

FOR THE FISCAL YEAR ENDED JUNE 30, 2022



Annual Comprehensive Financial Report

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



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

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2022

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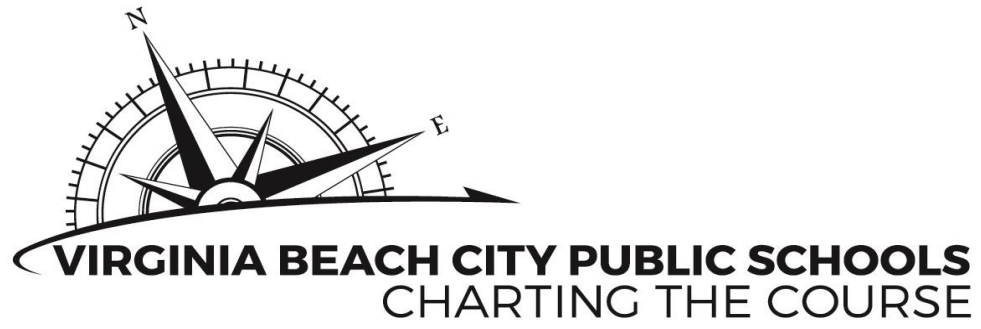
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**School Board of the City of Virginia Beach, Virginia
Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2022**

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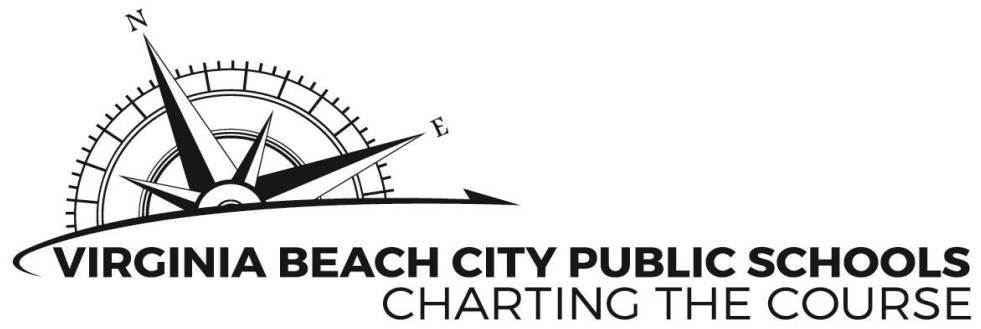
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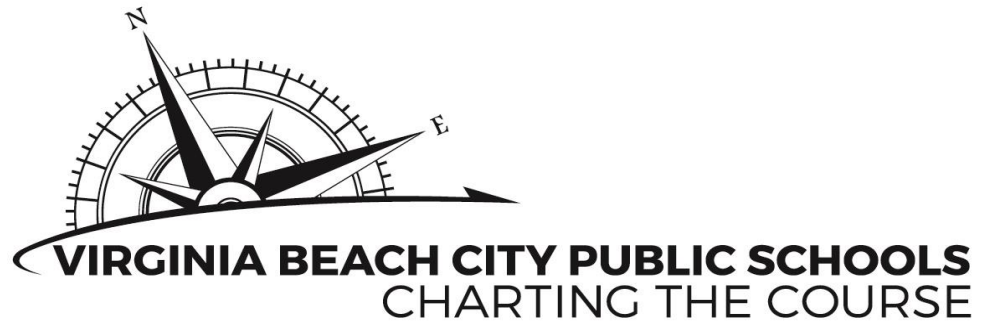
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INTRODUCTORY SECTION



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VIRGINIA BEACH CITY PUBLIC SCHOOLS

CHARTING THE COURSE

December 14, 2022

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

We are pleased to submit to you the Annual Comprehensive Financial Report (the ACFR) of the School Board of the City of Virginia Beach, Virginia (the School Board) for the fiscal year ended June 30, 2022. Responsibility for the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Governmental Activities and various funds of the School Board. All disclosures necessary to enable the reader to gain an understanding of the School Board's financial activities have been included.

The ACFR is divided into four sections:

Introductory Section – includes this Transmittal Letter, reproductions of the Government Finance Officers Association's (GFOA) and the Association of School Business Officials' (ASBO) financial reporting certificate awards, the School Board members (June 30, 2022), and an Organizational Chart (June 30, 2022).

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

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

Compliance Section – includes the Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

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

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

THE REPORTING ENTITY AND ORGANIZATION

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

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

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

The School Board is fiscally dependent (i.e., it does not have taxing or levying authority, or borrowing authority). It derives most of its funding from allocations from the City and the Commonwealth of Virginia. It is the fourth largest school division in the Commonwealth of Virginia.

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

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

ECONOMIC CONDITION AND OUTLOOK

The School Board serves Virginia Beach, the largest city in the Commonwealth of Virginia with a population of approximately 450,000 people, and oversees Virginia Beach City Public Schools (VBCPS), the fourth largest school system in Virginia, with an enrollment of roughly 64,000 students and more than 10,000 employees. Situated on the coast of the Atlantic Ocean adjacent to the Chesapeake Bay, Virginia Beach is 146 air miles from Washington, D.C.

