody's Rating
U.S. Government Securities	$ 15,927,312	Aaa
	248,702	NR
	$ 16,176,014	
Municipal and Agency Bonds	$ 672,546	Aaa
	792,659	Aa1
	689,504	Aa2
	60,052	Aa3
	38,000,609	NR
	$ 40,215,370	
Corporate Bonds	$ 4,734,624	Aaa
	92,253	Aa1
	266,960	Aa2
	625,340	Aa3
	4,035,469	A1
	1,268,887	A2
	6,296,022	A3
	4,933,809	Baa1 & Below
	5,795,178	NR
	$ 28,048,542	
Domestic Bond Mutual Funds	$ 14,327,274	Aaa
	16,253,093	BB
	$ 30,580,367	
Investment in Pooled Funds	$ 3,041,438	Aaa
	142,190	AAAm
	$ 3,183,628	

(2) Deposits and Investments (Continued)

<u>Separately Presented Fiduciary Funds</u> (Continued)

Fair Value of Investments (Continued)

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Plan's deposits may not be returned to it. The Plan's investment policy does not specifically address custodial credit risk. The City maintains a cash and investment pool, in which the Plan is a participant. The carrying amount of the Plan's deposits was $3,545,528 equal to the bank balance as of June 30, 2023. Of the bank balance, $504,090 as of June 30, 2023, was covered by Federal depository insurance or collateralized pursuant to agreements with all participating financial institutions to pledge assets on a pooled basis to secure public deposits pursuant to the Virginia Security for Public Deposits Act (Act) Regulations of the Code of Virginia.

Such collateralization qualifies as state depository insurance. Accordingly, the bank balance of $504,090 as of June 30, 2023, is considered to be insured. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loans. The remaining bank balance of $3,041,438 as of June 30, 2023, respectively, is uninsured and uncollateralized. The uninsured and uncollateralized deposits are held by Comerica Bank.

*Custodial Credit Risk – Investments***.** The Plan held the following investments as of June 30, 2023: cash equivalents; investment in pooled funds, U.S. government securities; agency and municipal bonds; corporate bonds; convertible bond mutual funds; common stocks; domestic, international, and real estate mutual funds. Investments in external investment pools and in open-end mutual funds are not considered to be exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. Investments are considered to be exposed to custodial credit risk if they are uninsured and unregistered with the securities held by the counterparty or by its trust department or agent but not in the Plan's name. The Plan's investments are not considered to be exposed to custodial credit risk.

Concentration of Credit Risk. The Plan's investment policy prohibits the investment of more than 5% of plan assets in either fixed income or equity securities of any single issuer based on cost. Securities of the U.S. government and investment company shares (mutual funds) are exempted from this limitation. The Plan did not own securities of a single organization, other than positions in mutual funds, representing five percent or more of the Plan's fiduciary net position at June 30, 2023.

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

(2) Deposits and Investments (Continued)

Separately Presented Fiduciary Funds (Continued)

Fair Value of Investments (Continued)

The fair value of the Plan's fixed income portfolio consisted of the following investments and maturities as of June 30, 2023:

		Maturities			
Investment Type	**Fair Value**	**<1 Year**	**1-5 Years**	**5-10 Years**	**>10 Years**
U.S. Government Securities	$ 16,176,014	$ -	$ 1,772,738	$ 8,583,458	$ 5,819,818
Municipal and Agency Bonds	40,215,370	-	1,303,502	3,146,989	35,764,879
Corporate Bonds	28,048,542	207,862	7,438,755	12,252,488	8,149,437
Bond Mutual Funds	30,580,367	-	-	16,253,093	14,327,274
	$ 115,020,293	$ 207,862	$ 10,514,995	$ 40,236,028	$ 64,061,408

The City maintains a cash and investment pool in which the Plan is a participant. The fair value of the Plan's investments in the pool at June 30, 2023, were:

Investment Type	**Fair Value**	**<1 Year**
Virginia LGIP	$ 142,190	$ 142,190
	$ 142,190	$ 142,190

Foreign Currency Risk. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan's investment policy prohibits investment in securities that are not denominated in U.S. dollars and/or that are traded solely on exchanges outside the U.S., with the exception of international commingled funds. The Plan had no investments that were not denominated in U.S. dollars or that were traded solely on exchanges outside the U.S. as of June 30, 2023.

OPEB Trust Fund

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

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

(2) Deposits and Investments (Continued)

Separately Presented Fiduciary Funds (Continued)

OPEB Trust Fund (Continued)

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

Credit Risk. State law (*Code of Virginia*, Chapter 3, Title 26) limits local governments and other public bodies to investing in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, bankers' acceptances, repurchase agreements, and the LGIP. As of June 30, 2023, the City's OPEB Trust Fund was exclusively invested in the OPEB Trust Fund.

Custodial Credit Risk – Investments. For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are considered to be exposed to custodial credit risk if they are uninsured and unregistered with the securities held by the counterparty or by its trust department or agent but not in the City's name. At June 30, 2023, the OPEB Trust Fund did not hold any investments considered to be exposed to custodial credit risk.

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

As of June 30, 2023, the OPEB Trust Fund did not own securities other than the OPEB Trust Fund, which classified as a co-mingled multi-strategy pooled investment fund. The value of these investments has been allocated among the participants using a net asset value per share.

Multi-strategy Investments	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Co-mingled	$ 10,421,532	$ -	Daily	0-3 Days
Total multi-strategy measured at the NAV	$ 10,421,532	$ -		

(2) Deposits and Investments (Continued)

Separately Presented Fiduciary Funds (Continued)

OPEB Trust Fund (Continued)

The market value of the OPEB Trust Fund's fixed income holdings within the OPEB Trust Fund consisted of the following investments and maturities at June 30, 2023:

Investment Type	Fair Value	<5 years	5-10 years
Bond Mutual Funds	$ 2,266,164	$ -	$ 2,266,164
Virginia VIP	268,266	268,266	-
	$ 2,534,430	$ 268,266	$ 2,266,164

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

(3) Receivables and Due from Other Governments

Receivables as of June 30, 2023, consisted of the following:

Governmental Funds Receivables	General	Special Revenue	Capital Projects	Total Governmental Activities
Federal Government	$ 77,965	$ 2,355,793	$ 1,238,311	$ 3,672,069
State Government	13,700,677	826,084	219,523	14,746,284
Component Unit	1,019,750	6,738	-	1,026,488
Other Governments	565,047	-	-	565,047
Total Governments	$ 15,363,439	$ 3,188,615	$ 1,457,834	$ 20,009,888
Taxes, net of Allowance	$ 24,956,819	$ -	$ -	$ 24,956,819
Accounts	3,299,790	1,737,423	-	5,037,213
Less: Allowance for Uncollectible Accounts	(1,591,923)	-	-	(1,591,923)
Subtotal	$ 26,664,686	$ 1,737,423	$ -	$ 28,402,109
Governmental Fund Receivables	$ 42,028,125	$ 4,926,038	$ 1,457,834	$ 48,411,997

Component Units Receivables	School Board Component Unit	GRTC Component Unit
Federal Government	$ -	$ 2,522,709
State Government	-	1,522,980
City of Roanoke	5,029,481	-
Other Governments	27,932,334	-
Total Governments	$ 32,961,815	$ 4,045,689
Accounts	$ 1,925,076	$ 460,129
Subtotal	$ 1,925,076	$ 460,129
Component Unit Receivables	$ 34,886,891	$ 4,505,818

Enterprise Funds Receivables	Stormwater	Civic Facilities	Parking	Total Enterprise Funds
Accounts	$ 318,246	$ 629,462	$ 2,478	$ 950,186
Less: Allowance for Uncollectible Accounts	(32,303)	-	-	(32,303)
Total Receivables	$ 285,943	$ 629,462	$ 2,478	$ 917,883

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

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

Net taxes and accounts receivable, as reported on the government-wide Statement of Net Position, include taxes receivable of approximately $10.5 million that are not available to pay for current period expenditures and are, accordingly, recorded as deferred revenue in the governmental funds balance sheet. A $945,000 receivable from the Western Virginia Water Authority (WVWA) related to long-term liabilities is reported on the Statement of Net Position. Further details are presented in Footnotes 9 and 16. Governmental Funds and Governmental Activities accounts receivable included $1,026,488 related to Roanoke City Public Schools miscellaneous accounts receivable accounts which were reported by them as an accounts payable liability.

In addition to the fund level receivable from the Schools, the City also recorded a long-term entity-wide receivable for the Schools of $18,115,152 related to a capital project at the Schools. Under City Code, while the Schools are managing and constructing the project, the title currently resides with the Schools, the Schools cannot ultimately own the completed building. Due to the nature of this legal requirement, the project is recorded as an asset for the Schools with an equal amount due to the City. This receivable will be satisfied when title formally transfers from the Schools to the City at the completion of the project.

(4) Lease Receivables

The City, as lessor, has entered into several noncancelable lease agreements involving infrastructure, several of which are with global telecommunication providers. The City has a lease receivable of $36,424 and a deferred inflow of resources of $35,092 as of June 30, 2023, related to telecommunications in the General Fund. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows related to telecommunications, recognized during the fiscal year was $16,875 for the Debt Service Fund. The significant telecommunication-related leases are as follows:

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

* Maturity date includes option years, if applicable.

The lease receivable is due as follows:

Year Ending June 30,	Telecommunication Principal	Telecommunication Interest
2024	$ 17,126	$ 255
2025	17,803	100
2026	1,495	1
	$ 36,424	$ 356

(4) Lease Receivables (Continued)

The City, as lessor, has entered into a noncancelable lease agreements involving land for the parks and recreation department and general government. The City has a lease receivable of $113,613 and a deferred inflow of resources of $109,724 as of June 30, 2023, in the General Fund. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows related to land, recognized during the fiscal year was $24,000 for the Debt Service Fund. The significant leases related to land are as follows:

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

* Maturity date includes option years, if applicable.

The lease receivable is due as follows:

Year Ending June 30,	Land Principal	Land Interest
2024	$ 21,255	$ 2,745
2025	21,811	2,189
2026	22,381	1,619
2027	22,966	1,034
2028	23,566	434
2029	1,634	13
	$ 113,613	$ 8,034

The City, as lessor, has entered into several non-cancellable lease agreements involving buildings or portions of buildings related to garage parking. The City has a lease receivable of $2,259,594 and a deferred inflow of resources of $2,199,120 as of June 30, 2023, for the Parking Fund. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, recognized during the fiscal year was $509,871. The significant leases related to garage parking are as follows:

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

* Maturity date includes option years, if applicable.

(4) Lease Receivables (Continued)

The lease receivable is due as follows:

Year Ending June 30,	Garage Principal	Garage Interest
2024	$ 494,577	$ 27,542
2025	432,144	21,715
2026	425,540	16,151
2027	267,610	11,390
2028	271,519	7,481
2029-2030	368,204	3,796
	$ 2,259,594	$ 88,075

The City, as lessor, has entered into a non-cancellable lease agreement involving office space. The lease is named Berglund Center Annex 3rd Floor. The lease has a contract date of 1/1/2021 and a maturity date of 12/31/2025. The City has a lease receivable of $54,987 and a deferred inflow of resources of $52,910 as of June 30, 2023 related to office space in the Civic Facilities Fund. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows related to telecommunications, recognized in during the fiscal year was $21,201 for the Civic Facilities Fund.

The lease receivable is due as follows:

Year Ending June 30,	Office Principal	Office Interest
2024	$ 21,356	$ 480
2025	22,248	249
2026	11,383	35
	$ 54,987	$ 764

The City, as lessor, has entered into a non-cancellable lease agreement involving a boxing gym. The lease is named Boxfit Lease. The lease has a contract date of 1/1/2023 and a maturity date of 12/31/2025. The City has a lease receivable of $10,301 and a deferred inflow of resources of $11,506 as of June 30, 2023, related to a boxing gym in the General Fund. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows related to telecommunications, recognized in during the fiscal year was $2,400 for the General Fund.

(4) Lease Receivables (Continued)

The lease receivable is due as follows:

Year Ending June 30,	Office Principal	Office Interest
2024	$ 4,524	$ 276
2025	4,657	143
2026	1,120	20
	$ 10,301	$ 439

Year Ending June 30, 2023	Lease Receivable	Deferred Inflow
Governmental Funds – General Fund		
Infrastructure leases	$ 36,424	$ 35,092
Land leases	113,613	109,724
Boxing gym lease	10,301	11,506
Total Governmental Fund leases	160,338	156,322
Enterprise leases		
Parking Fund - Garage leases	2,259,594	2,199,120
Civic Facilities Fund - Office leases	54,987	52,910
Total Enterprise Fund leases	2,314,581	2,252,030
Total leases	$ 2,474,919	$ 2,408,352

(5) Interfund Balances and Transfers

Interfund balances consisted of the following for the year ended June 30, 2023:

DUE TO (FUND) \ DUE FROM (FUND)	General	Stormwater Utility	Civic Facilities	Parking	Total
Pension Trust	$ 864,983	$ 25,770	$ 16,794	$ 652	$ 908,199
Total	$ 864,983	$ 25,770	$ 16,794	$ 652	$ 908,199

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

(5) Interfund Balances and Transfers (Continued)

Interfund transfers consisted of the following for the year ended June 30, 2023:

TRANSFER IN (FUND)	TRANSFER OUT (FUND) General	Capital Project	Stormwater Utility	Total
General	$ -	$ 6,500	$ -	$ 6,500
Debt Service	14,052,374	-	-	14,052,374
Special Revenue	1,311,775	1,955,000	-	3,266,775
Capital Projects	4,649,697	-	94,501	4,744,198
Civic Facilities	2,746,943	-	-	2,746,943
Internal Service	1,498,000	-	-	1,498,000
Total	$ 24,258,789	$ 1,961,500	$ 94,501	$ 26,314,790

Transfers are used (1) to move revenues from the funds that are required by statute or budget to collect them to the funds that are required by statute or budget to spend them, (2) to move receipts restricted for debt service from the funds collecting them to the Debt Service Fund as debt service payments become due, and (3) to move unrestricted revenues collected in the General Fund, which finance various programs accounted for in other funds in accordance with budgetary authorizations. In fiscal year 2023, the City transferred funding for an annual operating subsidy for the Civic Center, Debt Service, Internal Service, Stormwater Utility and Capital Projects. Throughout the course of fiscal year 2023 $6,500 was transferred to the general fund from the capital projects fund for various fund re-allocations. Additionally, the City provided required/matching funding for grants in the Special Revenue fund.

(6) Changes in Capital Assets

Primary Government:

Changes in capital assets for the year ended June 30, 2023, consisted of the following:

	June 30, 2022	Increases	Decreases	June 30, 2023
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 47,597,317	$ 1,874,782	$ -	$ 49,472,099
Infrastructure - Right of Way	20,271,153	-	-	20,271,153
Infrastructure - Inexhaustible	47,995,346	-	-	47,995,346
Construction in Progress - City	28,622,495	27,985,845	(37,149,355)	19,458,985
Historical Treasures	679,798	-	-	679,798
Total Capital Assets, Not Being Depreciated	**145,166,109**	**29,860,627**	**(37,149,355)**	**137,877,381**
Capital Assets, Being Depreciated:				
Land Improvements	12,425,537	7,770,211	(9,912)	20,185,836
Accumulated Depreciation	(7,393,668)	(600,978)	6,221	(7,988,425)
Net Land Improvements	5,031,869	7,169,233	(3,691)	12,197,411
Building and Structures	481,881,559	10,554,321	(240,661)	492,195,219
Building and Structures - Leases	7,055,045	-	(24,899)	7,030,146
Accumulated Depreciation	(186,770,255)	(10,155,067)	223,048	(196,702,274)
Net Building and Structures	302,166,349	399,254	(42,512)	302,523,091
Infrastructure	329,289,896	14,196,882	(35,893,004)	307,593,774
Accumulated Depreciation	(167,861,645)	(9,101,881)	35,893,004	(141,070,522)
Net Infrastructure	161,428,251	5,095,001	-	166,523,252
Equipment	102,934,028	6,577,362	(4,045,243)	105,466,147
Equipment - Leases	636,548	-	-	636,548
Equipment - Subscriptions	-	713,029	-	713,029
Accumulated Depreciation	(72,548,186)	(8,451,071)	3,925,604	(77,073,653)
Net Equipment	31,022,390	(1,160,680)	(119,639)	29,742,071
Total Capital Assets Being Depreciated	934,222,613	39,811,805	(40,213,719)	933,820,699
Less: Accumulated Depreciation	(434,573,754)	(28,308,997)	40,047,877	(422,834,874)
Net Total Capital Assets Being Depreciated	**499,648,859**	**11,502,808**	**(165,842)**	**510,985,825**
Governmental Activities' Capital Assets, Net	**$ 644,814,968**	**$ 41,363,435**	**$ (37,315,197)**	**$ 648,863,206**

Capital assets used for educational purposes totaled $201,990,466 and are included in the Governmental Activities capital assets of the primary government. The depreciation on these assets was recorded as an Education expense in the current fiscal year.

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

(6) Changes in Capital Assets (Continued)

Primary Government: (Continued)

Changes in capital assets for Business-type activities for the year ended June 30, 2023, consisted of the following:

	June 30, 2022	Increases	Decreases	June 30, 2023
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 9,169,879	$ -	$ (105,007)	$ 9,064,872
Right of Way/Easements	212,136	-	-	212,136
Construction in Progress	4,754,220	7,438,397	(2,568,697)	9,623,920
Total Capital Assets, Not Being Depreciated	**14,136,235**	**7,438,397**	**(2,673,704)**	**18,900,928**
Capital Assets, Being Depreciated:				
Land Improvements	73,696	1,231,144	-	1,304,840
Accumulated Depreciation	(71,090)	(350)	-	(71,440)
Net Land Improvements	2,606	1,230,794	-	1,233,400
Building and Structures	93,625,129	189,853	(41,151)	93,773,831
Building and Structures - Leases	29,233	-	-	29,233
Accumulated Depreciation	(48,079,592)	(2,039,074)	41,151	(50,077,515)
Net Building and Structures	45,574,770	(1,849,221)	-	43,725,549
Infrastructure	20,373,526	887,198	-	21,260,724
Accumulated Depreciation	(1,996,122)	(525,068)	-	(2,521,190)
Net Infrastructure	18,377,404	362,130	-	18,739,534
Equipment	9,846,303	233,975	(254,776)	9,825,502
Equipment - Leases	24,449	-	-	24,449
Accumulated Depreciation	(5,846,455)	(853,399)	254,776	(6,445,078)
Net Equipment	4,024,297	(619,424)	-	3,404,873
Total Capital Assets, Being Depreciated	**123,972,336**	**2,542,170**	**(295,927)**	**126,218,579**
Less: Accumulated Depreciation	**(55,993,259)**	**(3,417,891)**	**295,927**	**(59,115,223)**
Net Total Capital Assets Being Depreciated	**67,979,077**	**(875,721)**	**-**	**67,103,356**
Business-Type Activities' Capital Assets, Net	**$ 82,115,312**	**$ 6,562,676**	**$ (2,673,704)**	**$ 86,004,284**

(6) Changes in Capital Assets (Continued)

Primary Government: (Continued)

Depreciation was charged to functions as follows:

Government Activities:	
Community development	$ 1,664
Economic development	138,658
Education	6,444,460
General government	7,442,076
Health and welfare	251,114
Judicial	234,079
Parks, recreation, and culture	1,387,339
Public safety	2,513,847
Public works	9,895,760
Total	**$ 28,308,997**
Business-type activities:	
Stormwater	$ 964,024
Civic facilities	1,344,559
Parking	1,109,308
Total	**$ 3,417,891**

(6) Changes in Capital Assets (Continued)

Primary Government: (Continued)

School Board Component Unit:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ 9,233,150	$ 19,374,444	$ (8,252,634)	$ 20,354,960
Capital Assets, Being Depreciated:				
Instruction	3,989,053	62,193	(133,083)	3,918,163
Administration	2,972,238	215,740	(59,736)	3,128,242
Transportation	512,789	-	-	512,789
Maintenance	28,666,030	15,844,171	(116,111)	44,394,090
Less: Accumulated Depreciation	(9,679,435)	(3,562,911)	305,392	(12,936,954)
Net Total Capital Assets Being Depreciated	**26,460,675**	**12,559,193**	**(3,538)**	**39,016,330**
Lease Assets:				
Instruction	711,963	2,868,198	-	3,580,161
Less: Accumulated Amortization	(328,333)	(1,080,311)	-	(1,408,644)
Total Lease Assets Being Amortized	**383,630**	**1,787,887**	**-**	**2,171,517**
School Board Capital Assets, Net	**$ 36,077,455**	**$33,721,524**	**$ (8,256,172)**	**$ 61,542,807**

GRTC Component Unit:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Capital Assets, Not Being Depreciated:				
Land	$ 1,627,487	$ -	$ -	$ 1,627,487
Construction in progress	8,865,479	7,007,980	(14,792,092)	1,081,367
Capital Assets, Being Depreciated:				
Buildings and structures	7,091,547	14,317,304	-	21,408,851
Equipment	27,905,259	2,071,998	-	29,977,257
Less: Accumulated Depreciation	(22,267,609)	(1,984,119)	-	(24,251,728)
Net Total Capital Assets Being Depreciated	12,729,197	14,405,183	-	27,134,380
Component Unit Capital Assets, Net	$ 23,222,163	$ 21,413,163	$ (14,792,092)	$ 29,843,234

(7) Construction in Progress and Contract Commitments

A summary of construction in progress expenses since project inception by function and contract commitments at June 30, 2023, is as follows:

Primary Government:

Governmental Activities:	Project Authorizations	Expended/ Expensed as of June 30, 2023	Contract Commitments
Function			
General Government	$ 3,269,739	$ 1,329,990	$ 818,072
Parks, Recreation and Cultural	9,997,806	6,369,012	200,271
Community Development	6,329,398	1,136,384	4,119,416
Public Works	34,385,207	6,503,027	4,825,177
Public Safety	4,555,245	2,227,993	159,390
Education	13,808,504	6,310,448	-
Subtotal	72,345,899	23,876,854	10,122,326
Non-Capitalized Projects City	50,801,410	31,088,192	1,822,230
Total	$ 123,147,309	$ 54,965,046	$ 11,944,556

Business-Type Activities:	Project Authorizations	Expended/ Expensed as of June 30, 2023	Contract Commitments
Fund			
Stormwater Utilities	$ 20,317,907	$ 2,283,192	$ 7,942,067
Civic Facilities	5,256,278	1,917,264	837,541
Parking	1,237,415	182,428	9,550
Total	$ 26,811,600	$ 4,382,884	$ 8,789,158

(8) Unearned Revenues

Unearned revenues represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unearned revenues for the Civic Facilities and Parking Funds are reported as such on the face of the statements (see Exhibit G). Unearned revenues as reported in the financial statements at June 30, 2023, consist of the following:

Governmental Activities:

	Special Revenue Fund	Capital Projects Fund	Total
Unearned Revenue	$ 8,489,409	$ 1,946,173	$ 10,435,582

Business-Type Activities:

	Civic Facilities Fund	Parking Fund	Total
Unearned Revenue	$ 1,555,291	$ 93,655	$ 1,648,946

(9) Long-Term Liabilities

In 2023, the City implemented the guidance GASB 96, *Subscription-Based Information Technology Arrangements* (SBITA). The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset on the government-wide financial statements. No prior period restatement was necessary due to the subscription liability equaling the right-of-use asset at implementation.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are subject to the provisions of the *Internal Revenue Code* of 1986 related to arbitrage and interest income tax regulations under those provisions. The fund balance of the Debt Service Fund at June 30, 2023, of $83,740 was restricted for future retirement of long-term debt. The City Charter limits the legal debt to 10% of the assessed valuation of real estate within the City limits. The City's legal debt margin at June 30, 2023, was $584,197,677. The City has no overlapping debt. The City issues general obligation bonds to provide for the acquisition and construction of major capital facilities.

(9) Long-Term Liabilities (Continued)

Long-Term Debt Summary

At June 30, 2023, the long-term indebtedness of the City consisted of the following:

Governmental-Type Activities:

Series/Description	Interest Rates	Issue Date	Maturity	Issue Amount	Governmental Activities
General Obligation Bonds					
2010B Public Improvement Bonds	1.25% - 5.80%	3/11/2010	10/1/2029	$ 2,680,000	$ 980,000
2012B Refunding Bonds	0.43% - 2.96%	3/14/2012	10/1/2023	6,880,000	80,000
2013A Refunding and New Bonds	0.37% - 2.73%	2/27/2013	7/15/2025	20,426,800	3,129,784
2013B Refunding Bonds	0.37% - 2.73%	2/27/2013	7/15/2024	15,350,000	1,305,000
2014A Public Improvement Bonds	3.00% - 5.00%	3/5/2014	4/1/2034	11,073,200	499,536
2015 Public Improvement Bonds New Money	2.00% - 4.00%	3/25/2015	4/1/2035	17,420,000	11,825,000
2015 Public Improvement Bonds Refunding	2.00% - 4.00%	3/25/2015	4/1/2029	6,130,000	4,447,900
2016 Public Improvement Bonds New Money	2.00% - 5.00%	3/8/2016	4/1/2036	15,170,000	11,120,000
2016 Public Improvement Bonds Refunding	2.00% - 5.00%	3/8/2016	4/1/2033	16,505,000	15,186,000
2017 Public Improvement Bonds New Money	3.00% - 5.00%	3/23/2017	4/1/2037	20,980,000	16,415,000
2019B Public Improvement Bonds Refunding	2.00%	11/22/2019	10/1/2030	3,940,097	3,097,056
2019C Public Improvement Bonds Refunding	2.79%	11/22/2019	4/1/2041	28,355,939	25,539,010
2020A Public Improvement Bonds Refunding	2.25% - 5.00%	5/14/2020	4/1/2043	14,630,000	14,025,000
2020B GOB Refunding	2.00% - 2.25%	5/14/2020	2/1/2034	13,328,434	10,884,598
2021A Public Improvement Bonds Refunding	2.00% - 5.00%	5/12/2021	6/30/2044	29,515,000	29,075,000
2021A Public Improvement Bonds	2.00% - 5.00%	5/12/2021	6/30/2044	17,580,000	15,895,000
2021B GOB Refunding	2.00% - 5.00%	5/12/2021	4/1/2034	7,839,384	7,237,756
2021B New Money Taxable Bonds	1.85% - 3.00%	5/12/2021	6/30/2044	1,960,000	1,960,000
2022 Public Improvements Bonds	4.00% - 5.00%	5/12/2022	4/1/2042	23,732,355	22,420,001
QZAB Schools Capital Projects 2012	0%	10/31/2012	12/1/2034	2,014,104	1,098,600
					196,220,241
Bond Anticipation Notes					
2023 EDA BAN	4.93 %	4/6/2022	4/6/2028	10,135,000	10,135,000

(9) Long-Term Liabilities (Continued)

Long-Term Debt Summary (Continued)

At June 30, 2023, the long-term indebtedness of the City consisted of the following: (Continued)

Governmental-Type Activities: (Continued)

General Obligation Bonds (Water Fund to be contractually repaid by the Western Virginia Water Authority)					
2012B Refunding Bonds - Water (WVWA)	0.43-2.96%	3/14/2012	10/1/2023	$ 7,105,000	$ 945,000
Lease Liabilities					
Social Services Building Lease	1.76%	2/1/2004	1/1/2024	4,857,000	416,661
Xerox Lease	4.00%	7/1/2021	6/30/2024	649,511	110,357
RDS Lease	3.97%	10/1/2015	9/1/2025	1,648,155	428,157
Trash Compactor	0.89%	7/1/2021	1/1/2025	58,867	26,224
Trash Compactor Property 2	1.53%	7/1/2021	1/1/2030	285,326	226,287
Trash Compactor Property 3	1.06%	7/1/2021	4/1/2026	101,819	60,265
Turf Tank One Robot	1.04%	7/30/2021	7/30/2026	58,473	40,478
Airport Building	0.73%	7/1/2021	12/1/2023	252,179	53,333
Kimball Ave	1.06%	7/1/2021	5/31/2026	262,275	157,092
					1,518,854
Subscription Liabilities					
Nova – Time & Attendance System	2.37%	7/1/2022	5/31/2026	713,029	568,123
School Fund Bonds and Loans (1)					
2003C VPSA Subsidized Roanoke Academy	3.10% - 5.35%	11/6/2003	7/15/2023	5,000,000	248,659
2004B VPSA Subsidized Lincoln Terrace	4.10% - 5.60%	11/1/2004	7/15/2024	1,300,000	127,990
2005D VPSA Subsidized Fallon Park	4.60% - 5.10%	11/10/2005	7/15/2025	1,160,900	169,946
2005D VPSA Subsidized Westside	4.60% - 5.10%	11/10/2005	7/15/2025	3,850,000	563,609
2006B VPSA Subsidized Monterey	4.22% - 5.10%	11/9/2006	7/15/2026	1,945,000	380,000
2006B VPSA Subsidized Patrick Henry	4.23% - 5.10%	11/9/2006	7/15/2026	7,500,000	1,455,759
2007A VPSA Patrick Henry (2015A Ref)	4.10% - 5.10%	5/10/2007	7/15/2027	3,345,000	825,000
2008B VPSA Subsidized William Fleming	3.60% - 5.35%	12/11/2008	7/15/2028	7,500,000	2,118,130
2010 VPSA Qualified School Constr Bonds (QSCB)	0.00%	7/8/2010	6/1/2027	1,135,000	2,431,000
2014B VPSA Refunding	3.00% - 5.00%	5/15/2014	7/15/2026	1,245,000	729,000
2015A VPSA Refunding	4.10% - 5.35%	2/17/2015	7/15/2028	9,555,000	280,000
					9,329,093
Total Governmental-Type Activities					$ 218,716,311

(9) Long-Term Liabilities (Continued)

Long-Term Debt Summary (Continued)

At June 30, 2023, the long-term indebtedness of the City consisted of the following: (Continued)

Business-Type Activities:

Enterprise Fund Bonds	Interest Rates	Issue Date	Maturity	Issue Amount	Business-type Activities
2013A Public Improvement Bonds SW	1.00% - 5.00%	2/27/2013	7/15/2033	$ 1,001,624	$ 51,016
2014A Public Improvement Bonds SW	3.00% - 5.00%	3/5/2014	4/1/2034	1,020,058	53,664
2015 Public Improvement Bonds Refunding SW	2.00% - 4.00%	3/25/2015	4/1/2029	125,250	77,100
2015 Stormwater Utility Fund Bonds	2.00% - 4.00%	3/25/2015	4/1/2035	1,090,000	740,000
2016 Public Improvement Bonds Refunding	2.00% - 5.00%	3/8/2016	4/1/2032	721,500	564,000
2016 Stormwater Utility Fund Bonds	2.00% - 5.00%	3/8/2016	4/1/2036	1,805,000	1,325,000
2017 Stormwater Utility Fund Bonds	3.00% - 5.00%	3/8/2016	4/1/2037	1,540,000	1,205,000
2019C Stormwater Refunding	3%	11/22/2019	4/1/2041	2,013,630	1,858,388
2020A Public Improvement Bonds New Money	2.25% - 5.00%	5/14/2020	4/1/2043	1,800,000	1,900,000
2020B Stormwater Refunding	2.00% - 2.25%	5/14/2020	2/1/2034	579,881	549,411
2021A Public Improvement Bonds Refunding	2.00% - 5.00%	5/12/2021	6/30/2044	1,155,000	1,120,000
2021A Public Improvement Bonds New Money	2.00% - 5.00%	5/12/2021	6/30/2044	1,790,000	2,380,000
2021B Public Improvement Bond Funding	2.00% - 5.00%	5/12/2021	4/1/2034	553,186	548,714
2022 Public Improvement Bonds SW	4.00% - 5.00%	5/12/2022	4/1/2042	1,850,114	1,790,000
2013A Civic Facilities Refunding Bonds	1.00% - 5.00%	2/27/2013	7/15/2025	2,898,200	464,200
2014A Civic Facilities Bonds	3.00% - 5.00%	3/5/2014	4/1/2034	936,800	46,800
2015 Civic Facilities Bonds	2.00% - 4.00%	3/25/2015	4/1/2035	980,000	665,000
2015 Civic Facilities Refunding Bonds	2.00% - 4.00%	3/25/2015	4/1/2025	70,000	70,000
2016 Civic Facilities Bonds	2.00% - 5.00%	3/8/2016	4/1/2036	2,795,000	2,050,000
2016 Civic Facilities Refunding Bonds	2.00% - 5.00%	3/8/2016	4/1/2033	330,000	295,000
2019C Civic Refunding	3%	11/22/2019	4/1/2041	1,005,992	928,434
2020A Civic Facilities New Money	2.25% - 5.00%	5/14/2020	4/1/2043	1,350,000	1,425,000
2020B Civic Refunding	2.00% - 2.25%	5/14/2020	2/1/2034	3,182,933	2,499,170
2021A Public Improvement Bonds Refunding	2.00% - 5.00%	5/12/2021	6/30/2044	1,110,000	1,075,000
2021A Public Improvement Bonds New Money	2.00% - 5.00%	5/12/2021	6/30/2044	1,340,000	1,550,000
2021B Public Improvements Bonds Refunding	2.00% - 5.00%	5/12/2021	4/1/2034	482,430	478,530
2022 Public Improvements Bonds SW	4.00% - 5.00%	5/12/2022	4/1/2042	832,551	810,001
2013A Parking Refunding Bonds	1.00% - 5.00%	2/27/2013	7/15/2025	1,255,000	325,000
2014B Parking Refunding Bonds	1.00% - 4.25%	3/5/2014	4/1/2032	7,110,000	3,860,000
2015 Parking Refunding Bonds	2.00% - 4.00%	3/25/2015	4/1/2025	160,000	160,000
2016 Parking Refunding Bonds	2.00% - 5.00%	3/8/2016	4/1/2028	545,000	545,000
2020B Parking Refunding	2.00% - 2.25%	2/27/2013	2/1/2034	813,751	641,821
					32,051,249

(9) Long-Term Liabilities (Continued)

Long-Term Debt Summary (Continued)

At June 30, 2023, the long-term indebtedness of the City consisted of the following: (Continued)

Business-Type Activities: (Continued)

Lease Liabilities					
Xerox Lease	4.00%	7/1/2021	6/30/2024	$ 31,120	$ 5,287
Ray Ferris Property	1.06%	7/1/2021	6/30/2026	29,233	17,911
					23,198
Total Business-Type Activities					$ 32,074,447

The Annual Requirements to amortize governmental-type activities debt outstanding at June 30, 2023, are as follows:

Fiscal Year	General Obligation Serial Bond Principal	General Obligation Serial Bond Interest	Western Virginia Water Authority General Obligation Serial Bonds Principal	Western Virginia Water Authority General Obligation Serial Bonds Interest	VPSA Loans Principal	VPSA Loans Interest
2023-24	$ 15,207,017	$ 7,072,029	$ 945,000	$ 13,995	$ 2,104,201	$ 461,013
2024-25	17,010,081	6,523,952	-	-	1,872,148	366,087
2025-26	14,361,668	5,910,209	-	-	1,819,289	277,999
2026-27	13,332,273	5,368,476	-	-	1,583,623	197,140
2027-28	23,411,385	3,280,707	-	-	1,053,672	72,573
2028-33	60,716,827	15,295,429	-	-	896,160	22,852
2033-38	39,579,490	6,250,556	-	-	-	-
2038-43	21,956,500	1,601,308	-	-	-	-
2043-48	780,000	16,075	-	-	-	-
	$ 206,355,241	$ 51,318,741	$ 945,000	$ 13,995	$ 9,329,093	$ 1,397,664

Fiscal Year	Leases Principal	Leases Interest	Subscriptions Principal	Subscriptions Interest	Total Governmental Activities Debt Principal	Total Governmental Activities Debt Interest
2023-24	$ 894,833	$ 24,465	$ 137,088	$ 13,442	$ 19,288,139	$ 7,584,944
2024-25	319,845	10,434	140,332	10,198	19,342,406	6,910,671
2025-26	160,462	3,147	143,652	6,878	16,485,071	6,198,233
2026-27	48,502	1,845	147,051	3,479	15,111,449	5,570,940
2027-28	95,212	1,966	-	-	24,560,269	3,355,246
2028-33	-	-	-	-	61,612,987	15,318,281
2033-38	-	-	-	-	39,579,490	6,250,556
2038-43	-	-	-	-	21,956,500	1,601,308
2043-48	-	-	-	-	780,000	16,075
	$ 1,518,854	$ 41,857	$ 568,123	$ 33,997	$ 218,716,311	$ 52,806,254

(9) Long-Term Liabilities (Continued)

Long-Term Debt Summary (Continued)

At June 30, 2023, the long-term indebtedness of the City consisted of the following: (Continued)

Business-Type Activities: (Continued)

The following general obligation debt is issued to support business-type activities. The annual requirements to amortize business-type activities debt outstanding as of June 30, 2023, are as follows:

	Stormwater Fund				Civic Facilities Fund			
	Bonds		Leases		Bonds		Leases	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023-24	$ 621,732	$ 461,721	$ 1,539	$ 34	$ 1,450,969	$ 365,689	$ 2,683	$ 58
2024-25	696,314	437,069	-	-	1,533,453	326,524	-	-
2025-26	803,478	407,149	-	-	1,003,298	283,986	-	-
2026-27	827,684	374,931	-	-	567,050	253,734	-	-
2027-28	847,171	345,842	-	-	587,525	235,465	-	-
2028-33	4,211,802	1,281,535	-	-	3,126,474	857,986	-	-
2033-38	3,597,142	609,158	-	-	2,415,034	378,486	-	-
2038-43	2,441,971	183,814	-	-	1,593,331	117,455	-	-
2043-48	115,000	2,300	-	-	80,000	1,600	-	-
	$ 14,162,294	$ 4,103,519	$ 1,539	$ 34	$ 12,357,134	$ 2,820,925	$ 2,683	$ 58

	Parking Fund				Total Business Activities			
	Bonds		Leases		Bonds		Leases	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023-24	$ 866,168	$ 187,505	$ 6,845	$ 182	$ 2,938,869	$ 1,014,915	$ 11,067	$ 274
2024-25	876,851	164,057	6,165	97	3,106,618	927,650	6,165	97
2025-26	778,802	138,257	5,966	34	2,585,578	829,392	5,966	34
2026-27	610,000	113,475	-	-	2,004,734	742,140	-	-
2027-28	635,000	94,825	-	-	2,069,696	676,132	-	-
2028-33	1,765,000	182,531	-	-	9,103,276	2,322,052	-	-
2033-38	-	-	-	-	6,012,176	987,644	-	-
2038-43	-	-	-	-	4,035,302	301,269	-	-
2043-48	-	-	-	-	195,000	3,900	-	-
	$ 5,531,821	$ 880,650	$ 18,976	$ 313	$ 32,051,249	$ 7,805,094	$ 23,198	$ 405

During fiscal year 2023, the Debt Service Fund was used to account for the repayment of long-term liabilities of governmental activities as shown in the tables preceding this paragraph.

On April 6, 2023, the City issued a Taxable Revenue Bond Anticipation Note in the amount of $10,135,000. The note is for a development project undertaken by the Economic Development Authority of the City of Roanoke.

(9) Long-Term Liabilities (Continued)

Long-Term Debt Summary (Continued)

Business-Type Activities: (Continued)

On July 1, 2004, WVWA commenced operations. In conjunction with its formation, the Authority assumed certain indebtedness of the City, and it agreed to pay the City amounts equal to debt service on Water and Water Pollution Control debt to be retained by the City. As of June 30, 2023, the City had $945,000 in outstanding general obligation debt, which will contractually be repaid by the Water Authority over the remaining 5-year life of the bonds. Further details are presented in footnotes 3 and 16.