Virginia Beach is well known as a resort community. Its diversification, however, has been the underlying strength of the city's economy. Major components of the city's economic base include: advanced manufacturing, information technology, professional services, biomedical, offshore wind, agriculture, the military community consisting of three bases, and the omnipresent resort and convention trade. The largest employment sector in Virginia Beach is the government sector, which is composed of federal, civilian, military, state and local governments. The city has been designated as America's "Best City for Renters" (2022) by GoBankingRates, 11th "Best Run City" (2022), and third "Hardest Working City in America" (2022) by WalletHub. It was also recognized as being in the top 10 of mid-sized cities with "Best Economic Growth Potential" (2019) by Business Facilities, "The Most Desirable City in the U.S." (2022) by TheStreet and the "Most Technologically Advanced City of its Size in America" (2020) by The Center for Digital Government.

In order to meet the City's goal to grow the tax base, the City has various economic development initiatives. The ongoing Economic Development Investment Program (EDIP) promotes business development attraction and expansion.

For FY 2022, a total of \$479,200 of EDIP funds were approved for five projects, which are intended to leverage more than \$15.1 million in private investment (ratio of \$31 private investment to \$1 public investment). Since the inception of EDIP in 1994, the City and the Virginia Beach Development Authority (VBDA) have awarded 328 EDIP grants totaling \$68.6

million, which was intended to generate more than \$2.6 billion in private investment and create and retain 40,352 jobs.

During FY 2022, there were 27 announcements of new businesses or business expansions that anticipate generating 800 new jobs and \$286 million in capital investment. These include various sectors: manufacturing (BMK, Architectural Graphics Inc., SANJO Forte, Forbes Candies,), defense/manufacturing (Zero Point), office (United Property Associates), warehousing/distribution/logistics (project Door), and information technology (Assured Communications Advisors formerly ACA International). In addition, VBDA provided financial support to small, locally owned businesses through the Façade Improvement Grant program. Nineteen grants were awarded, totaling \$133,141, which resulted in \$1.1 million private investment.

In addition, in 2022 the City created a new small business loan program, “Virginia Beach Small Business Capital Access Program,” to support entrepreneurs and to help grow local small businesses. This collaboration between the Department of Economic Development and Local Initiatives Support Corporation of Hampton Roads has made \$400,000 available to qualifying small businesses through zero-interest loans ranging from \$15,000 to \$25,000 with no payments required for the first six months.

During FY 2022, the City Council continued its support for business recovery from the economic impacts of the COVID-19 pandemic with the provision of \$10 million of funds it received from the American Rescue Plan Act to be allocated to qualifying businesses through the “VBthrive Business Relief Grant Program,” which is a collaborative initiative with Local Initiatives Support Corporation of Hampton Roads and the United Way of South Hampton Roads. Of these grant funds \$5 million is targeted to the tourism-related hospitality industry including hotels, restaurants, catering businesses, drinking places and mobile food services.

In addition to being a wonderful place to live, work and play, Virginia Beach is a fun place to visit. The city is well known as a year-round destination for business and pleasure. Veterans United Home Loans Amphitheater, one of the nation’s top outdoor amphitheaters, held 12 events in 2021 with attendance of 108,000 patrons.

Town Center of Virginia Beach is the heart of a mixed-use, “main street” style development within the city's Central Business District and the home of major entertainment, cultural, business and retail activities. Town Center spans 25 acres and 17 city blocks in the Pembroke area of the city, bounded by Virginia Beach Boulevard, Constitution Drive, Columbus Street and Independence Boulevard. The complex is projected to ultimately include more than 1,000,000 square feet of Class “A” office space and more than 830,000 square feet of multilevel upscale retail space. It currently includes a business-class hotel and conference center, luxury apartments and condominiums, performing arts theater, fine dining, specialty shops and free structured parking. Recent growth of the project has encouraged many high-end international retailers to move to Town Center, including Anthropologie, Lululemon Athletica, Free People and West Elm. The newest phase of Town Center included 33,000 square feet of new retail space anchored by Pottery Barn and Williams Sonoma, a 17,000 square-foot experimental

theater, a 5,000 square-foot restaurant, public plaza and 131 new apartments which opened in fall 2018.

Spinoff projects due to the success of Town Center include, a 120-room Residence Inn by Marriott hotel, which was completed in spring 2019; a \$26.3 million 92,000-square-foot, 127-room Hyatt Place hotel located across from Pembroke Mall, which opened summer 2019; and a \$19 million, 14-story, 120-room Hampton Inn by Hilton that was announced in 2020.

The success of Town Center has been a catalyst for other projects in the area. This includes the new CityView complex (opened April 2022), which is a \$103 million mixed-use development located at the intersection of Bonney Road and Constitution Drive adjacent to Town Center. The project includes one 525,000-square-foot six-story building with 13,867-square-feet of ground floor commercial space for lease, 219 apartments with amenities including a pool, grills, fire pits, fitness center, and a rooftop patio; and a Fairfield Inn and Suites hotel with 120 rooms.