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023	Amounts Due Within One Year
Primary Government - Governmental Activities:					
General Obligation Serial Bonds:					
General Obligation Serial Bonds	$ 210,907,650	$ -	$ 14,687,409	$ 196,220,241	$ 15,207,017
General Obligation Serial Bonds - WVWA	1,870,000	-	925,000	945,000	945,000
Add: Bond Premiums	15,621,708	-	1,227,435	14,394,273	1,213,372
Subtotal General Obligation Serial Bonds	228,399,358	-	16,839,844	211,559,514	17,365,389
VPSA School Bonds	11,414,712	-	2,085,619	9,329,093	2,104,201
Bond Anticipation Note	-	10,135,000	-	10,135,000	-
Lease Liabilities	2,747,891	-	1,229,037	1,518,854	894,833
Subscription Liabilities	-	713,029	144,906	568,123	137,088
Claims Payable	14,453,690	19,069,044	19,755,506	13,767,228	3,449,228
Compensated Absences Payable	8,601,128	10,399,259	9,227,915	9,772,472	6,393,151
Subtotal Governmental-type Activities	$ 265,616,779	$ 40,316,332	$ 49,282,827	$ 256,650,284	$ 30,343,890

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023	Amounts Due Within One Year
Primary Government - Business-type Activities:					
General Obligation Serial Bonds:					
General Obligation Serial Bonds	$ 34,813,832	$ -	$ 2,762,583	$ 32,051,249	$ 2,938,869
Add: Bond Premiums	2,044,547	-	140,245	1,904,302	130,085
Subtotal General Obligation Serial Bonds	36,858,379	-	2,902,828	33,955,551	3,068,954
Lease Liabilities	34,057	-	10,859	23,198	11,067
Compensated Absences Payable	257,750	264,182	204,511	317,421	212,382
Subtotal Business-type Activities	$ 37,150,186	$ 264,182	$ 3,118,198	$ 34,296,170	$ 3,292,403

(9) Long-Term Liabilities (Continued)

Long-Term Debt Summary (Continued)

Business-Type Activities: (Continued)

School Board Component Unit:	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Claims Payable	$ 6,796,469	$ 27,151,281	$ 28,384,891	$ 5,562,859
Compensated Absences	3,461,320	10,126,135	9,777,809	3,809,646
Notes and Leases Payable	16,237,327	2,868,198	1,861,824	17,243,701
Due to City	-	18,115,152	-	18,115,152
	$ 26,495,116	$ 58,260,766	$ 40,024,524	$ 44,731,358

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

School Board Component Unit

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

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.

For the year ended June 30, 2023, the total liability for the note payable was $14,958,000. Interest payments in fiscal year 2023 totaled $334,455.

(9) Long-Term Liabilities (Continued)

Long-Term Debt Summary (Continued)

School Board Component Unit (Continued)

The annual requirements to amortize the Component Unit – School Board debt outstanding as of June 30, 2023, are as follows:

	Notes Payable		Leases		Subscriptions		Total	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023-24	$ 956,000	$ 314,987	$ 259,729	$ 28,312	$ 544,141	$ 26,930	$ 1,759,870	$ 370,229
2024-25	1,009,000	294,245	262,410	21,440	239,298	16,454	1,510,708	332,139
2025-26	1,056,000	274,401	266,367	14,429	210,196	9,683	1,532,563	298,513
2026-27	1,116,500	249,476	247,194	7,297	71,765	4,016	1,435,459	260,789
2027-28	1,152,000	225,396	140,140	1,564	44,461	2,141	1,336,601	229,101
2028-33	6,558,500	730,382	-	-	-	-	6,558,500	730,382
2033-35	3,110,000	84,107	-	-	-	-	3,110,000	84,107
	$14,958,000	$ 2,172,994	$ 1,175,840	$ 73,042	$1,109,861	$ 59,224	$17,243,701	$ 2,305,260

(10) Fund Balances/Net Position

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

	General Fund	Debt Service Fund	Special Revenue Fund	Capital Projects Fund
Nonspendable:				
Inventories and Prepaids	$ 96,398	$ 62,291	$ -	$ -
Total nonspendable	96,398	62,291	-	-
Restricted for:				
Future debt service payments	-	21,449	-	-
Grants	-	-	963,291	-
Unspent Bond Proceeds:	-	-	-	-
Education	-	-	-	331,581
Parks, Recreation and Cultural	-	-	-	703,209
Public Safety	-	-	-	751,714
Public Works	-	-	-	12,028,665
Total restricted	-	21,449	963,291	13,815,169
Committed to:				
Encumbrances:				
Community Development	346,944	-	-	191,639
General Government	834,540	-	-	2,437,616
Health & Welfare	30,137	-	-	-
Judicial Administration	2,170	-	-	71,160
Parks, Recreation and Cultural	79,549	-	-	2,841,884
Public Safety	655,202	-	-	117,347
Public Works	1,866,858	-	-	10,548,735
Total committed	3,815,400	-	-	16,208,381
Assigned to:				
Reserves	1,300,000	-	-	-
Stabilization	11,957,292	-	-	-
Future Capital Projects	10,376,985	-	-	8,779,475
Total assigned	23,634,277	-	-	8,779,475
Unassigned	42,474,741	-	-	-
Total fund balance	$ 70,020,816	$ 83,740	$ 963,291	$ 38,803,025

(11) Pension and Deferred Compensation Plans

Summary of Pension Plans:

	Primary Government	Component Units
Net Pension Assets		
VRS – General Employee Plan	$ -	$ 1,422,568
Total	$ -	$ 1,422,568
Deferred Outflows of Resources		
City of Roanoke Pension Plan	$ 108,007,257	$ 1,870,273
VRS – General Employee Plan	6,128,655	263,536
VRS – Teacher Plan	-	27,112,205
Total	$ 114,135,912	$ 29,246,014
Net Pension Liability		
City of Roanoke Pension Plan	$ 223,269,269	$ 3,679,849
VRS – General Employee Plan	9,647,457	-
VRS – Teacher Plan	-	92,947,701
	$ 232,916,726	$ 96,627,550
Deferred Inflows of Resources		
City of Roanoke Pension Plan	$ 1,633,797	$ 117,781
VRS – General Employee Plan	2,537,080	169,273
VRS – Teacher Plan	-	20,386,460
	$ 4,170,877	$ 20,673,514
Net Pension Expense		
City of Roanoke Pension Plan	$ 29,460,995	$ 485,566
VRS – General Employee Plan	1,711,027	72,246
VRS – Teacher Plan	-	4,045,750
	$ 31,172,022	$ 4,603,562

City of Roanoke Pension Plans

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

(11) Pension and Deferred Compensation Plans (Continued)

City of Roanoke Pension Plans (Continued)

Plan Description

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

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

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

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

(11) Pension and Deferred Compensation Plans (Continued)

City of Roanoke Pension Plan (Continued)

Plan Description (Continued)

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

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

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

(11) Pension and Deferred Compensation Plans (Continued)

City of Roanoke Pension Plan (Continued)

Plan Description (Continued)

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

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

Contributions

Effective July 1, 2015, employees contribute 5% of earnable compensation into the pension trust. Employees hired on or after July 1, 2014, electing participation as a Hybrid plan member contribute 5% of earnable compensation into a defined contribution plan member account. Employer contributions to the Pension Plan are based on a percentage of the earnable compensation of the active members. The City's contribution rate for the fiscal year ended June 30, 2023, was 16.05%, which, when combined with the required employee contribution of 5%, totaled 21.05%. For fiscal year 2023, the total contribution rate of 21.05% of earnable compensation, actuarially determined as an amount that is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the City were $11,111,368 for fiscal year ended June 30, 2023.

(11) Pension and Deferred Compensation Plans (Continued)

City of Roanoke Pension Plan (Continued)

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

At June 30, 2023, the City reported a liability of $223,269,269 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the Pension Plan relative to the projected contributions of all Pension Plan participating employers, actuarially determined. At June 30, 2023, the City's proportion was 89.90%, which was a decrease of 0.24% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the City recognized pension expense of $29,460,995. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,707,492	$ 1,268,097
Change in assumptions	58,673,740	-
Net difference between projected and actual earnings on pension plan investments	27,845,552	-
Change in proportion and differences between employer Contributions and proportionate shares of contributions	669,105	365,700
City contributions subsequent to the measurement date	11,111,368	-
Total	$ 108,007,257	$ 1,633,797

(11) Pension and Deferred Compensation Plans (Continued)

City of Roanoke Pension Plan (Continued)

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

The City reported $11,111,368 as deferred outflows of resources, resulting from the City's contributions subsequent to the measurement date, will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the City's Pension will be recognized in the City's Pension expense in future reporting periods as follows:

Year Ending June 30,	Amount
2024	$ 27,148,007
2025	25,442,376
2026	23,335,667
2027	19,336,042
2028	-
Thereafter	-

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, updated to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

(11) Pension and Deferred Compensation Plans (Continued)

City of Roanoke Pension Plan (Continued)

Investment Rate of Return

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

	Allocation Target	Weighted Contribution to Rate of Return
U.S. Equity	48.0%	4.80%
International Equity	16.0	1.76
Real Estate	6.0	0.42
U.S. Fixed Income	30.0	1.50
	100.0%	8.48%

Discount Rate

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

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

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

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
City's net pension plan liability	$ 296,367,251	$ 223,269,269	$ 162,444,538

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

(11) Pension and Deferred Compensation Plans (Continued)

VRS Defined Benefit Pension Plan

Plan Description

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

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

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

Employees Covered by Benefit Terms

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	163
Inactive members:	
Vested inactive members	20
Non-vested inactive members	58
Inactive members active elsewhere in VRS	86
Total inactive members	327
Active members	200
Total covered employees	527

(11) Pension and Deferred Compensation Plans (Continued)

VRS Defined Benefit Pension Plan (Continued)

Contributions

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

The political subdivision's contractually required contribution rate for the year ended June 30, 2023, was 22.01% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were $2,121,173 and $1,626,093 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net Pension Liability

The net pension liability is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021 rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions

The total pension liability for General Employees and Public Safety employees with Hazardous Duty Benefits in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

(11) Pension and Deferred Compensation Plans (Continued)

VRS Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

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

(11) Pension and Deferred Compensation Plans (Continued)

VRS Defined Benefit Pension Plan (Continued)

Long-Term Expected Rate of Return

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

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

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

(11) Pension and Deferred Compensation Plans (Continued)

VRS Defined Benefit Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in the FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever was greater. From July 1, 2022, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) – (b)**
Balances at June 30, 2021	$ 77,155,567	$ 75,462,405	$ 1,693,162
Changes for the year:			
Service cost	1,426,161	-	1,426,161
Interest	5,143,430	-	5,143,430
Differences between expected and actual experience	3,381,250	-	3,381,250
Contributions – employer	-	1,609,437	(1,609,437)
Contributions – employee	-	465,622	(465,622)
Net investment income	-	(32,704)	32,704
Benefit payments, including refunds of employee contributions	(4,765,524)	(4,765,524)	-
Administrative expenses	-	(47,517)	47,517
Other changes	-	1,708	(1,708)
Net changes	5,185,317	(2,768,978)	2,416,339
Balances at June 30, 2022	$ 82,340,884	$ 72,693,427	$ 9,647,457

(11) Pension and Deferred Compensation Plans (Continued)

VRS Defined Benefit Pension Plan (Continued)

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Political subdivision's net pension liability	$ 20,238,910	$ 9,647,457	$ 906,647

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

For the year ended June 30, 2023, the political subdivision recognized pension expense of $1,711,027. At June 30, 2023, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,570,399	$ 303,362
Change in assumptions	1,437,083	-
Net difference between projected and actual earnings on pension plan investments	-	2,233,718
Employer contributions subsequent to the measurement date	2,121,173	-
Total	$ 6,128,655	$ 2,537,080

(11) Pension and Deferred Compensation Plans (Continued)

VRS Defined Benefit Pension Plan (Continued)

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

The $2,121,173 reported as deferred outflows of resources related to pensions resulting from the political subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Increase/ (Reduction) to Pension Expense
2024	$ 400,556
2025	415,041
2026	(489,856)
2027	1,144,661
2028	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plans is also available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

School Board Component Unit Plans

VRS Defined Benefit Pension Plans

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

(11) Pension and Deferred Compensation Plans (Continued)

School Board Component Unit Plans (Continued)

Plan Description

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

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

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

Long-Term Expected Rate of Return

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

(11) Pension and Deferred Compensation Plans (Continued)

School Board Component Unit Plans (Continued)

Long-Term Expected Rate of Return (Continued)

The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the 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 %	5.71 %	1.94 %
Fixed Income	15.00	2.04	0.31
Credit Strategies	14.00	4.78	0.67
Real Assets	14.00	4.47	0.63
Private Equity	14.00	9.73	1.36
MAPS – Multi-Asset Public Strategies	6.00	3.73	0.22
PIP – Private Investment Partnership	3.00	6.55	0.20
Total	100.00 %		5.33 %
		Inflation	2.50 %
		*Expected arithmetic nominal return	7.83 %

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at the time, provided a median return of 7.11%, including expected inflation at 2.50%.

(11) Pension and Deferred Compensation Plans (Continued)

School Board Component Unit Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2020, the rate contributed by the employer for the school division's Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly for state and employee contributions, political subdivisions were also provided with an opportunity to use an alternate contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in the FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever is greater. From July 1, 2022 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Virginia Retirement System – Statewide Professional Cost-Sharing Pool

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required contribution rate for the year ended June 30, 2023, was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board were $17,455,716 and $14,482,200 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately $442.4 million to the VRS Teacher Employee Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act and is classified as a non-employer contribution.

(11) Pension and Deferred Compensation Plans (Continued)

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

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

At June 30, 2023, the School Board reported a liability of $92,947,701 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of June 30, 2021. The School Board's proportion of the Net Pension Liability was based on the School Board's actuarially determined employer contributions to the pension plan for the year ended June 30, 2021, and rolled forward to the measurement date, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the School Board's proportion was 0.97628% as compared to 0.98231% at June 30, 2021. For the year ended June 30, 2023, the School Board recognized pension expense of $4,045,750. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 6,409,111
Change in assumptions	8,763,096	-
Net difference between projected and actual earnings on pension plan investments	-	12,118,434
Change in proportion and differences between employer contributions and proportionate share of contributions	893,393	1,858,915
Employer contributions subsequent to the measurement date	17,455,716	-
Total	$ 27,112,205	$ 20,386,460

(11) Pension and Deferred Compensation Plans (Continued)

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

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

The $17,455,716 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Increase (Reduction) to Pension Expense
2024	$ (3,652,756)
2025	(4,476,711)
2026	(7,955,916)
2027	5,355,412
2028	-
Thereafter	-

The components of the net pension liability as of June 30, 2022, were as follows:

Total net pension liability	$ 53,381,141
Plan fiduciary net position	45,211,731
Net pension liability	$ 8,169,410
Fiduciary net position as a percent of total net pension liability	84.70%

(11) Pension and Deferred Compensation Plans (Continued)

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

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement plan net pension liability	$ 166,011,709	$ 92,947,701	$ 33,457,531

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 ACFR. A copy of the 2022 VRS ACFR may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Virginia Retirement System – Nonprofessional Employees (Non-Teachers)

Employees Covered by Benefit Terms

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	25
Inactive members:	
Vested inactive members	15
Non-vested inactive members	143
Inactive members active elsewhere in VRS	19
Total inactive members	177
Active members	132
Total covered employees	334

(11) Pension and Deferred Compensation Plans (Continued)

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

Contributions

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

The School Board's contractually required contribution rate for the year ended June 30, 2023, was 9.46% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were $144,787 and $100,737 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net Pension Asset

The political subdivision's net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

(11) Pension and Deferred Compensation Plans (Continued)

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

Changes in Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2021	$ 3,936,515	$ 5,864,474	$ (1,927,959)
Changes for the year:			
Service cost	380,028	-	380,028
Interest	287,728	-	287,728
Changes of assumptions	-	-	-
Differences between expected and actual experience	130,110	-	130,110
Contributions – employer	-	100,742	(100,742)
Contributions – employee	-	208,626	(208,626)
Net investment income	-	(13,490)	13,490
Benefit payments, including refunds of employee contributions	(107,825)	(107,825)	-
Administrative expenses	-	(3,545)	3,545
Other changes	-	142	(142)
Net changes	690,041	184,650	505,391
Balances at June 30, 2022	$ 4,626,556	$ 6,049,124	$ (1,422,568)

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
School division's net pension asset	$ (694,846)	$ (1,422,568)	$ (1,992,689)

(11) Pension and Deferred Compensation Plans (Continued)

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

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

For the year ended June 30, 2022, the political subdivision recognized pension expense of $72,246. At June 30, 2023, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 118,749	$ -
Change in assumptions	-	17,327
Net difference between projected and actual earnings on pension plan investments	-	151,946
Employer contributions subsequent to the measurement date	144,787	-
Total	$ 263,536	$ 169,273

The $144,787 reported as deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Increase/ (Reduction) to Pension Expense
2024	$ (2,311)
2025	(25,666)
2026	(105,752)
2027	83,205
2028	-
Thereafter	-

(11) Pension and Deferred Compensation Plans (Continued)

City of Roanoke Pension Plan (School Board Participants)

Plan Description

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

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

The following presents the net pension liability of the Pension Plan – School Board, calculated using the discount rate of 7.25 percent, as well as what the net pension liability would be if it was calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
Net pension liability	$ 4,884,626	$ 3,679,849	$ 2,677,357

At June 30, 2022, the Schools reported a liability of $3,679,849 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, 2022, and the total pension liability used to calculate the Collective Net Pension Liability was determined by an actuarial valuation as of that date. The School Board's proportion of the Collective Net Pension Liability was based on the Schools' actuarially determined employer contributions to the pension plan for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for the City Plan's participating employers.

At June 30, 2023, the School Board's proportion was 1.48177% as compared to 1.55055% at June 30, 2022.

(11) Pension and Deferred Compensation Plans (Continued)

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

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

For the year ended June 30, 2023, the School Board recognized pension expense of $485,566. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2023, the Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 159,996	$ 20,900
Change in assumptions	967,041	-
Net difference between projected and actual earnings on pension plan investments	555,822	-
Change in proportion and differences between employer contributions and proportionate share of contributions	-	96,881
Employer contributions subsequent to the measurement date	187,414	-
Total	$ 1,870,273	$ 117,781

$187,414 is reported as deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Increase to Pension Expense
2024	$ 442,949
2025	417,619
2026	385,820
2027	318,690
2028	-
Thereafter	-

(11) Pension and Deferred Compensation Plans (Continued)

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

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, updated to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.75%, average, including inflation
Investment rate of return	7.25%, net of investment expenses
Cost of living adjustments	1.5% for eligible participants, based on 2/3 of assumed inflation

Mortality rates or pre-retirement and healthy annuitants were based on 125% of RP-2000 Combined Healthy Mortality rates 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 reflects the long-term expected arithmetic real rate of return based upon the defined target allocation for each asset class as defined in the Statement of Investment Policy:

	Allocation Target	Weighted Contribution to Rate of Return
U.S. Equity	48.0%	4.80%
International Equity	16.0	1.76
Real Estate	6.0	0.42
U.S. Fixed Income	30.0	1.50
	100.0%	8.48%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions will made at the actuarially determined rates. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(12) Other Postemployment Benefit Plans

Summary of Other Postemployment Benefits Plans

	Primary Government	Component Units
Net OPEB Assets		
VRS Health Insurance Credit	$ -	$ 20,497
Total	$ -	$ 20,497
Deferred Outflows of Resources		
Post-Retirement Health Plan	$ 3,748,996	$ -
Line of Duty Benefits	276,354	-
VRS Health Insurance Credit	297,500	1,818,511
VRS Group Life Insurance	956,417	1,379,138
Total	$ 5,279,267	$ 3,197,649
Net OPEB Liability		
Post-Retirement Health Plan	$ 5,750,802	$ -
Line of Duty Benefits	897,045	-
VRS Health Insurance Credit	540,061	12,186,198
VRS Group Life Insurance	4,290,037	5,372,197
Total	$ 11,477,945	$ 17,558,395
Deferred Inflows of Resources		
Post-Retirement Health Plan	$ 4,372,550	$ -
Line of Duty Benefits	586,605	-
VRS Health Insurance Credit	30,019	866,990
VRS Group Life Insurance	1,258,669	1,261,025
Total	$ 6,247,843	$ 2,128,015
Net OPEB Expense		
Post-Retirement Health Plan	$ 125,796	$ -
Line of Duty Benefits	104,501	-
VRS Health Insurance Credit	54,675	885,595
VRS Group Life Insurance	13,607	141,774
Total	$ 298,579	$ 1,027,369

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Employee's Post Retirement Health Plan

Plan Description

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

Plan Membership

As of the June 30, 2022 actuarial valuation, plan membership was as follows:

	2022
Active Participants	1,586
Retired Participants	76
Spouses	19
Total Participants	1,681

Contributions

The contribution requirements of the Plan members and the City are established and may be amended by City Council. The required contribution is based on projected pay-as-you-go financing requirements under which contributions are made in amounts sufficient to cover benefits paid, administrative costs, and anticipated inflationary increases. For health insurance, the employees retiring prior to January 1, 2010, contribute 100% of the blended premium payment. Employees retiring on or after January 1, 2010, contribute 100% of the blended premium plus an additional amount based on the tier of coverage chosen. For the fiscal year ended June 30, 2023, the retirees contributed $523,000 to the Plan for health insurance. The City contributed $292,260 to a qualified trust as defined by GAAP for the year ended June 30, 2023. It is the City's intent to fully fund the annual required contribution each year.

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

At June 30, 2023 the City reported a net OPEB liability of $5,750,802. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

(12) Other Postemployment Benefit Plans (Continued)

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

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

For the year ended June 30, 2023, the City recognized OPEB expense of $125,796. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 228,212	$ 4,293,171
Change in assumptions	2,884,290	-
Differences between expected and actual earnings on pension plan investments	264,856	-
Change in proportional share	79,378	79,379
City contributions and administrative expense subsequent to the measurement date	292,260	-
Total	$ 3,748,996	$ 4,372,550

The City reported $292,260 as deferred outflows of resources, resulting from the City's contributions subsequent to the measurement date, will be recognized as a reduction of the Net OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the City's OPEB will be recognized in the City's OPEB expense in future reporting periods as follows:

Year Ended June 30,	Amount
2024	$ (326,297)
2025	(258,159)
2026	(408,211)
2027	(136,919)
2028	(58,654)
Thereafter	272,426

(12) Other Postemployment Benefit Plans (Continued)

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

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

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2021	$ 10,098,324	$ 7,038,687	$ 3,059,637
Changes for the year:			
Service cost	249,673	-	249,673
Interest	703,780	-	703,780
Changes in experience	(1,458,041)	-	(1,458,041)
Changes in assumptions	3,365,005	-	3,365,005
Contributions – employer	-	839,000	(839,000)
Net investment income	-	(661,707)	661,707
Benefit payments	(588,000)	(588,000)	-
Administrative expenses	-	(8,041)	8,041
Net changes	2,272,417	(418,748)	2,691,165
Balances at June 30, 2022	$ 12,370,741	$ 6,619,939	$ 5,750,802

(12) Other Postemployment Benefit Plans (Continued)

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

Actuarial Method and Significant Assumptions

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

Valuation Date	July 1, 2022
Measurement Date	June 30, 2022
Valuation Method	Entry Age Actuarial Cost
Investment Rate of Return	7.00%
Long-term projected salary increase	None Assumed
Healthcare cost trend rates	A range of 7.50% in 2022 to 4.50% in 2028 and beyond
Pre-retirement mortality	The mortality table was updated from 125% of the RP-2000 Combined Healthy Mortality Table for males and females with generational mortality projection using Scale AA to Pub-2010 Public Retirement Plans General mortality table projected generationally with Scale MP-2021.
Post-retirement mortality	The mortality table was updated from 125% of the RP-2000 Combined Healthy Mortality Table for males and females with generational mortality projection using Scale AA to Pub-2010 Public Retirement Plans General mortality table projected generationally with Scale MP-2021.
Disabled mortality	The mortality table was updated from The SOA RP-2014 Adjusted to 2006 Disabled Retiree Mortality Table with base rates only to Pub-2010 Public Retirement Plans General Disabled mortality table projected generationally with Scale MP-2021.

Rate of Return

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

(12) Other Postemployment Benefit Plans (Continued)

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

Rate of Return (Continued)

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

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Arithmetic Average Long-Term Real Return	Arithmetic Weight Average Long-Term Real Return
Large Cap Equity (Domestic)	21.00 %	9.92 %	7.17 %	1.51 %
Small Cap Equity (Domestic)	10.00	11.36	8.61	0.86
International Equity (Developed)	13.00	10.81	8.06	1.05
Emerging Markets	5.00	12.08	9.33	0.47
Private Equity	10.00	13.33	10.55	1.06
Long/Short Equity	6.00	8.52	5.77	0.35
Core Bonds	5.00	5.33	2.58	0.13
Core Plus	11.00	5.64	2.89	0.32
Liquid Absolute Return	4.00	6.00	3.25	0.13
Core Real Estate	10.00	9.29	6.54	0.65
Opportunistic Real Estate	5.00	12.29	9.54	0.48
Total	100.00 %			7.01 %
			Inflation	2.75
			*Expected arithmetic nominal return	9.76 %

* The above allocation provides a one-year return of 9.76%, however, one-year returns do not take into account the volatility present in each of the asset classes.

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

(12) Other Postemployment Benefit Plans (Continued)

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

Discount Rate

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

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
Net OPEB liability	$ 7,280,489	$ 5,750,802	$ 4,446,279

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

The net OPEB liability is shown below as calculated on the projected healthcare cost trend 7.50% rate for 2022, decreasing to 4.50% in 2029 and also as calculated using rates one percent lower or one percent higher:

	1.00% Decrease (6.50%)	Current Healthcare Cost Trend Rate (7.50%)	1.00% Increase (8.50%)
Net OPEB liability	$ 4,253,137	$ 5,750,802	$ 7,526,687

(12) Other Postemployment Benefit Plans (Continued)

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

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

The City's OPEB Plan does not issue a stand-alone financial report, therefore financial statements for this plan are as follows:

Assets	
Investments in Pooled Funds	$ 6,619,939
Net Position, Restricted	$ 6,619,939
Additions/Reductions	
Contributions from Employer	$ 839,000
Investment Income	
Net Depreciation in Fair Value of Investments	(661,707)
Less: Investment Expense	(8,041)
Total	169,252
Deductions	
Benefit Payments	588,000
Change in Net Pension	(418,748)
Net Position, Beginning of Year	7,038,687
Net Position, End of Year	$ 6,619,939

Primary Government – OPEB Line of Duty Benefits

Plan Description

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

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Line of Duty Benefits (Continued)

Plan Membership

As of the July 1, 2022 actuarial valuation, plan membership was as follows:

	2022
Active Participants	683
Disabled	9
Spouses	8
Dependent Children	9
	709

Contributions

The contribution requirements of the City are established and may be amended by the Commonwealth of Virginia. The required contribution is based on projected pay-as-you-go financing requirements under which contributions are made in amounts sufficient to cover benefits paid, administrative costs, and anticipated inflationary increases. For the fiscal year ended June 30, 2023, members of the plan did not contribute. The City did not contribute to the Line of Duty plan for death benefits and health insurance based on projected pay-as-you-go financing. It is the City's intent to fully fund the actuarially determined contribution each year.

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

At June 30, 2023 the City reported a Net OPEB liability of $897,045. The net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Line of Duty Benefits (Continued)

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

For the year ended June 30, 2023, the City recognized OPEB expense of $104,501. OPEB expense represents the change in the net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 586,605
Changes in assumptions	162,504	-
Net difference between projected and actual earnings on pension plan investments	110,441	-
City contributions and administrative fees subsequent to the measurement date	3,409	-
Total	$ 276,354	$ 586,605

The City reported $3,409 as deferred outflows of resources, resulting from the City's contributions subsequent to the measurement date, will be recognized as a reduction of the Net OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the City's OPEB will be recognized in the City's OPEB expense in future reporting periods as follows:

Year Ended June 30,	Amounts
2024	$ (63,235)
2025	(72,846)
2026	(90,170)
2027	20,575
2028	(75,985)
Thereafter	(31,999)

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Line of Duty Benefits (Continued)

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

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2021	$ 3,531,035	$ 3,098,306	$ 432,729
Changes for the year:			
Service cost	137,665	-	137,665
Interest	247,845	-	247,845
Changes in experience	(137,490)	-	(137,490)
Changes in assumptions	182,817	-	182,817
Contributions – employer	-	256,100	(256,100)
Net investment income	-	(285,752)	285,752
Benefit payments	(256,100)	(256,100)	-
Administrative expenses	-	(3,827)	3,827
Net changes	174,737	(289,579)	464,316
Balances at June 30, 2022	$ 3,705,772	$ 2,808,727	$ 897,045

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Line of Duty Benefits (Continued)

Actuarial Method and Significant Assumptions

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

Valuation Date	July 1, 2022
Measurement Date	June 30, 2022
Valuation Method	Entry Age Actuarial Cost
Investment Rate of Return	7.00%
Long-term projected salary increase	None Assumed
Healthcare cost trend rates	A range of 7.50% in 2022 to 4.50% in 2029 and beyond for Pre-Medicare and 5.75% in 2022 to 4.5% in 2029 and beyond for Post-Medicare.
Pre-retirement mortality	Pub-2010 Public Retirement Plans Safety mortality table projected generationally with Scale MP-2021.
Post-retirement mortality	Pub-2010 Public Retirement Plans Safety mortality table projected generationally with Scale MP-2021.
Disabled mortality	Pub-2010 Public Retirement Plans Safety mortality table projected generationally with Scale MP-2021.

Rate of Return

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

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Line of Duty Benefits (Continued)

Rate of Return (Continued)

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Arithmetic Average Long-Term Real Return	Arithmetic Weight Average Long-Term Real Return
Large Cap Equity (Domestic)	21.00 %	9.92 %	7.17 %	1.51 %
Small Cap Equity (Domestic)	10.00	11.36	8.61	0.86
International Equity (Developed)	13.00	10.81	8.06	1.05
Emerging Markets	5.00	12.08	9.33	0.47
Private Equity	10.00	13.33	10.55	1.06
Long/Short Equity	6.00	8.52	5.77	0.35
Core Bonds	5.00	5.33	2.58	0.13
Core Plus	11.00	5.64	2.89	0.32
Liquid Absolute Return	4.00	6.00	3.25	0.13
Core Real Estate	10.00	9.29	6.54	0.65
Opportunistic Real Estate	5.00	12.29	9.54	0.48
Total	100.00 %			7.01 %
			Inflation	2.75
			*Expected arithmetic nominal return	9.76 %

* The above allocation provides a one-year return of 9.76%, however, one-year returns do not take into account the volatility present in each of the asset classes.

Discount Rate

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

(12) Other Postemployment Benefit Plans (Continued)

Primary Government – OPEB Line of Duty Benefits (Continued)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
Net OPEB liability	$ 1,293,642	$ 897,045	$ 565,722

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

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

	1.00% Decrease (6.50%)	Current Healthcare Cost Trend Rate (7.50%)	1.00% Increase (8.50%)
Net OPEB liability	$ 531,449	$ 897,045	$ 1,334,724

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

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

Plan Descriptions

Group Life Insurance Program

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

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

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

(12) Other Postemployment Benefit Plans (Continued)

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

Plan Descriptions (Continued)

General Employee Health Insurance Credit Program

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

As of the June 30, 2021 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	93
Inactive members:	
Vested inactive members	0
Total inactive members	93
Active members	200
Total covered employees	293

Contributions

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

Group Life Insurance Program

Governed by:	*Code of Virginia* 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.34% 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, 2023 Contribution	$446,597
June 30, 2022 Contribution	$422,658

(12) Other Postemployment Benefit Plans (Continued)

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

Contributions (Continued)

In June 2022, the Commonwealth made a special contribution of approximately $30.4 million to the Group Life Insurance plan. This special payment was authorized by a Budget Amendment included in Chapter 1 of the 2022 Appropriation Act.

General Employee Health Insurance Credit Program

Governed by:	*Code of Virginia* 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	0.29% of covered employee compensation.
June 30, 2023 Contribution	$55,021
June 30, 2022 Contribution	$26,789

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

The net OPEB liabilities were measured as of June 30, 2022, and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. LODA proportion was determined based on pay-as-you-go employer contributions instead of actuarially determined contributions.

Group Life Insurance Program

June 30, 2023 proportionate share of liability	$4,290,037
June 30, 2022 proportion	0.3596%
June 30, 2021 proportion	0.3595%
June 30, 2023 expense	$13,607

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

(12) Other Postemployment Benefit Plans (Continued)

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

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

General Employee Health Insurance Credit Program

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balances at June 30, 2021	$ 461,750	$ 206,716	$ 255,034
Changes for the year:			
Service cost	6,086	-	6,086
Interest	31,579	-	31,579
Differences between expected and actual experience	235,440	-	235,440
Assumption changes	37,779	-	37,779
Contributions – employer	-	26,635	(26,635)
Net investment income	-	(359)	359
Administrative expenses	-	(419)	419
Net changes	310,884	25,857	285,027
Balances at June 30, 2022	$ 772,634	$ 232,573	$ 540,061

In addition, for the year ended June 30, 2022, the City recognized OPEB expense of $54,675 related to the General Employee Health Insurance Credit Program.

(12) Other Postemployment Benefit Plans (Continued)

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

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

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 343,618	$ 173,748
Change in assumptions	161,626	421,418
Net difference between projected and actual earnings on OPEB plan investments	-	269,872
Changes in proportion	4,576	393,631
Employer contributions subsequent to the measurement date	446,597	-
Total	$ 956,417	$ 1,258,669

General Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 242,479	$ 26,616
Net difference between projected and actual earnings on OPEB plan investments	-	3,403
Employer contributions subsequent to the measurement date	55,021	-
Total	$ 297,500	$ 30,019

(12) Other Postemployment Benefit Plans (Continued)

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

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

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

Group Life Insurance Program

Year Ended June 30,	Amount
2024	$ (192,931)
2025	(169,574)
2026	(295,213)
2027	(32,291)
2028	(58,840)
Thereafter	-

General Employee Health Insurance Credit Program

Year Ending June 30,	Amount
2024	$ 31,439
2025	31,302
2026	30,106
2027	36,730
2028	33,910
Thereafter	48,973

(12) Other Postemployment Benefit Plans (Continued)

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

Actuarial Assumptions and Other Inputs

The total OPEB liabilities were determined using the following assumptions based on an actuarial valuation date of June 30, 2021, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022:

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

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

Net OPEB Liabilities

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2022, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance Program
Total OPEB liability	$ 3,672,085
Plan fiduciary net position	2,467,989
Employers' net OPEB liability	$ 1,204,096
Plan fiduciary net position as a percentage of total OPEB liability	67.21%

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.

(12) Other Postemployment Benefit Plans (Continued)

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

Group Life Insurance and Health Insurance Credit Programs

The long-term expected rate of return on VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in 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 %	5.71 %	1.94 %
Fixed Income	15.00	2.04	0.31
Credit Strategies	14.00	4.78	0.67
Real Assets	14.00	4.47	0.63
Private Equity	14.00	9.73	1.36
MAPS – Multi-Asset Public Strategies	6.00	3.73	0.22
PIP – Private Investment Partnership	3.00	6.55	0.20
Total	100.00 %		5.33 %
		Inflation	2.50 %
		*Expected arithmetic nominal return	7.83 %

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

(12) Other Postemployment Benefit Plans (Continued)

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

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, 2022, 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. From July 1, 2020 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability	$ 6,241,895	$ 4,290,037	$ 2,711,909
General Employee HIC Net OPEB liability	$ 619,852	$ 540,061	$ 472,565

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans

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

Plan Descriptions

Group Life Insurance Program

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

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

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

Teacher Employee Health Insurance Credit Program

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

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

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

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.

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2021 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	3
Total inactive members	3
Active members	132
Total covered employees	135

Contributions

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

Group Life Insurance Program

Governed by:	*Code of Virginia* 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.34% 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, 2023 Contribution	$640,350
June 30, 2022 Contribution	$556,922

In June 2022, the Commonwealth made a special contribution of approximately $30.4 million to the Group Life Insurance plan. This special payment was authorized by a Budget Amendment included in Chapter 1 of the 2022 Appropriation Act.

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

Contributions (Continued)

Teacher Health Insurance Credit Program

Governed by:	*Code of Virginia* 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, 2023 Contribution	$1,342,346
June 30, 2022 Contribution	$1,100,269

In June 2022, the Commonwealth made a special contribution of approximately $12 million to the VRS Teacher Health Insurance Credit Program. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act and is classified as a non-employer contribution.

General Employee Health Insurance Credit Program

Governed by:	*Code of Virginia* 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	1.12% of covered employee compensation.
June 30, 2023 Contribution	$6,011
June 30, 2022 Contribution	$3,815

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

The net OPEB liabilities were measured as of June 30, 2022 and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the net OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers.

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

Group Life Insurance Program

	Teacher GLI	Non-Teacher GLI Plan 1	Non-Teacher GLI Plan 2
June 30, 2023 proportionate share of liability	$ 5,033,725	$ 264,179	$ 74,293
June 30, 2022 proportion	0.41805%	0.02194%	0.00617%
June 30, 2021 proportion	0.42121%	0.02165%	0.00669%
June 30, 2023 expense (income)	$ 140,434	$ 20,997	$ (19,657)

Teacher Health Insurance Credit Program

June 30, 2023 proportionate share of liability	$ 12,186,198
June 30, 2022 proportion	0.97564%
June 30, 2021 proportion	0.98229%
June 30, 2023 expense	$ 914,040

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

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

General Employee Health Insurance Credit Program

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) – (b)
Balances at June 30, 2021	$ 50,297	$ 90,985	$ (40,688)
Changes for the year:			
Service cost	3,178	-	3,178
Interest	3,605	-	3,605
Changes in benefit terms	31,151	-	31,151
Assumption changes	(13,471)	-	(13,471)
Differences between expected and actual experience	551	-	551
Contributions – employer	-	5,613	(5,613)
Net investment income	-	(36)	36
Benefit payments	(141)	(141)	-
Administrative expenses	-	(171)	171
Other changes	-	(583)	583
Net changes	24,873	4,682	20,191
Balances at June 30, 2022	$ 75,170	$ 95,667	$ (20,497)

For the year ended June 30, 2022, the School Board recognized OPEB revenue of $28,445 related to the General Employee Health Insurance Credit Program.

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

At June 30, 2023 the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following sources:

Group Life Insurance Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 425,411	$ 215,519
Change in assumptions	200,374	523,273
Net difference between projected and actual earnings on OPEB plan investments	-	335,683
Changes in proportion	113,003	186,550
Employer contributions subsequent to the measurement date	640,350	-
Total	$ 1,379,138	$ 1,261,025

Teacher Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 496,729
Change in assumptions	356,021	31,120
Net difference between projected and actual earnings on OPEB plan investments	-	12,232
Changes in proportion	110,972	305,792
Employer contributions subsequent to the measurement date	1,342,346	-
Total	$ 1,809,339	$ 845,873

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

General Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,585	$ 5,873
Change in assumptions	576	13,237
Net difference between projected and actual earnings on OPEB plan investments	-	2,007
Employer contributions subsequent to the measurement date	6,011	-
Total	$ 9,172	$ 21,117

The deferred outflows of resources related to OPEB resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Group Life Insurance Program

Year Ending June 30,	Amount
2024	$ (125,186)
2025	(107,618)
2026	(284,429)
2027	42,986
2028	(47,990)
Thereafter	-

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

Teacher Health Insurance Credit Program

Year Ending June 30,	Reduction to OPEB Expense
2024	$ (97,049)
2025	(92,287)
2026	(78,024)
2027	(19,923)
2028	(38,144)
Thereafter	(53,453)

General Employee Health Insurance Credit Program

Year Ending June 30,	Reduction to OPEB Expense
2024	$ (3,928)
2025	(3,795)
2026	(3,901)
2027	(1,858)
2028	(2,678)
Thereafter	(1,796)

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2021, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022:

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

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

Net OPEB Liabilities

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2022, net OPEB liability amounts for the various VRS OPEB programs are as follows:

	Group Life Insurance Program	Teacher Employee HIC OPEB Plan
Total OPEB liability	$ 3,672,085,295	$ 1,470,891,106
Plan fiduciary net position	2,467,988,880	221,844,577
Employers' net OPEB liability	$ 1,204,096,415	$ 1,249,046,529
Plan fiduciary net position as a percentage of total OPEB liability	67.21%	15.08%

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.

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

Long-Term Expected Rate of Return

Group Life Insurance and Health Insurance Credit Programs

The long-term expected rate of return on VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in 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 %	5.71 %	1.94 %
Fixed Income	15.00	2.04	0.31
Credit Strategies	14.00	4.78	0.67
Real Assets	14.00	4.47	0.63
Private Equity	14.00	9.73	1.36
MAPS – Multi-Asset Public Strategies	6.00	3.73	0.22
PIP – Private Investment Partnership	3.00	6.55	0.20
Total	100.00 %		5.33 %
		Inflation	2.50 %
		*Expected arithmetic nominal return	7.83 %

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

(12) Other Postemployment Benefit Plans (Continued)

School Board – Virginia Retirement System Plans (Continued)

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, 2022, 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. From July 1, 2020 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB Liability	$ 7,817,175	$ 5,372,197	$ 3,396,320
Teacher HIC Net OPEB Liability	13,733,985	12,186,198	10,874,178
General Employee HIC Net OPEN Asset	(9,941)	(20,497)	(29,114)
	$ 21,541,219	$ 17,537,898	$ 14,241,384

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report. A copy of the 2022 VRS Annual Comprehensive Financial Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

(13) Risk Management

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

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

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

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

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

Included in long-term liabilities at June 30, 2023 were claims payables of $13,767,228 as a provision for unasserted claims. Other risks insured through the City's self-insurance program adequately covered any claims incurred over each of the past 13 years.

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

	2022-2023	2021-2022
Claims liability at July 1	$ 14,453,690	$ 14,951,034
Claims incurred	19,069,044	13,917,667
Claims payments	(19,755,506)	(14,415,011)
Claims liability at June 30	$ 13,767,228	$ 14,453,690

(13) Risk Management (Continued)

Surety Bond coverage is as follows:

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

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

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

The minimum funding level for The Risk Management Reserve is:

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

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

(13) Risk Management (Continued)

The City is also the recipient of two large settlements. The City received $3.6 million from the Commonwealth of Virginia as part of a $80 million settlement agreement with Monsanto Company for environmental contamination in the Commonwealth. The proceeds from the settlement are recorded in the Stormwater Fund. The City is also receiving an estimated $1.7 million in opioid settlement funds as part of a national opioid litigation against the three largest pharmaceutical distributors. The City recorded $1.6 million as deferred inflow in the Special Revenue Fund. On the Statement of Activities, the City recorded the full amount of the estimate as revenue in 2023.

School Board Component Unit

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

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

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

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

	2022-2023	2021-2022
Claims liability at July 1	$ 6,796,469	$ 4,237,368
Claims incurred	27,151,281	28,048,157
Claims payments	(28,384,891)	(25,489,056)
Claims liability at June 30	$ 5,562,859	$ 6,796,469

(14) Tax Abatements

As of June 30, 2023, the City provides tax abatements through four programs:

Tax Abatement Programs	Taxes Abated for FY 2023
Real Estate Rehabilitation Abatements	$ 1,555,825
Solar Energy Equipment, Facilities, and Devices Exemption	$ 3,902
Energy Efficient Buildings Special Rate	$ 4,228
Economic Development Grants	$ 847,397

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

1. An abatement of real property taxes on residential, commercial, and industrial properties to encourage rehabilitation of existing structures. To receive this abatement, the renovation must be completed within two years after the date of application. Residential properties must be no less than 40 years in age and be improved so as to increase their values no less than 40%. Commercial and industrial properties must be no less than 25 years in age and be improved so as to increase the value of their structures no less than 60%, without increasing total square footage by more than 100%.

2. A partial real property tax exemption for commercial and industrial properties within Enterprise Zone Two to encourage rehabilitation of existing structures. To receive this exemption, the property must have been no less than 15 years in age, have been renovated so as to increase the assessed value of the structure by at least $50,000, have not received another exemption under Division 5 of the Code, and the rehabilitation must have been completed within one year after the date of the application. This program was closed to new applications as of December 31, 2015, but is still available for renewal for existing applicants in future periods. Program application fees follow the below guideline:

   Program Application Fees:

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

      *per principle structure in application

(14) Tax Abatements (Continued)

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

4. A partial real property tax exemption for residential and commercial properties in redevelopment and conservation areas, as well as rehabilitation districts, to encourage the construction of new structures or other improvements.

5. The following timelines on Real Estate Tax Abatement durations will apply to those granted herein as follows:

   a. Five years for eligible buildings city-wide;
   b. Seven years for eligible buildings located within the H-1 and H-2 local historic districts;
   c. Seven years for eligible buildings located within a designated redevelopment, rehabilitation or conservation district

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

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

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

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

(14) Tax Abatements (Continued)

The **Energy-Efficient Buildings** program provides a special classification to buildings certified as energy-efficient, which provides for a lower tax rate than that applied to other real property. Applications are reviewed by the City's Department of Planning, Building, and Development, as specified under Chapter 32, Article II, Division 9 of the Code of the City of Roanoke. If approved, the building is given the special classification for five years. For the year ended June 30, 2023, the real estate tax rate applicable to Energy-Efficient Buildings was $1.10 per $100 of assessed value.

Economic Development Grants are provided to local developers who complete projects that promote economic development within the city, as determined in advance by the city administration in accordance with the Code of Ordinances for the City of Roanoke, Ordinance Numbers 40709 and 39447. Such projects are expected to provide additional tax revenue, jobs, and services that will benefit city residents. The local taxes collected from businesses located in these developments are used to fund the grants. Applicable local taxes include real estate tax, local option sales tax, business professional and occupational license tax, tangible personal property tax, and prepared food and beverage tax. Payments to developers are based on the taxes collected the preceding fiscal year. Grants paid during the fiscal year ended June 30, 2023, were between 50 and 75% of the local tax revenues generated from applicable projects.

(15) Joint Ventures

Blue Ridge Behavioral Healthcare

The counties of Botetourt, Craig and Roanoke, and the cities of Roanoke and Salem formed Blue Ridge Behavioral Health Care (BRBH) a community services board, to provide a system of comprehensive community mental health, intellectual disability and substance abuse services. BRBH is governed by a 16 -member board. Roanoke City Council appoints three members. Each locality's financial obligation is based on the type and amount of services performed for individuals in the locality. For the fiscal year ended June 30, 2023, the City remitted approximately $844,331 to BRBH. Financial statements may be obtained from Blue Ridge Behavioral Healthcare, 611 McDowell Avenue, Roanoke, Virginia 24016.

Hotel Roanoke Conference Center Commission

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

The intention of the HRCCC is to be self-supporting through its user fees. The City and Virginia Tech share equally in any operating deficit or if additional funding is needed for capital expenditures. The City has no equity interest in the HRCCC; however, as previously mentioned, additional funding or subsidies may be necessary to support ongoing operations. For the fiscal year ended June 30, 2023, the City contributed $80,000 to the HRCCC. Financial statements may be obtained from the Hotel Roanoke Conference Center Commission, 106 Shenandoah Avenue, Roanoke, Virginia 24016.

(15) Joint Ventures (Continued)

Roanoke Valley Broadband Authority

The Roanoke Valley Broadband Authority (Authority) was created under the Virginia Wireless Services Facilities Act by the cities of Roanoke and Salem, and the counties of Botetourt and Roanoke. The Authority was formed in order to provide quality affordable access to broadband technologies. The Board of the Authority consists of five members of which the City appoints one member for a four-year term. The Authority is in the process of engineering a 46 mile network in the Valley that will serve business parks, large institutions, government facilities, and businesses. For the fiscal year ended June 30, 2023, the City remitted $334,605 to Roanoke Valley Broadband Authority for bond payments and $298,072 for its commitment for the broadband project. Financial statements may be obtained from Roanoke Valley Broadband Authority, 601 South Jefferson Street, Suite 110, Roanoke, Virginia 24011.

Roanoke Valley Regional Fire-EMS Training Center

The City, along with the County of Roanoke, City of Salem, and Town of Vinton, jointly operate a Fire-EMS training center (Center). The Center is governed by a committee of eight members, designated by the participating jurisdictions. New Fire-EMS recruits are required to take a 17 week training course at the facility before being assigned to a station. Upon completion of the training, the new recruits are state certified. Each jurisdiction is responsible for a percentage of the annual operating costs of the facility. The City is responsible for 44% of the annual operating costs. For the fiscal year ended June 30, 2023, the City paid $39,000 of the total annual operating costs. Financial statements may be obtained from the Roanoke Valley Regional Fire-EMS Training Center, 1220 Kessler Mill Road, Salem, Virginia 24153.

Roanoke Valley Resource Authority

The City of Roanoke, the County of Roanoke, and the Town of Vinton jointly participate in the Roanoke Valley Resource Authority (Authority), which operates the regional sanitary landfill, waste collection and transfer station, and related treatment facilities. The Authority is governed by a board composed of seven members designated by the participating jurisdictions. Roanoke City Council appoints two members. The City has control over the budget and financing for the Authority only to the extent of representation by the board members appointed. The participating localities are each responsible for their pro rata share, based on population, of any year-end operating deficit. For the fiscal year ended June 30, 2023, the City remitted $2,719,332 to the Authority for services. Financial statements may be obtained from Roanoke Valley Resource Authority, 1020 Hollins Road, Roanoke, Virginia 24012.

Regional Center for Animal Care and Protection

The City of Roanoke, along with the Counties of Roanoke and Botetourt, and the Town of Vinton, jointly participate on the Advisory Board which is responsible for the general fiscal and management policies for the Regional Center for Animal Care and Protection (RCACP). The regional care center is comprised of an animal control and animal education facilities that are adjacent to each other and are owned and operated by the Roanoke Valley Society for the Prevention of Cruelty to Animals, Inc. (RVSPCA). The animal control facility was financed by bonds in the amount of $3.5 million which were issued by the RVSPCA. This debt was defeased and reissued by the participating localities in connection with the purchase and operations of the control facility. Each participating locality pays monthly amounts for its share of operating costs, debt service, and to fund reserves for operating and maintenance needs of the RCACP based on the locality's average use of the facility. During the year ended June 30, 2023, the City's share was 58% on debt payments and 58.7% for operation, and the City remitted approximately $1,411,037 for its share of RCACP expenses.

(15) Joint Ventures (Continued)

Western Virginia Regional Industrial Facility Authority

The Western Virginia Regional Industrial Facility Authority was created as a combined effort with Roanoke City, Roanoke County, the City of Salem, Botetourt County, Franklin County and the Town of Vinton to enhance these localities economic base and stimulate economic growth by developing new opportunities in these areas. For fiscal year ended June 30, 2023, the City remitted $29,176 for services and $366,613 for capital reimbursements.

(16) Jointly Governed Organizations

Roanoke Valley Detention Commission

The Counties of Botetourt, Franklin and Roanoke and the Cities of Roanoke and Salem formed the Roanoke Valley Detention Commission (Commission) in 1998 to renovate, expand and operate a detention facility for juveniles. The Commission is governed by a six member board. Roanoke City Council appoints two members. Localities using the facility are guaranteed a number of beds according to the terms of the agreement. Each locality's financial obligation is based on the number of juveniles housed at the 81 bed facility. The Commission has the authority to issue debt, and such debt is the responsibility of the Commission. For the fiscal year ended June 30, 2023, the City remitted $1,150,130 to the Roanoke Valley Detention Commission in per diem charges for juveniles housed by the Commission.

Western Virginia Water Authority

The City and the County of Roanoke combined its water and water pollution control functions to form the Western Virginia Water Authority (WVWA). The WVWA is responsible for the supply, treatment, distribution, and transmission of water and the collection and treatment of wastewater. In November 2009, Franklin County joined the WVWA to provide services to the western side of the County. The WVWA is governed by a seven-member board consisting of three City of Roanoke appointees, three County of Roanoke appointees, and one Franklin County appointee. The City has control over the budget and financing for the WVWA only to the extent of representation by the board members appointed. Upon formation of the WVWA, the City retained $38 million of general obligation bonds, which are to be repaid contractually by the WVWA in accordance with its operating agreement. During fiscal year 2023, the WVWA paid $965,765 to the City in principal and interest payments on the bonds. As of June 30, 2023, the remaining principal balance of these bonds was $945,000. This amount was recorded as a Due from Other Governments in the Statement of Net Position of the basic financial statements.

Virginia's First Regional Industrial Facility Authority

The Cities of Radford, Roanoke and Salem; the Counties of Bland, Craig, Giles, Montgomery, Pulaski, Roanoke and Wythe; and the Towns of Christiansburg, Dublin, Narrows, Pearisburg and Pulaski all participate in the Virginia's First Regional Industrial Facility Authority (Authority). The Authority's purpose is to enhance the member localities economic base in Virginia's First Region. The Authority is governed by a board composed of twenty-nine members, two of which are appointed by Roanoke City Council. The City has control over the budget and financing for the Authority only to the extent of representation by the board members appointed. Each locality is obligated to annual dues of $5,000. Authority member localities, who are also participants in the Regional Commerce Park like the City, are obligated to an annual amount based on the number of shares owned. The City owns 10,000 shares and has an annual obligation of $27,500. For the fiscal year ended June 30, 2023, the City remitted $32,500 to Virginia's First Regional Industrial Facility Authority.

(16) Jointly Governed Organizations (Continued)

Market Building Foundation Inc.

The Market Building Foundation Inc., is a public non-profit entity created and incorporated to ensure the preservation of the City Market Building in Downtown Roanoke. The Foundation manages the rehabilitation, maintenance, and operation of the City Market Building. The Foundation has a board of seven members representing individuals from several organizations in the downtown area. These organizations include the City of Roanoke, Downtown Roanoke, Inc., the Roanoke Regional Chamber of Commerce and the private business community. Those board members are responsible for the oversight and governance of the facility, as well as the management, leasing, and operational performance of the City Market Building. The City does not have authority to override the Foundation board regarding decisions about rates or operations but it is obligated to finance deficits of the Foundation. The City has an annual obligation to the Market Building of $300,000 for an operating contribution. For the fiscal year ended June 30, 2023, the City paid the Market Building Foundation Inc. $300,000 for the annual operating contribution and equipment replacement services.

(17) Related Organizations

Economic Development Authority

The Economic Development Authority issues low-interest, tax-free industrial revenue bonds in its name for the construction or renovation of properties sold or leased to enterprises locating to or remaining in the City. City Council is responsible for appointing the seven-member board; however, the City, the state, and any political subdivision thereof are not obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2023, there were twelve series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of approximately $530.8 million.

Roanoke Redevelopment and Housing Authority

The Roanoke Redevelopment and Housing Authority (Housing Authority) is a political subdivision of the Commonwealth of Virginia created to provide low income and subsidized housing, promote self-sufficiency and foster economic development. Commissioners of the Housing Authority are appointed by City Council. The Housing Authority is financially independent of the City and has administrative control of its operations, but its overall housing plans require the approval of City Council. The City provides a financial benefit through federal pass-through grant funds awarded to the Housing Authority on a contractual basis to implement certain grant programs. The Housing Authority also directly receives other federal and state subsidies and rents for operating its housing programs. During the year ended June 30, 2023, the City remitted $9,726 to the Housing Authority.

(17) Related Organizations (Continued)

Roanoke Regional Airport Commission

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

(18) Commitments, Contingencies and Other Matters

Litigation

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

Grants

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

(19) New Accounting Standards

In April 2022, the GASB issued **Statement No. 99**, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and subscriptions are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

(19) New Accounting Standards (Continued)

In June 2022, the GASB issued **Statement No. 100**, *Accounting Changes and Error Corrections*. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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

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

(20) Subsequent Events

Management has evaluated subsequent events through March 27, 2024, the date the financial statements were available to be issued.

The City issued Series 2023 General Obligation Public Improvement Bonds in November 2023. The issuance is for governmental and business activities and totals $32.8 million. The net proceeds of sale of the Bonds are being used to pay the costs of various public improvement projects of and for the City and to pay certain costs of issuance associated with the Bonds.

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REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance from Final Budget Over/(Under)
Resources (Inflows):				
Local Taxes	$ 227,499,600	$ 233,166,600	$ 236,692,813	$ 3,526,213
Permits, Fees, and Licenses	1,087,000	1,087,000	1,413,767	326,767
Fines and Forfeitures	752,000	752,000	637,786	(114,214)
Rental Income	207,000	207,000	306,140	99,140
Investment Income	25,500	1,690,000	3,967,116	2,277,116
Intergovernmental	76,579,700	83,632,784	85,385,875	1,753,091
Charges for Services	17,629,200	18,262,580	18,992,808	730,228
Miscellaneous	1,009,000	1,018,000	1,025,112	7,112
Transfers from Other Funds	-	632,486	6,500	(625,986)
Amounts Available for Appropriation	$ 324,789,000	$ 340,448,450	$ 348,427,917	$ 7,979,467
Charges to Appropriations (Outflows):				
General Government				
City Treasurer	$ 2,103,857	$ 2,054,570	$ 2,013,982	$ (40,588)
Commissioner of the Revenue	1,613,028	1,580,694	1,580,693	(1)
City Council	32,550	23,989	23,988	(1)
City Council - Mayor Lea	35,389	38,472	38,471	(1)
City Council - Vice Mayor Cobb	39,530	40,289	40,288	(1)
City Council - Council Member - Price	39,530	14,826	14,824	(2)
City Council - Council Member - Bespitch	39,530	20,616	20,615	(1)
City Council - Council Member - Priddy	-	17,270	17,269	(1)
City Council - Council Member - Volosin	-	19,248	19,248	-
City Council - Council Member - White - Boyd	32,269	33,855	33,854	(1)
City Council - Council Member - Vivian Sanchez-Jones	31,101	33,712	33,711	(1)
City Council - Council Member - Stephanie Moon Reynolds	39,300	38,534	38,533	(1)
City Attorney	1,058,251	1,102,298	1,102,297	(1)
City Clerk	461,894	453,761	453,759	(2)
Municipal Auditing	861,704	1,100,988	1,062,702	(38,286)
Department of Finance	2,296,812	2,232,414	2,232,413	(1)
Real Estate Valuation	1,397,445	1,565,693	1,565,692	(1)
Board of Equalization	8,501	6,731	6,731	-
Electoral Board	1,066,765	682,070	682,068	(2)
City Manager	1,154,336	1,364,385	1,364,384	(1)
Citizen Engagement	755,413	567,007	567,006	(1)
Human Resources	1,956,344	2,082,558	2,051,357	(31,201)
Employee Health Services	902,174	1,123,023	1,123,023	-
Department of Management and Budget	650,483	839,129	838,851	(278)
Information Technology	5,173,917	4,195,566	4,191,078	(4,488)
DOT Capital Outlay	1,000,000	-	-	-
Purchasing	607,381	783,554	783,553	(1)
Risk Management	1,542,249	1,397,337	1,397,335	(2)
Environmental Management	400,137	467,246	467,244	(2)
Fleet Management - Op	4,977,161	5,771,712	5,771,712	-
Fleet Management - NonOp	2,450,569	2,995,151	2,995,150	(1)

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance from Final Budget Over/(Under)
Charges to Appropriations (Outflows): (Continued)				
Judicial Administration				
Clerk of Circuit Court	$ 1,881,786	$ 1,803,957	$ 1,803,956	$ (1)
Juvenile and Domestic Relations Court Services	1,276,389	1,309,986	1,309,985	(1)
Juvenile and Domestic Relations Court Clerk	50,920	49,521	49,521	-
Magistrates Office	5,057	5,287	5,287	-
General District Court	90,914	102,184	102,183	(1)
Circuit Court	531,188	516,515	516,514	(1)
Sheriff	3,375,455	3,987,440	3,987,438	(2)
Commonwealth's Attorney	1,987,297	1,949,782	1,949,781	(1)
Law Library	138,973	142,689	142,689	-
Public Safety				
Jail	$18,069,744	$18,433,431	$18,433,428	(3)
E911	2,868,781	2,937,487	2,918,035	(19,452)
E911 - Wireless	734,999	227,530	227,529	(1)
E911/VA811 Shared Expenses	407,280	385,171	365,369	(19,802)
Fire - Administration	856,443	1,038,138	1,038,137	(1)
Fire - Support	2,425,083	2,011,949	2,011,948	(1)
Fire - Operations	19,112,629	23,112,676	23,112,675	(1)
Emergency Management	297,395	206,830	206,829	(1)
Development Services	2,817,786	1,470,225	1,470,224	(1)
Outreach Detention	327,361	332,132	331,068	(1,064)
Youth Haven I	402,402	266,589	266,588	(1)
Enhanced Community Services	82,401	61,438	61,436	(2)
Substance Abuse Services	67,335	83,196	83,195	(1)
Police - Administration	3,383,614	3,053,354	3,053,352	(2)
Police - Investigation	5,857,322	3,563,918	3,563,917	(1)
Police - Patrol	12,439,912	16,338,992	16,338,991	(1)
Police - Services	1,594,608	1,201,085	1,201,084	(1)
Police - Training	837,432	641,282	641,280	(2)
Police - RESET	87,544	183,120	183,119	(1)
Police - Animal Control	1,995,590	1,676,601	1,676,600	(1)
Radio Technology	611,965	695,636	650,904	(44,732)
Public Works				
Director of General Services	$288,482	$357,273	$357,272	(1)
Custodial Services	844,618	863,249	862,720	(529)
Building Maintenance	4,720,143	5,681,088	5,681,087	(1)
Director of Public Works	169,580	28,979	28,978	(1)
Transportation - Streets and Traffic	5,727,104	5,630,426	5,528,185	(102,241)
Transportation - Paving Program	4,288,924	5,863,266	5,863,266	-
Transportation - Snow Removal	169,233	206,084	206,082	(2)
Transportation - Street Lighting	1,169,426	1,506,392	1,506,391	(1)
Solid Waste Management	6,492,257	6,888,459	6,888,457	(2)
Engineering	1,576,907	1,652,468	1,589,675	(62,793)

(Continued)

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance from Final Budget Over/(Under)
Charges to Appropriations (Outflows): (Continued)				
Health and Welfare				
Human Services Support	$ 293,935	$ 418,449	$ 378,448	$ (40,001)
Health Department	1,323,558	1,273,004	1,273,004	-
Blue Ridge Behavioral Health Care	1,031,178	1,031,178	1,031,178	-
Human Services Committee	430,000	435,000	435,000	-
Social Services	26,469,664	27,760,377	27,756,199	(4,178)
Children's Services Act	13,755,687	16,948,431	16,948,430	(1)
Parks, Recreation and Cultural				
Roanoke Arts Commission	336,500	336,500	336,500	-
Landscape Management	868,077	830,213	830,211	(2)
Park Management	762,829	735,296	735,295	(1)
Parks & Recreation - Community Recreation	478,483	373,498	348,363	(25,135)
Parks & Recreation -Park Programming	693,147	613,652	613,652	-
Parks & Recreation -Outdoor Education	436,676	465,823	465,822	(1)
Parks & Recreation - Athletics	807,450	782,252	782,251	(1)
Youth Development	501,891	1,004,584	975,063	(29,521)
Greenways and Trails	326,636	340,089	340,088	(1)
Parks & Recreation - Administration	1,529,578	1,561,327	1,561,326	(1)
Libraries	4,037,524	4,151,823	4,151,822	(1)
Community Development				
Memberships and Affiliations	4,292,248	4,955,964	4,955,963	(1)
Economic Development	3,474,970	3,091,749	3,091,748	(1)
Community Services	324,397	1,255,245	1,255,244	(1)
Strategic Management & Administration	759,820	1,306,924	1,270,840	(36,084)
Virginia Cooperative Extension	82,449	109,840	87,882	(21,958)
Nondepartmental				
Residual Fringe Benefits	3,898,298	157,506	7,506	(150,000)
Transfers to Other Funds	7,137,940	10,152,566	8,831,416	(1,321,150)
Transfers to Debt Service Fund	13,054,384	14,052,374	14,052,374	-
Transfers to Component Units	94,315,309	97,954,470	97,954,470	-
Funding for Reserves	1,625,000	1,375,000	1,375,000	-
Contingency	(1,048,527)	1,964,148	1,000	(1,963,148)
Total Charges to Appropriations	324,789,000	344,549,805	340,593,101	(3,956,704)
Net Resources Over (Under) Expenditures	$ -	$ (4,101,355)	$ 7,834,816	$ 11,936,171

See Accompanying Note to Budgetary Comparison Schedule (RSI 2)

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
Year Ended June 30, 2023

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

Sources/Inflows of Resources:	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	$ 348,427,917
Transfers from other funds are a budgetary resource, but not a revenue for financial reporting purposes (Exhibit E)	(6,500)
Total general fund revenues as reported on the statement of revenues, expenditures, and changes in fund balances (Exhibit E).	348,421,417
Uses/Outflows of Resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	$ 340,593,101
Transfers to other funds are outflows of budgetary resources, but are not expenditures for financial reporting purposes (Exhibit E).	(24,258,789)
Encumbrances for goods and services ordered but not received are reported in the year the orders are placed for budgetary purposes, but are reported in the year goods and services are received for GAAP purposes (Exhibit C).	(3,815,400)
Total general fund expenditures as reported on the statement of revenues, expenditures, and changes in fund balances (Exhibit E).	$ 312,518,912

See Accompanying Note to Budgetary Comparison Schedule.

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
Year Ended June 30, 2023

Budgets and Budgetary Accounting

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

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

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

3. Adoption – Public hearings are conducted to obtain citizen comments on the proposed budget. Prior to May 14, the budget is legally adopted at the departmental-level through passage of an appropriation ordinance by City Council.

4. Amendment – The City Manager is authorized to transfer any amount, within or between funds and departments during the fiscal year. The Director of Finance reports to City Council on a quarterly basis all transfers in excess of $100,000 between funds, as well as between project and program accounts in the Capital Project Fund and Grant Fund. All other transfers or supplemental appropriations must be approved by City Council. During the year, $18,532,998 in supplemental appropriations were approved by City Council. These amendments consisted primarily of appropriations of prior year encumbrances, the appropriation of restricted, committed or assigned fund balance, and the appropriation of additional intergovernmental grants received during the year.

5. Integration – Formal budgetary integration is employed as a management control device during the year for the General and Capital Projects Funds. Formal budgetary integration is not employed for the Debt Service Fund because effective budgetary control is alternatively achieved through budgeted transfers from the General Fund to the Debt Service Fund for debt payments.

6. Legal Compliance – Actual expenditures and operating transfers out may not legally exceed budget appropriations for each department. City Council legally adopts an annual budget for the General Fund. Its budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America except for the recognition of encumbrances, the classification of certain transfers as expenditures, and the consideration of beginning fund balance as a budgetary resource. A reconciliation of the actual General Fund uses of financial resources presented in accordance with generally accepted accounting principles is presented as part of the Budgetary Comparison Schedule located in the Required Supplementary Information.

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
INFRASTRUCTURE ASSETS UNDER MODIFIED APPROACH
Year Ended June 30, 2023

INFRASTRUCTURE – FLOOD REDUCTION

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

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

Condition	Rating
Good	3
Fair	2
Poor	1

Assessment Ratings of Infrastructure Components

	Number Assessed	2019	2020	2021	2022	2023
Training Walls	2	2	2	2	2	2
Bench Cuts	14	2.8	2.3	3	2.5	2

Comparison of Estimated to Actual Maintenance Costs

	2019	2020	2021*	2022	2023
Estimated	$54,599	$317,338	$ 61,507	$142,346	$82,850
Actual	$12,454	$295,772	$104,943	$61,795	$19,271

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PENSION CONTRIBUTIONS – CITY PLAN
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	$ 11,111,368	$ 10,981,232	$ 11,148,229	$ 11,288,966	$ 11,158,359	$ 11,345,222	$ 10,451,101	$ 10,184,532	$ 13,122,478	$ 11,136,823
Contributions in Relation to Actuarially Determined Contribution	11,111,368	10,981,232	11,148,229	11,288,966	11,158,359	11,345,222	10,451,101	10,184,532	13,122,478	11,136,823
Contribution Deficiency (Excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Covered Payroll	$ 69,210,727	$ 68,352,114	$ 70,205,011	$ 67,097,768	$ 68,221,419	$ 65,579,941	$ 66,104,371	$ 65,118,496	$ 59,030,490	$ 60,633,287
Contributions as a Percentage of Covered Payroll	16.05%	16.07%	15.88%	16.82%	16.36%	17.30%	15.81%	15.64%	22.23%	18.37%

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

Schedule is intended to show information for 10 years. As 2014 is the first year for this presentation, no other data is available. Additional years will be included as they become available.

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY – CITY PLAN
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Proportion of Net Pension Liability	89.90%	89.66%	89.66%	89.19%	88.97%	88.53%	87.81%	86.73%	86.38%
City's Proportionate Share of Net Pension Liability	$ 223,269,269	$ 41,615,062	$ 135,642,864	$ 123,942,077	$ 113,060,409	$ 127,175,183	$ 148,945,372	$ 121,555,328	$ 101,395,947
Covered Payroll	$ 68,352,114	$ 70,205,011	$ 67,097,768	$ 68,221,419	$ 65,579,941	$ 66,104,371	$ 65,118,496	$ 59,030,490	$ 60,633,287
City's Proportionate Share of Net Pension Liability as a Percentage of Covered Payroll	326.65%	59.28%	202.16%	181.68%	172.40%	192.39%	228.73%	205.90%	167.23%
Plan Fiduciary Net Position as a Percentage of Total Net Pension Liability	63.67%	92.02%	73.69%	75.62%	77.32%	74.00%	68.70%	73.81%	77.23%

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CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD PENSION CONTRIBUTIONS – CITY PLAN
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 187,414	$ 183,654	$ 191,759	$ 200,200	$ 222,911	$ 248,488	$ 257,269	$ 340,838	$ 527,115
Contributions in Relation to Actuarially Determined Contribution	187,414	183,654	191,759	200,200	222,911	248,488	257,269	340,838	527,115
Contribution Deficiency (Excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Covered Payroll	$ 1,643,393	$ 1,407,674	$ 1,467,600	$ 1,515,322	$ 1,607,148	$ 1,757,341	$ 1,985,104	$ 2,617,813	$ 2,690,735
Contributions as a Percentage of Covered Payroll	11.40%	13.05%	13.07%	13.21%	13.87%	14.14%	12.96%	13.02%	19.59%

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CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD'S PROPORTIONATE SHARE OF NET PENSION LIABILITY – CITY PLAN
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
School Board's Proportion of Net Pension Liability	1.48%	1.55%	1.59%	1.78%	1.95%	2.18%	2.94%	3.48%	3.63%
School Board's Proportionate Share of Net Pension Liability	$ 3,679,849	$ 715,812	$ 2,405,192	$ 2,476,003	$ 2,476,295	$ 3,130,602	$ 4,984,640	$ 4,882,739	$4,256,291
Covered Payroll	$ 1,407,674	$ 1,467,600	$ 1,515,322	$ 1,607,148	$ 1,757,341	$ 1,985,100	$ 1,985,104	$ 2,690,735	$3,005,980
School Board's Proportionate Share of Net Pension Liability as a Percentage of Covered Payroll	261.41%	48.77%	158.72%	154.06%	140.91%	157.71%	251.10%	181.46%	141.59%
Plan Fiduciary Net Position as a Percentage of Total Net Pension Liability	63.70%	92.00%	73.69%	75.62%	77.32%	74.00%	68.70%	73.81%	77.23%

Schedule is intended to show information for 10 years. As 2015 was the first year of presentation, no other data is available. Additional years will be included as they become available.

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CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PENSION CONTRIBUTIONS – VRS
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Determined Contribution	$ 2,121,173	$ 1,626,093	$ 1,647,613	$ 1,490,872	$ 1,493,066	$ 1,446,685	$ 1,443,062	$ 1,499,615	$ 1,514,713
Contributions in Relation to Contractually Determined Contribution	2,121,173	1,626,093	1,647,613	1,490,872	1,493,066	1,446,685	1,443,062	1,499,615	1,514,713
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 9,365,727	$ 9,180,121	$ 9,346,540	$ 9,571,771	$ 8,994,376	$ 8,842,818	$ 8,761,712	$ 8,537,263	$ 8,650,983
Contributions as a Percentage of Covered Payroll	22.65%	17.71%	17.63%	15.58%	16.60%	16.36%	16.47%	17.57%	17.51%

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CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD'S PENSION CONTRIBUTIONS – VRS NON-PROFESSIONALS' PLAN
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 144,787	$ 100,737	$ 96,613	$ 109,376	$ 109,254	$ 98,135	$ 93,497	$ 126,073	$ 126,993
Contributions in Relation to Contractually Determined Contribution	144,787	100,737	96,613	109,376	109,254	98,135	93,497	126,073	126,993
Contribution Deficiency (Excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Covered Payroll	$ 6,682,549	$ 4,771,350	$ 4,466,752	$ 4,331,920	$ 4,300,605	$ 3,688,153	$ 2,615,319	$ 2,662,777	$ 2,505,966
Contributions as a Percentage of Covered Payroll	2.17%	2.11%	2.16%	2.52%	2.54%	2.66%	3.57%	4.73%	5.07%

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CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN CITY'S NET PENSION LIABILITY AND RELATED RATIOS – VRS
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service Cost	$ 1,426,161	$ 1,493,366	$ 1,419,883	$ 1,347,664	$ 1,337,903	$ 1,348,893	$ 1,380,941	$ 1,312,849	$ 1,333,127
Interest	5,143,430	4,768,599	4,631,232	4,539,086	4,339,444	4,195,752	4,042,340	3,859,768	3,680,676
Changes of Assumptions	-	2,654,951	-	2,014,530	-	(159,919)	-	-	-
Differences Between Expected and Actual Experience	3,381,250	(463,814)	(318,271)	(717,393)	430,539	(320,535)	(396,031)	101,336	-
Benefit Payments, Including Refunds of Employee Contributions	(4,765,524)	(3,886,896)	(3,508,646)	(3,325,626)	(3,186,070)	(2,836,839)	(2,834,452)	(2,497,107)	(2,413,588)
Net Change in Total Pension Liability	**5,185,317**	**4,566,206**	**2,224,198**	**3,858,261**	**2,921,816**	**2,227,352**	**2,192,798**	**2,776,846**	**2,600,215**
Total Pension Liability - Beginning	77,155,567	72,589,361	70,365,163	66,506,902	63,585,086	61,357,734	59,164,936	56,388,090	53,787,875
Total Pension Liability - Ending	**$ 82,340,884**	**$ 77,155,567**	**$ 72,589,361**	**$ 70,365,163**	**$ 66,506,902**	**$ 63,585,086**	**$ 61,357,734**	**$ 59,164,936**	**$ 56,388,090**
Plan Fiduciary Net Position									
Contributions - Employer	$ 1,609,437	$ 1,639,152	$ 1,582,180	$ 1,490,872	$ 1,444,142	$ 1,439,698	$ 1,499,615	$ 1,514,713	$ 1,460,269
Contributions - Employee	465,622	466,590	476,302	451,026	440,860	451,501	428,612	432,153	424,175
Net Investment Income (Loss)	(32,704)	16,484,646	1,159,696	3,869,084	4,102,791	6,147,715	872,926	2,245,173	6,752,670
Benefit Payments, Including Refunds of Employee Contributions	(4,765,524)	(3,886,896)	(3,508,646)	(3,325,626)	(3,186,070)	(2,836,839)	(2,834,452)	(2,497,107)	(2,413,588)
Administrative Expense	(47,517)	(41,627)	(39,947)	(38,781)	(35,783)	(35,693)	(31,738)	(30,828)	(36,491)
Other	1,708	1,548	(1,371)	(2,440)	(3,643)	(5,465)	(372)	(473)	356
Net Change in Plan Fiduciary Net Position	**(2,768,978)**	**14,663,413**	**(331,786)**	**2,444,135**	**2,762,297**	**5,160,917**	**(65,409)**	**1,663,631**	**6,187,391**
Plan Fiduciary Net position - Beginning	75,462,405	60,798,992	61,130,778	58,686,643	55,924,346	50,763,429	50,828,838	49,165,207	42,977,816
Plan Fiduciary Net Position - Ending	**$ 72,693,427**	**$ 75,462,405**	**$ 60,798,992**	**$ 61,130,778**	**$ 58,686,643**	**$ 55,924,346**	**$ 50,763,429**	**$ 50,828,838**	**$ 49,165,207**
Total Net Pension Liability - Beginning	$ 1,693,162	$ 11,790,369	$ 9,234,385	$ 7,820,259	$ 7,660,740	$ 10,594,305	$ 8,336,098	$ 7,222,883	$ 10,810,059
Total Net Pension Liability - Ending	**$ 9,647,457**	**$ 1,693,162**	**$ 11,790,369**	**$ 9,234,385**	**$ 7,820,259**	**$ 7,660,740**	**$ 10,594,305**	**$ 8,336,098**	**$ 7,222,883**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	**88.28%**	**97.81%**	**83.76%**	**86.88%**	**88.24%**	**87.95%**	**82.73%**	**85.91%**	**87.19%**
Covered Payroll	$ 9,180,121	$ 9,346,540	$ 9,571,771	$ 8,994,376	$ 8,842,818	$ 8,761,712	$ 8,537,263	$ 8,650,983	$ 8,430,964
Net Pension Liability as a Percentage of Covered Payroll	**105.09%**	**18.12%**	**123.18%**	**102.67%**	**88.44%**	**87.43%**	**124.09%**	**96.36%**	**85.67%**

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CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD'S PENSION CONTRIBUTIONS – VRS TEACHERS' RETIREMENT PLAN
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 17,455,716	$ 14,482,200	$ 13,896,958	$ 12,870,331	$ 12,653,417	$ 12,842,165	$ 11,471,695	$ 11,164,143	$ 11,825,296
Contributions in Relation to Contractually Determined Contribution	17,455,716	14,482,200	13,896,958	12,870,331	12,653,417	12,842,165	11,471,695	11,164,143	11,825,296
Contribution Deficiency (Excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Covered Payroll	$ 110,322,533	$ 90,904,849	$ 86,869,983	$ 85,100,982	$ 82,767,236	$ 80,236,536	$ 79,683,440	$ 76,869,589	$ 74,342,482
Contributions as a Percentage of Covered Payroll	15.82%	15.93%	16.00%	15.12%	15.29%	16.01%	14.40%	14.52%	15.91%

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD'S PROPORTIONATE SHARE OF NET PENSION LIABILITY – TEACHERS' RETIREMENT PLAN
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's Proportion of Net Pension Liability	0.98%	0.98%	0.97%	0.99%	0.99%	1.01%	1.01%	1.00%	0.98%
Employer's Proportionate Share of Net Pension Liability	$ 92,947,701	$ 76,257,682	$ 141,329,284	$ 129,942,187	$ 116,773,000	$ 123,985,000	$ 141,324,000	$ 125,881,000	$ 118,679,000
Covered Payroll	$ 90,904,849	$ 86,962,725	$ 85,100,982	$ 82,767,236	$ 80,236,536	$ 79,683,440	$ 76,869,589	$ 74,342,482	$ 71,721,119
Employer's Proportionate Share of Net Pension Liability as a Percentage of Covered Payroll	102.25%	87.69%	166.07%	157.00%	145.54%	155.60%	183.85%	169.33%	165.47%
Plan Fiduciary Net Position as a Percentage of Total Net Pension Liability	84.70%	85.46%	71.47%	73.51%	74.81%	72.92%	68.28%	70.68%	70.88%

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CIRY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD'S CHANGES IN NET PENSION ASSET AND RELATED RATIOS – VRS
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service Cost	$ 380,028	$ 350,268	$ 341,743	$ 330,934	$ 303,752	$ 327,500	$ 292,621	$ 250,347	$ 238,778
Interest	287,728	226,226	193,074	157,720	137,429	115,185	90,855	75,430	57,278
Changes in Assumptions	-	(55,829)	-	95,414	-	(95,226)	-	-	-
Differences Between Expected and Actual Experience	130,110	107,958	35,755	77,685	(108,492)	22,079	3,596	(71,963)	-
Benefit Payments, Including Refunds of Employee Contributions	(107,825)	(87,207)	(71,644)	(37,449)	(48,197)	(55,331)	(23,660)	(43,270)	(30,199)
Net Change in Total Pension Liability	**690,041**	**541,416**	**498,928**	**624,304**	**284,492**	**314,207**	**363,412**	**210,544**	**265,857**
Total Pension Liability - Beginning	3,936,515	3,395,099	2,896,171	2,271,867	1,987,375	1,673,168	1,309,756	1,099,212	833,355
Total Pension Liability - Ending	**$ 4,626,556**	**$ 3,936,515**	**$ 3,395,099**	**$ 2,896,171**	**$ 2,271,867**	**$ 1,987,375**	**$ 1,673,168**	**$ 1,309,756**	**$ 1,099,212**
Plan Fiduciary Net Position									
Contributions - Employer	$ 100,742	$ 96,613	$ 103,807	$ 109,376	$ 98,135	$ 93,237	$ 114,441	$ 103,468	$ 167,937
Contributions - Employee	208,626	198,042	195,784	195,963	169,352	164,828	145,769	131,040	112,035
Net Investment Income (Loss)	(13,490)	1,249,405	81,372	255,942	238,823	332,502	48,318	99,131	259,744
Benefit Payments, Including Refunds of Employee Contributions	(107,825)	(87,207)	(71,644)	(37,449)	(48,197)	(55,331)	(23,660)	(43,270)	(30,199)
Administrative Expense	(3,545)	(2,826)	(2,482)	(2,153)	(1,842)	(1,688)	(1,296)	(1,144)	(1,173)
Other	142	120	(99)	(164)	(222)	(306)	(19)	(21)	14
Net Change in Plan Fiduciary Net Position	**184,650**	**1,454,147**	**306,738**	**521,515**	**456,049**	**533,242**	**283,553**	**289,204**	**508,358**
Plan Fiduciary Net Position - Beginning	5,864,474	4,410,327	4,103,589	3,582,074	3,126,025	2,592,783	2,309,230	2,020,026	1,511,668
Plan Fiduciary Net Position - Ending	**$ 6,049,124**	**$ 5,864,474**	**$ 4,410,327**	**$ 4,103,589**	**$ 3,582,074**	**$ 3,126,025**	**$ 2,592,783**	**$ 2,309,230**	**$ 2,020,026**
Total Net Pension Asset - Beginning	$ (1,927,959)	$ (1,015,228)	$ (1,207,418)	$ (1,310,207)	$ (1,138,650)	$ (919,615)	$ (999,474)	$ (920,814)	$ (678,313)
Total Net Pension Asset - Ending	**$ (1,422,568)**	**$ (1,927,959)**	**$ (1,015,228)**	**$ (1,207,418)**	**$ (1,310,207)**	**$ (1,138,650)**	**$ (919,615)**	**$ (999,474)**	**$ (920,814)**
Plan Fiduciary Net Position as a of Total Percentage Pension Asset	**130.75%**	**148.98%**	**129.90%**	**141.69%**	**157.67%**	**157.29%**	**154.96%**	**176.31%**	**183.77%**
Covered Payroll	$ 4,771,350	$ 4,466,752	$ 4,331,920	$ 4,300,605	$ 3,688,153	$ 2,615,319	$ 2,099,489	$ 2,291,710	$ 2,220,265
Net Pension Asset as a Percentage of Covered Payroll	**(29.81%)**	**(43.16%)**	**(23.44%)**	**(28.08%)**	**(35.52%)**	**(43.54%)**	**(43.80%)**	**(43.61%)**	**(41.47%)**

Schedule is intended to show information for 10 years. As 2015 was the first year of presentation, no other data is available. Additional years will be included as they become available.

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
Year Ended June 30, 2023

City of Roanoke – OPEB Trust

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Annual money weighted rate of return, net of investment expense	7.62%	-13.26%	30.05%	3.01%	4.67%	9.52%	13.04%

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

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

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CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S OPEB CONTRIBUTIONS – EMPLOYEE'S POST-RETIREMENT HEALTH PLAN
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	$ 808,000	$ 479,000	$ 808,000	$ 1,023,000	$ 976,000	$ 898,000	$ 947,000	$ 1,071,000	$ 982,000	$ 957,000
Contributions in Relation to Actuarially Determined Contribution	808,000	479,000	808,000	1,023,000	976,000	898,000	947,000	1,071,000	982,000	957,000
Contribution Deficiency (Excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Covered Payroll	$ 78,431,560	$ 76,894,042	$ 79,460,497	$ 75,773,316	$ 75,773,316	$ 73,943,000	$ 73,167,000	$ 71,512,000	$ 69,346,000	$ 70,052,000
Contributions as a Percentage of Covered Payroll	1.03%	0.62%	1.02%	1.35%	1.29%	1.21%	1.29%	1.50%	1.42%	1.37%

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S OPEB CONTRIBUTIONS – LINE OF DUTY BENEFITS
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	$ 253,600	$ 180,200	$ 228,800	$ 222,500	$ 204,200	$ 334,900	$ 328,000	$ 367,100	$ 370,900	$ 349,100
Contributions in Relation to Actuarially Determined Contribution	253,600	180,200	228,800	222,500	204,200	334,900	328,000	367,100	370,900	349,100
Contribution Deficiency (Excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Covered Payroll	$ 40,236,105	$ 35,090,473	$ 33,268,489	$ 35,283,151	$ 33,943,700	$ 34,133,600	$ 33,524,900	$ 33,268,489	$ 32,577,300	$ 33,055,600
Contributions as a Percentage of Covered Payroll	0.63%	0.51%	0.69%	0.63%	0.60%	0.98%	0.98%	1.10%	1.14%	1.06%

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS OPEB TRUST – EMPLOYEES' POST -RETIREMENT HEALTH PLAN
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	$ 249,673	$ 293,635	$ 370,617	$ 339,171	$ 314,967	$ 307,511
Interest	703,780	834,791	949,632	925,050	840,955	852,459
Differences Between Expected and Actual Experience	(1,458,041)	(2,317,557)	(2,155,356)	(163,990)	798,742	(602,777)
Changes of Assumptions	3,365,005	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(588,000)	(689,000)	(768,000)	(793,000)	(762,000)	(696,000)
Net Change in Total OPEB Liability (Assets)	**2,272,417**	**(1,878,131)**	**(1,603,107)**	**307,231**	**1,192,664**	**(138,807)**
Total OPEB Liability - Beginning	**10,098,324**	**11,976,455**	**13,579,562**	**13,272,331**	**12,079,667**	**12,218,474**
Total OPEB Liability - Ending	**$ 12,370,741**	**$ 10,098,324**	**$ 11,976,455**	**$ 13,579,562**	**$ 13,272,331**	**$ 12,079,667**
Plan Fiduciary Net Position						
Contributions - Employer	$ 839,000	$ 808,000	$ 1,023,000	$ 976,000	$ 898,000	$ 947,000
Net Investment Income (Loss)	(661,707)	1,601,840	155,467	216,095	384,002	430,894
Benefit Payments, Including Refunds of Employee Contributions	(588,000)	(689,000)	(768,000)	(793,000)	(762,000)	(696,000)
Administrative Expense	(8,041)	(6,499)	(5,936)	(5,395)	(4,961)	(4,408)
Net Change in Plan Fiduciary Net Position	**(418,748)**	**1,714,341**	**404,531**	**393,700**	**515,041**	**677,486**
Plan Fiduciary Net position - Beginning	**7,038,687**	**5,324,346**	**4,919,815**	**4,526,115**	**4,011,074**	**3,333,588**
Plan Fiduciary Net position - Ending	**$ 6,619,939**	**$ 7,038,687**	**$ 5,324,346**	**$ 4,919,815**	**$ 4,526,115**	**$ 4,011,074**
Total Net OPEB Liability - Beginning	**3,059,637**	**6,652,109**	**8,659,747**	**8,746,216**	**8,068,593**	**8,884,886**
Total Net OPEB Liability - Ending	**$ 5,750,802**	**$ 3,059,637**	**$ 6,652,109**	**$ 8,659,747**	**$ 8,746,216**	**$ 8,068,593**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	53.51%	69.70%	44.46%	36.23%	34.10%	33.21%
Covered Payroll	$ 76,894,072	$ 79,460,497	$ 75,773,316	$ 75,773,316	$ 73,943,000	$ 73,167,000
Net OPEB Liability as a Percentage of Covered Payroll	7.48%	3.85%	8.78%	11.43%	11.83%	11.03%

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CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS OPEB TRUST – LINE OF DUTY ACT
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	$ 137,665	$ 134,425	$ 127,731	$ 105,329	$ 161,651	$ 149,688
Interest	247,845	239,306	236,788	236,984	284,709	266,113
Changes of Benefit Terms	-	-	-	-	(412,038)	-
Differences Between Expected and Actual Experience	(137,490)	(13,020)	(124,956)	(182,205)	(490,047)	(30,411)
Changes of Assumptions	182,817	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(256,100)	(227,800)	(192,800)	(177,800)	(161,700)	(101,700)
Net Change in Total OPEB Liability (Assets)	**174,737**	**132,911**	**46,763**	**(17,692)**	**(617,425)**	**283,690**
Total OPEB Liability - Beginning	**3,531,035**	**3,398,124**	**3,351,361**	**3,369,053**	**3,986,478**	**3,702,788**
Total OPEB Liability - Ending	**$ 3,705,772**	**$ 3,531,035**	**$ 3,398,124**	**$ 3,351,361**	**$ 3,369,053**	**$ 3,986,478**
Plan Fiduciary Net Position						
Contributions - Employer	$ 256,100	$ 228,800	$ 222,500	$ 204,200	$ 334,900	$ 328,000
Net Investment Income (Loss)	(285,752)	716,525	70,492	100,571	174,061	183,124
Benefit payments, including refunds of employee contributions	(256,100)	(227,800)	(192,800)	(177,800)	(161,700)	(101,700)
Administrative Expense	(3,827)	(3,197)	(3,037)	(2,822)	(2,504)	(2,137)
Net Change in Plan Fiduciary Net Position	**(289,579)**	**714,328**	**97,155**	**124,149**	**344,757**	**407,287**
Plan Fiduciary Net position - Beginning	**3,098,306**	**2,383,978**	**2,286,823**	**2,162,674**	**1,817,917**	**1,410,630**
Plan Fiduciary Net position - Ending	**$ 2,808,727**	**$ 3,098,306**	**$ 2,383,978**	**$ 2,286,823**	**$ 2,162,674**	**$ 1,817,917**
Total Net OPEB Liability - Beginning	**432,729**	**1,014,146**	**1,064,538**	**1,206,379**	**2,168,561**	**2,292,170**
Total Net OPEB Liability - Ending	**$ 897,045**	**$ 432,729**	**$ 1,014,146**	**$ 1,064,538**	**$ 1,206,379**	**$ 2,168,561**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	75.79%	87.74%	70.16%	68.24%	64.19%	45.60%
Covered Payroll	$ 35,090,473	$ 33,268,489	$ 35,283,151	$ 33,943,700	$ 34,133,600	$ 33,524,900
Net OPEB Liability as a Percentage of Covered Payroll	2.56%	1.30%	2.87%	3.14%	3.53%	6.47%

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CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS VRS HEALTH INSURANCE CREDIT
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	$ 6,086	$ 5,560	$ 5,452	$ 5,183	$ 5,416	$ 5,836
Interest	31,579	30,381	28,456	26,787	25,772	25,637
Differences Between Expected and Actual Experience	235,440	(32,714)	(5,099)	6,868	6,681	-
Changes of Assumptions	37,779	8,716	-	10,417	-	(6,386)
Benefit Payments, Including Refunds of Employee Contributions	-	(570)	-	(20,719)	(26,022)	(20,294)
Net Change in Total OPEB Liability	**310,884**	**11,373**	**28,809**	**28,536**	**11,847**	**4,793**
Total OPEB Liability - Beginning	**461,750**	**450,377**	**421,568**	**393,032**	**381,185**	**376,392**
Total OPEB Liability - Ending	**$ 772,634**	**$ 461,750**	**$ 450,377**	**$ 421,568**	**$ 393,032**	**$ 381,185**
Plan Fiduciary Net Position						
Contributions - Employer	$ 26,635	$ 27,165	$ 27,760	$ 26,085	$ 22,982	$ 22,904
Net Investment Income	(359)	40,488	2,391	6,415	6,618	9,633
Benefit Payments, Including Refunds of Employee Contributions	-	(570)	-	(20,719)	(26,022)	(20,294)
Administrative Expense	(419)	(557)	(268)	(143)	(153)	(158)
Other	-	-	(1)	(8)	(480)	480
Net Change in Plan Fiduciary Net Position	**25,857**	**66,526**	**29,882**	**11,630**	**2,945**	**12,565**
Plan Fiduciary Net position - Beginning	**206,716**	**140,190**	**110,308**	**98,678**	**95,733**	**83,168**
Plan Fiduciary Net position - Ending	**$ 232,573**	**$ 206,716**	**$ 140,190**	**$ 110,308**	**$ 98,678**	**$ 95,733**
Total Net OPEB Liability - Beginning	**255,034**	**310,187**	**311,260**	**294,354**	**285,452**	**293,224**
Total Net OPEB Liability - Ending	**$ 540,061**	**$ 255,034**	**$ 310,187**	**$ 311,260**	**$ 294,354**	**$ 285,452**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	30.10%	44.77%	31.13%	26.17%	25.11%	25.11%
Covered Payroll	$ 9,180,121	$ 9,361,803	$ 9,571,771	$ 9,586,952	$ 9,000,883	$ 8,761,712
Net OPEB Liability as a Percentage of Covered Payroll	5.88%	2.72%	3.24%	3.25%	3.27%	3.26%

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CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS – VRS HEALTH INSURANCE CREDIT
Year Ended June 30, 2023

	2023	2022
Actuarially Determined Contribution	$ 55,021	$ 26,789
Contributions in Relation to Actuarially Determined Contribution	55,021	26,789
Contribution Deficiency (Excess)	$ -	$ -
Covered Payroll	$ 9,635,727	$ 9,180,121
Contributions as a Percentage of Covered Payroll	0.57%	0.29%

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CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET OPEB LIABILITY – VRS GROUP LIFE INSURANCE
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
City's Proportion of Net OPEB Liability	0.360%	0.359%	0.370%	0.414%	0.384%	0.401%
City's Proportionate Share of Net OPEB Liability	$ 4,290,037	$ 4,355,330	$ 6,357,814	$ 6,266,774	$ 5,938,000	$ 6,029,685
Covered Payroll	$ 78,854,104	$ 76,217,724	$ 78,488,269	$ 75,810,385	$ 74,813,846	$ 73,908,260
City's Proportionate Share of Net OPEB Liability as a Percentage of Covered Payroll	5.44%	5.71%	8.10%	8.27%	7.94%	8.16%
Plan Fiduciary Net Position as a Percentage of Total Net OPEB Liability	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

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

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

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS – VRS GROUP LIFE INSURANCE
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	$ 446,597	$ 422,658	$ 408,527	$ 408,139	$ 394,214	$ 389,032
Contributions in Relation to Actuarially Determined Contribution	446,597	422,658	408,527	408,139	394,214	389,032
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 83,983,799	$ 78,854,104	$ 76,217,724	$ 78,488,269	$ 75,810,385	$ 74,813,846
Contributions as a Percentage of Covered Payroll	0.53%	0.54%	0.54%	0.52%	0.52%	0.52%

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

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

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CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD CONTRIBUTIONS – VRS GROUP LIFE INSURANCE (NON-PROFESSIONALS)
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	$ 44,608	$ 33,018	$ 30,409	$ 30,491	$ 30,717	$ 28,263
Contributions in Relation to Actuarially Determined Contribution	44,608	33,018	30,409	30,491	30,717	28,263
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 8,260,731	$ 6,114,380	$ 6,047,907	$ 5,866,775	$ 5,907,182	$ 4,535,214
Contributions as a Percentage of Covered Payroll	0.54%	0.54%	0.52%	0.52%	0.52%	0.62%

Schedule is intended to show information for 10 years. As 2023 is the sixth year for this presentation, no earlier data is available. Additional years will be included as they become available.

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CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD CONTRIBUTIONS – VRS GROUP LIFE INSURANCE (PROFESSIONALS)
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	$ 595,742	$ 523,904	$ 452,211	$ 442,525	$ 430,624	$ 417,241
Contributions in Relation to Actuarially Determined Contribution	595,742	523,904	452,211	442,525	430,624	417,241
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$110,322,533	$ 90,904,849	$ 86,963,725	$ 85,100,982	$ 82,812,213	$ 80,238,605
Contributions as a Percentage of Covered Payroll	0.54%	0.58%	0.52%	0.52%	0.52%	0.52%

Schedule is intended to show information for 10 years. Since fiscal year 2023 (plan year 2022) was the sixth year for this presentation, no earlier data is available. Additional years will be included as they become available.

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD CONTRIBUTIONS – VRS GENERAL EMPLOYEE HEALTH INSURANCE CREDIT
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	$ 6,011	$ 3,815	$ 3,573	$ 5,207	$ 5,161	$ 4,036
Contributions in Relation to Actuarially Determined Contribution	6,011	3,815	3,573	5,207	5,161	4,036
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 6,682,549	$ 4,771,350	$ 4,466,752	$ 4,300,605	$ 4,096,741	$ 3,877,422
Contributions as a Percentage of Covered Payroll	0.09%	0.08%	0.08%	0.12%	0.11%	0.10%

Schedule is intended to show information for 10 years. Since fiscal year 2023 (plan year 2022) was the sixth year for this presentation, no earlier data is available. Additional years will be included as they become available.

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD CONTRIBUTIONS – VRS TEACHER HEALTH INSURANCE CREDIT
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution	$ 1,342,346	$ 1,100,269	$ 1,051,413	$ 1,021,183	$ 993,285	$ 987,227
Contributions in Relation to Actuarially Determined Contribution	1,342,346	1,100,269	1,051,413	1,021,183	993,285	987,227
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$110,322,533	$ 90,904,849	$ 86,869,983	$ 85,100,982	$ 82,812,213	$ 80,238,605
Contributions as a Percentage of Covered Payroll	1.22%	1.21%	1.21%	1.20%	1.23%	1.23%

Schedule is intended to show information for 10 years. Since fiscal year 2023 (plan year 2022) was the sixth year for this presentation, no earlier data is available. Additional years will be included as they become available.

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD'S PROPORTIONATE SHARE OF THE NET VRS GROUP LIFE INSURANCE LIABILITY – NON-PROFESSIONAL EMPLOYEES
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
School Board's Proportion of Net OPEB Liability	0.028%	0.029%	0.028%	0.030%	0.029%	0.028%
School Board's Proportionate Share of Net OPEB Liability	$ 339,000	$ 330,000	$ 476,000	$ 490,000	$ 434,000	$ 425,000
Covered Payroll	$ 6,114,380	$ 6,047,907	$ 5,866,775	$ 5,907,182	$ 5,435,214	$ 5,205,263
School Board's Proportionate Share of Net OPEB liability as a Percentage of Covered Payroll	5.54%	5.46%	8.11%	8.29%	7.98%	8.16%
Plan Fiduciary Net Position as a Percentage of Total Net OPEB Liability	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since fiscal year 2023 (plan year 2022) was the sixth year for this presentation, no earlier data is available. Additional years will be included as they become available.

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD'S PROPORTIONATE SHARE OF THE NET VRS GROUP LIFE INSURANCE LIABILITY - PROFESSIONAL EMPLOYEES
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
School Board's Proportion of Net OPEB Liability	0.42%	0.42%	0.41%	0.42%	0.42%	0.43%
School Board's Proportionate Share of Net OPEB Liability	$ 5,034,000	$ 4,904,000	$ 6,904,000	$ 6,875,000	$ 6,410,000	$ 6,504,000
Covered Payroll	$ 90,904,849	$ 86,963,725	$ 85,100,982	$ 82,812,213	$ 80,238,605	$ 79,683,440
School Board's Proportionate Share of Net OPEB liability as a Percentage of Covered Payroll	5.54%	5.64%	8.11%	8.30%	7.99%	8.16%
Plan Fiduciary Net Position as a Percentage of Total Net OPEB Liability	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Schedule is intended to show information for 10 years. Since fiscal year 2023 (plan year 2022) was the sixth year for this presentation, no earlier data is available. Additional years will be included as they become available.

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF SCHOOL BOARD'S PROPORTIONATE SHARE OF THE NET VRS HEALTH INSURANCE CREDIT LIABILITY - TEACHERS
Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018
School Board's Proportion of Net OPEB Liability	0.98%	0.98%	0.97%	0.99%	0.99%	1.01%
School Board's Proportionate Share of Net OPEB Liability	$ 12,186,000	$ 12,608,000	$ 12,700,000	$ 12,919,000	$ 12,597,000	$ 12,810,000
Covered Payroll	$ 90,904,849	$ 86,869,983	$ 85,100,982	$ 82,812,213	$ 80,238,605	$ 79,683,440
School Board's Proportionate Share of Net OPEB Liability as a Percentage of its Covered Payroll	13.41%	14.51%	14.92%	15.60%	15.70%	16.08%
Plan Fiduciary Net Position as a Percentage of Total Net OPEB Liability	15.08%	13.15%	9.95%	8.97%	8.08%	7.04%

Schedule is intended to show information for 10 years. Since fiscal year 2023 (plan year 2022) is the sixth year for this presentation, no earlier data is available. Additional years will be included as they become available.

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

CITY OF ROANOKE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN SCHOOL BOARD'S NET OPEB LIABILITY AND RELATED RATIOS VRS HEALTH INSURANCE CREDIT
Year Ended June 30, 2023

	2023	2022	2020	2019	2018	2017
Total OPEB Liability						
Service Cost	$ 3,178	$ 4,449	$ 4,174	$ 4,467	$ 4,524	$ 5,042
Interest	3,605	3,118	3,126	2,384	2,324	2,032
Changes of Benefit Terms	31,151	-	(902)	-	-	-
Differences Between Expected and Actual Experience	551	(1,284)	(6,394)	4,849	-	-
Changes of Assumptions	(13,471)	(2,097)	-	1,324	(3,907)	(1,356)
Benefit Payments, Including Refunds of Employee Contributions	(141)	(141)	(135)	(1,400)	(2,754)	(358)
Net Change in Total OPEB Liability (Asset)	**24,873**	**4,045**	**(131)**	**11,624**	**187**	**5,360**
Total OPEB Liability - Beginning	**50,297**	**46,252**	**46,383**	**34,759**	**34,572**	**29,212**
Total OPEB Liability - Ending	**$ 75,170**	**$ 50,297**	**$ 46,252**	**$ 46,383**	**$ 34,759**	**$ 34,572**
Plan Fiduciary Net Position						
Contributions - Employer	$ 5,613	$ 3,573	$ 5,207	$ 5,161	$ 4,036	$ 3,534
Net Investment Income	(36)	18,713	1,307	3,762	3,664	5,134
Benefit Payments, Including Refunds of Employee Contributions	(141)	(141)	(135)	(1,400)	(2,754)	(358)
Administrative Expense	(171)	(232)	(132)	(84)	(88)	(88)
Other	(583)	-	(1)	(5)	(247)	247
Net Change in Plan Fiduciary Net Position	**4,682**	**21,913**	**6,246**	**7,434**	**4,611**	**8,469**
Plan Fiduciary Net position - Beginning	**90,985**	**69,072**	**62,826**	**55,392**	**50,781**	**42,312**
Plan Fiduciary Net position - Ending	**$ 95,667**	**$ 90,985**	**$ 69,072**	**$ 62,826**	**$ 55,392**	**$ 50,781**
Total Net OPEB Asset - Beginning	**(40,688)**	**(22,820)**	**(16,443)**	**(20,633)**	**(16,209)**	**(13,100)**
Total Net OPEB Asset - Ending	**$ (20,497)**	**$ (40,688)**	**$ (22,820)**	**$ (16,443)**	**$ (20,633)**	**$ (16,209)**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	127%	181%	149%	135%	159%	147%
Covered Payroll	$ 4,466,752	$ 4,335,058	$ 4,300,605	$ 4,096,741	$ 3,877,422	$ 3,211,898
Net OPEB Asset as a Percentage of Covered Payroll	0%	-1%	-1%	0%	-1%	-1%

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

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

Note 1. Changes of Benefit Terms

Pension and Other Post Employment Benefits (OPEB)

There have been no actuarially material changes to the Virginia Retirement System (System) benefit provisions since the prior actuarial valuation.

Note 2. Changes of Assumptions

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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 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 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 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 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 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 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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APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

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APPENDIX C

May 22, 2024

The Honorable Mayor and Council
of the City of Roanoke, Virginia
Roanoke, Virginia

Dear Mayor and Councilmembers:

$12,735,000
CITY OF ROANOKE, VIRGINIA,
GENERAL OBLIGATION PUBLIC
IMPROVEMENT BONDS, SERIES 2024A (FEDERALLY TAXABLE)

At your request we have examined the validity of an issue of $12,735,000 aggregate principal amount of General Obligation Public Improvement Bonds, Series 2024A (the "Bonds") of the City of Roanoke, Virginia (the "City"). The Bonds are dated their date of delivery; are issued in fully registered form in the denomination of $5,000 each or any integral multiple thereof; and are numbered from No. R-2024A-1 upwards in order of issuance. The Bonds mature in each of the years and in the principal amounts set forth below, and bear interest from their date, payable on each April 1 and October 1, commencing October 1, 2024, at the rates per annum set forth below:

Year (April 1)	Principal Amount	Interest Rate	Year (April)	Principal Amount	Interest Rate
2027	$185,000	4.85%	2035	$275,000	5.10%
2028	195,000	4.80	2036	290,000	5.13
2029	205,000	4.85	2038	625,000	5.20
2030	215,000	4.88	2040	690,000	5.25
2031	225,000	4.90	2042	760,000	5.30
2032	235,000	4.95	2049	3,395,000	5.40
2033	250,000	5.00	2056	4,930,000	5.50
2034	260,000	5.05			

The Bonds are subject to redemption as set forth therein.

The Bonds recite that they are issued for the purpose of providing funds to pay the costs of acquisition, construction, reconstruction, improvement, extension, enlargement and equipping of various public improvement projects of and for the City, under and pursuant to and in full compliance with the Constitution and statutes of the Commonwealth of Virginia, including Chapter 26 of Title 15.2 of the Code of Virginia, 1950 (the same being the Public Finance Act of 1991), and a resolution and other proceedings of the Council of the City duly adopted and taken under the Public Finance Act of 1991.

We have examined (i) the Constitution and statutes of the Commonwealth of Virginia, (ii) certified copies of the aforementioned resolutions and other proceedings of the Council of the City in connection with the authorization, issuance, sale and delivery of the Bonds, (iii) such other papers, instruments, documents and proceedings as we have deemed to be necessary or advisable and (iv) an executed and authenticated Bond of such issue.

In our opinion, the Bonds have been duly authorized and issued in accordance with the Constitution and statutes of the Commonwealth of Virginia and constitute valid and legally binding obligations of the City, and the Council of the City is authorized and required to levy and collect annually, at the same time and in the same manner as other taxes of the City are assessed, levied and collected, a tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Bonds to the extent other funds of the City are not lawfully available and appropriated for such purpose.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to judicial discretion, to the exercise of the sovereign police powers of the Commonwealth of Virginia and the constitutional powers of the United States of America and to valid bankruptcy, insolvency, reorganization, moratorium and other laws affecting the relief of debtors.

In our opinion, interest on the Bonds is not excludable from gross income for federal income tax purposes.

It is also our opinion that, under the existing statutes of the Commonwealth of Virginia, interest on the Bonds is not includable in computing the Virginia income tax.

We express no opinion regarding other federal or Commonwealth of Virginia tax consequences arising with respect to the Bonds. We are rendering our opinion under existing statutes and court decisions as of the issue date of the Bonds, and we assume no obligation to update, revise or supplement our opinion after the issue date of the Bonds to reflect any action thereafter taken or not taken, or any facts or circumstances that may thereafter come to our attention, or changes in law or interpretations thereof that may thereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, with respect to the Bonds.

Very truly yours,

APPENDIX D

DESCRIPTION OF THE DEPOSITORY TRUST COMPANY AND THE BOOK-ENTRY SYSTEM

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APPENDIX D

DESCRIPTION OF THE DEPOSITORY TRUST COMPANY AND THE BOOK-ENTRY SYSTEM

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Bonds, payments of principal and interest on the Bonds to The Depository Trust Company ("DTC"), New York, New York, its nominee, Participants, defined herein, or Beneficial Owners, defined herein, confirmation and transfer of beneficial ownership interests in the Bonds and other bond-related transactions by and between DTC, Participants and Beneficial Owners, is based solely on information furnished by DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond will be issued in the aggregate principal amount of each maturity of the Bonds of each series and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated AA+ by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and payment of redemption proceeds of, the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Registrar and Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC (nor its nominee), the Issuer or the Registrar and Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments and payment of redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Registrar and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Registrar and Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this Appendix D concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

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APPENDIX E

PROPOSED FORM OF
CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate"), dated May 22, 2024, is executed and delivered in connection with the issuance by the City of Roanoke, Virginia (the "Issuer" or the "City"), of $12,735,000 principal amount of City of Roanoke, Virginia, General Obligation Public Improvement Bonds, Series 2024A (Federally Taxable), dated May 22, 2024 (the "Bonds"), and pursuant to a resolution duly adopted by the Council of the Issuer on April 15, 2024 (the "Resolution"). Capitalized terms used in this Certificate shall have the respective meanings specified above or in Article I hereof. Pursuant to the Resolution, the Issuer agrees as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Definitions. The following terms used in this Certificate shall have the following respective meanings:

"Annual Financial Information" means, collectively, (i) updated versions of the following financial information and operating data with respect to the Issuer for each fiscal year of the types contained in Appendix A to the Official Statement under the headings "GOOD GOVERNMENT PRIORITY – Investment Management"; "GENERAL FUND REVENUES AND EXPENDITURES"– under the subheadings "Summary of General Fund Revenues and Expenditures" and "– Operating Data" (under the tables entitled "Assessed Value of All Taxable Property", "Property Tax Rates (Per $100 Assessed Value)", "Assessed Value of Taxable Commercial Real Estate Property", "General Property Tax Levies and Collections", "Ten Largest Taxpayers" and "Taxable Retail Sales"); "DEBT ADMINISTRATION" – under the subheadings "Legal Debt Margin", "Amortization Schedules" and "Debt Ratios"; "CAPITAL IMPROVEMENT PROGRAM - FUTURE BORROWING REQUIREMENTS"; "EMPLOYEE RETIREMENT PLANS" – including the subheading "OTHER POST-EMPLOYMENT BENEFIT PLANS" and information contained in Appendix B to the Official Statement and (ii) information regarding amendments to this Certificate required pursuant to Sections 4.2(d) and (e) of this Certificate. Annual Financial Information shall include Audited Financial Statements, if available, or Unaudited Financial Statements.

The descriptions contained in Section 1.1(1)(i) of financial information and operating data constituting Annual Financial Information are of general categories of financial information and operating data. When such descriptions include information that is no longer regularly generated, updated or maintained by the City or that can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided in lieu of such information. Any Annual Financial Information containing modified financial information or operating data shall explain, in narrative form, the reasons for the modification and the impact of the modification on the type of financial information or operating data being provided.

"Audited Financial Statements" means the annual financial statements, if any, of the Issuer, audited by such auditor as shall then be required or permitted by State law or the Resolution. Audited Financial Statements shall be prepared in accordance with GAAP; provided, however, that, pursuant to Section 4.2(a) and (e) hereof, the Issuer may from time to time, if required by federal or State legal requirements, modify the accounting principles to be followed in preparing its financial statements.

Notice of any such modification required by Section 4.2(a) hereof shall include a reference to the specific federal or State law or regulation requiring such accounting principles or other description thereof.

"Counsel" means Hawkins Delafield & Wood LLP or other nationally recognized bond counsel or counsel expert in federal securities laws.

"Financial Obligation" means "financial obligation" as such term is defined in the Rule. The term *financial obligation* as defined in the Rule means (a) a debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or guarantee of the Financial Obligations described in clauses (a) and (b). The term *financial obligation* shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"GAAP" means generally accepted accounting principles as prescribed from time to time for governmental units by Government Accounting Standards Board, the Financial Accounting Standards Board or any successor to the duties and responsibilities of either of them.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934 or any successor thereto or to the functions of the MSRB contemplated by this Certificate.

"Notice Event" means any of the following events with respect to the Bonds, whether relating to the Issuer or otherwise:

(i) principal and interest payment delinquencies,

(ii) non-payment related defaults, if material,

(iii) unscheduled draws on debt service reserves reflecting financial difficulties,

(iv) unscheduled draws on credit enhancements reflecting financial difficulties,

(v) substitution of credit or liquidity providers, or their failure to perform,

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds,

(vii) modifications to rights of Bondholders, if material,

(viii) Bond calls, if material, and tender offers,

(ix) defeasances,

(x) release, substitution or sale of property securing repayment of the Bonds, if material,

(xi) rating changes,

(xii) bankruptcy, insolvency, receivership or similar event of the Issuer, Note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(xiii) the consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material,

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material,

(xv) incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect Bondholders, if material, and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

"Official Statement" means the Official Statement, dated May 8, 2024, of the Issuer relating to the Bonds.

"Rule" means Rule 15c2-12 promulgated by the SEC under the Securities and Exchange Act of 1934 as amended (17 CFR Part 240, §240.15c2-12), as in effect on the date of this Certificate, including any official interpretations thereof issued either before or after the effective date of this Certificate which are applicable to this Certificate.

"SEC" means the United States Securities and Exchange Commission.

"State" means the Commonwealth of Virginia.

"Unaudited Financial Statements" means the same as Audited Financial Statements, except the same shall not have been audited.

"Underwriter" means Robert W. Baird & Co. Incorporated as the underwriter of the Bonds.

ARTICLE II

THE UNDERTAKING

SECTION 2.1. Purpose. This Certificate is being executed and delivered solely to assist the Underwriter in complying with paragraph (b)(5) of the Rule.

SECTION 2.2. Annual Financial Information. (a) The Issuer shall provide Annual Financial Information for the Issuer with respect to each fiscal year of the Issuer, commencing with the fiscal year ending June 30, 2024 by no later than nine (9) months after the end of the respective fiscal year, to the MSRB.

The Issuer shall provide, in a timely manner, notice of any failure of the Issuer to provide the Annual Financial Information by the date specified in subsection (a) above to the MSRB.

SECTION 2.3. Audited Financial Statements. If not provided as part of Annual Financial Information by the dates required by Section 2.2(a) hereof, the Issuer shall provide Audited Financial Statements, when and if available, to the MSRB.

SECTION 2.4. Notice Events. (a) If a Notice Event occurs, the Issuer shall provide, in a timely manner not in excess of ten (10) business days after the occurrence of such Notice Event, notice of such Notice Event to the MSRB.

Any notice of a defeasance of Bonds shall state whether the Bonds have been escrowed to maturity or to an earlier redemption date and the timing of such maturity or redemption.

SECTION 2.5. Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Financial Information or notice of Notice Event hereunder, in addition to that which is required by this Certificate. If the Issuer chooses to do so, the Issuer shall have no obligation under this Certificate to update such additional information or include it in any future Annual Financial Information or notice of a Notice Event hereunder.

SECTION 2.6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other federal and State laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that, under some circumstances, compliance with this Certificate, without additional disclosures or other action, may not fully discharge all duties and obligations of the Issuer under such laws.

SECTION 2.7. Previous Non-Compliance. The City has agreed in certain of its existing continuing disclosure undertakings with respect to certain of its bonds issued prior to the calendar year 2012 to provide certain annual financial and operating information, including its audited financial statements (collectively the “Annual Report”), within six months after the end of each fiscal year (the “Pre-2012 Undertakings”). The City has agreed in certain of its existing continuing disclosure undertakings with respect to certain of its bonds issued in calendar year 2012 and thereafter to provide the Annual Report within nine months after the end of each fiscal year.

For the fiscal year ended June 30, 2019, the City failed to include in its Annual Report, annual updates of certain required information relating to assessed value of taxable commercial real property and anticipated borrowing requirements for the City’s Capital Improvement Program (referred to herein as the "Additional Information"). On May 8, 2020, the City made a late filing of the Additional Information for the fiscal year June 30, 2019. The Annual Report (including the Additional Information) for the fiscal year ended June 30, 2020 was filed on March 12, 2021, which constituted a late filing under the Pre-2012 Undertakings only. The Annual Report and the Additional Information for the fiscal year ended June 30, 2021 were respectively filed on March 23, 2022 and March 24, 2022, which constituted a late filing under the Pre-2012 Undertakings only. The Annual Report (including the Additional Information) for the fiscal year ended June 30, 2022 was filed on April 10, 2023, which constituted a late filing under all of the City's continuing disclosure undertakings. The Annual Report (including the Additional Information) for the fiscal year ended June 30, 2023 was filed on March 29, 2024, which constituted a late filing under the Pre-2012 Undertakings only.

In its existing continuing disclosure undertakings, the City has agreed to include in the Annual Report certain information with respect to the City's top ten largest taxpayers. This information for the fiscal year ended June 30, 2023 was not available to the City at the time that the Annual Report was finalized and filed on March 29, 2024. The City made a late filing with respect to such information on May 1, 2024.

ARTICLE III

OPERATING RULES

SECTION 3.1. Reference to Other Documents. It shall be sufficient for purposes of Section 2.2 hereof if the Issuer provides Annual Financial Information by specific reference to documents (i) available to the public on the MSRB's EMMA System website (currently, www.emma.msrb.org) or (ii) filed with the SEC. The provisions of this Section 3.1 shall not apply to notice of Notice Events pursuant to Section 2.4 hereof.

SECTION 3.2. Submission of Information. Annual Financial Information may be provided in one document or multiple documents and at one time or in part from time to time.

SECTION 3.3. Dissemination Agents. The Issuer may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the Issuer under this Certificate and revoke or modify any such designation.

SECTION 3.4. Transmission of Notices, Documents and Information. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the EMMA system, the current Internet website address of which is www.emma.msrb.org.

All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 3.5. Fiscal Year. (a) The Issuer's current fiscal year is July 1 to June 30, and the Issuer shall promptly notify the MSRB of each change in its fiscal year.

Annual Financial Information shall be provided at least annually notwithstanding any fiscal year longer than twelve (12) calendar months.

ARTICLE IV

EFFECTIVE DATE, TERMINATION, AMENDMENT AND ENFORCEMENT

SECTION 4.1. Effective Date; Termination. (a) This Certificate shall be effective upon the issuance of the Bonds.

The Issuer's obligations under this Certificate shall terminate upon legal defeasance, prior redemption or payment in full of all of the Bonds.

This Certificate, or any provision hereof, shall be null and void in the event that (i) the Issuer shall have received an opinion of Counsel, addressed to the Issuer, to the effect that those portions of the Rule which require this Certificate, or any such provision, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed or otherwise, as shall be specified in such opinion, and (ii) the Issuer shall have delivered copies of such opinion to the MSRB.

SECTION 4.2. Amendment. (a) This Certificate may be amended, by written certificate of the Director of Finance of the Issuer, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (i) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Issuer or the type of business conducted thereby, (ii) this Certificate as so amended would have complied with the requirements of the Rule as of the date of this Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (iii) the Issuer shall have received an opinion of Counsel addressed to the Issuer, to the same effect as set forth in clause (ii) above, (iv) the Issuer shall have received an opinion of Counsel, addressed to the Issuer, or a determination by an entity, in each case unaffiliated with the Issuer (such as Bond Counsel) and acceptable to the Issuer, to the effect that the amendment does not materially impair the interests of the holders of the Bonds and (v) the Issuer shall have delivered copies of such opinion and amendment to the MSRB.

This Certificate may be amended, by written certificate of the Director of Finance of the Issuer, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (i) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date hereof which is applicable to this Certificate, (ii) the Issuer shall have received an opinion of Counsel, addressed to the Issuer, to the effect that performance by the Issuer under this Certificate as so amended will not result in a violation of the Rule and (iii) the Issuer shall have delivered copies of such opinion and amendment to the MSRB.

This Certificate may be amended, by written certificate of the Director of Finance of the Issuer, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (i) the Issuer shall have received an opinion of Counsel, addressed to the Issuer, to the effect that the amendment is permitted by rule, order or other official pronouncement, or is consistent with any interpretive advice or no-action positions of the Staff of the SEC and (ii) the Issuer shall have delivered copies of such opinion and amendment to the MSRB.

To the extent any amendment to this Certificate results in a change in the types of financial information or operating data provided pursuant to this Certificate, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made pursuant to Section 4.2(a) hereof to the accounting principles to be followed by the Issuer in preparing its financial statements, the Annual Financial Information for the fiscal year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

SECTION 4.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Certificate shall constitute a contract with and inure solely to the benefit of the holders from time to time of the Bonds, except that beneficial owners of Bonds shall be third-party beneficiaries of this Certificate. The provisions of this Certificate shall create no rights in any person or entity except as provided in this subsection (a) and in subsection (b) of this Section 4.3.

The obligations of the Issuer to comply with the provisions of this Certificate shall be enforceable by the holders of the Bonds, including beneficial owners thereof. The Bondholders' rights to enforce the provisions of this Certificate shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the Issuer's obligations under this Certificate and the Resolution. In consideration of the third-party beneficiary status of the beneficial owners of the Bonds pursuant to subsection (a) of this Section 4.3, the beneficial owners shall be deemed to be holders of the Bonds for purposes of this subsection (b).

Any failure by the Issuer to perform in accordance with this Certificate shall not constitute a default under the Resolution and any rights and remedies provided by the Resolution upon the occurrence of a default shall not apply to any such failure.

This Certificate shall be construed and interpreted in accordance with the laws of the State, without regard to its conflict of laws rules, and any suits and actions arising out of this Certificate shall be instituted and tried only in the Circuit Court of the City of Roanoke, Virginia; provided, however, that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

IN WITNESS WHEREOF, the undersigned have executed this Certificate as of the date first above written.

CITY OF ROANOKE, VIRGINIA

By: ____________________________________
Title: City Manager

By: ____________________________________
Title: Director of Finance

ROANOKE