Across Virginia Beach Boulevard from Town Center is the 1966-era Pembroke Mall, which is a 54-acre complex undergoing a \$200 million redevelopment as a mixed-use commercial and residential complex rebranded as Pembroke Square. As planned, the project will involve demolition of the center section of the mall and replacement with: a 153-unit Aviva Pembroke Senior Living Community in partnership with Beth Shalom Village (construction anticipated to begin October 2022 with scheduled completion in 2024); a 324-unit, five-story apartment building (anticipated construction to begin in early 2023 with opening scheduled in fall 2025); a 14-story, 209-room Tempo/Homewood Suites by Hilton hotel (construction anticipated to begin in 2023 with scheduled opening in summer 2025); and a public parking garage. Two 18- to 22-story office buildings are planned for a later phase of the project. (source: Virginia Business, Sept. 29, 2022, and April 28, 2022).

The Central Business District is home to three business accelerators: The VB HIVE, Small Business Resource Center, Bio Accelerator, and International Incubator for supporting innovation, entrepreneurship and growth. The HIVE focuses on offering its community the opportunity to grow and scale early-stage businesses by acting as a knowledge hub, providing useful resources, and connecting like-minded individuals in the City and the region to help businesses flourish. The BIO Accelerator features 5,706 square feet of fully furnished space that includes wet/dry labs, private offices and conference rooms – open for both startups and small and growing companies. The International Incubator is geared toward foreign companies that need space to grow their sales volume before establishing their own office or manufacturing facility in the City.

Virginia Beach is a great city for business, boasting a skilled, educated workforce, strategic location, low tax rates and a dynamic, diverse economy. Because of its strategic mid-Atlantic location, both global and U.S. markets are readily accessed through a superior multimodal transportation network, which includes an extensive railway system, an international airport, vast shipping terminals and one of the East Coast's largest ports.

Virginia Beach offers a low-cost environment for doing business, as well as a mix of commercial properties suitable for national and international business operations. A key component to the city's economy is international business development, as nearly 200 foreign-based companies are located in the area in addition to the many local companies who also operate around the globe. With 12 foreign consular offices and direct shipping to all the world's major ports, the Virginia Beach Metropolitan Statistical Area (MSA) is truly an international business gateway.

The subsea cable industry is still connecting continents, countries and cities; and Virginia Beach has the infrastructure for the digital economy.

MAREA: Connecting Virginia Beach to Bilbao, Spain. The world's highest capacity subsea cable and first transatlantic cable to make terrestrial landfall in the mid-Atlantic region

BRUSA: Connecting Virginia Beach to Rio de Janeiro, Brazil and Puerto Rico. An extension of the Brusa cable, called "Junior" will provide a direct extension to the lower part of South America.

DUNANT: Connecting Virginia Beach to Saint-Hilaire-de-Riez, France

SAEx: This cable is projected to land in 2026.

Confluence - 1: A proposed undersea cable system linking the largest recently installed cable landing stations on the East Coast of the United States.

In an increasingly connected world, these cables are key assets for global communications in terms of low latency, resiliency, reliability, flexibility and greater capacity. Multiple carrier-neutral data centers already exist in Virginia Beach and the development of new facilities will most likely grow as the ecosystem expands. Data centers are being constructed in Virginia Beach to support the industry and newly constructed cables. Some of the recent announcements include:

Globalinx completed a 10,750-square-foot carrier-neutral colocation carrier hotel facility and data center (Phase I) that opened in the first quarter of 2019. A Phase II expansion, comprising of a 22,000-square-foot data center, is planned with design and construction anticipated to occur in mid-2023.

PointOne, a hyperscale data center developer headquartered in Alberta, Canada, will restart construction later in 2023 of two 31,000-square-foot facilities that will house edge computing data centers, a cable landing station for future subsea cables and an international internet business exchange. The investment will total \$80 million.

SimIS Inc. (a simulation and modeling and information security company) was granted an Option to purchase four acres of land located in Corporate Landing Business Park to build a data center/data-ecosystem facility.

Assured Communications Advisors (formerly ACA International LLC) - The company was granted an Option to purchase 14 acres of land in Corporate Landing Business Park for the construction of a data center facility – operational by mid-2024.

Some of the recent infrastructure improvements include:

The VBDA owns the conduit system supporting the data centers. This \$1.2 million project was recently completed on Corporate Landing Parkway with diverse conduit runs consisting of 2 X 8 (total 16 conduits) 4" conduits which include three 1.25" inner-ducts located in each conduit.

Regional High-Speed Broadband - The Regional Connectivity Ring project, an open-access telecommunications network to connect the region to the transatlantic subsea fiber optic cables in Virginia Beach. The project is being developed by the Southside Network Authority, comprised of members of the City Councils, Chief Administrative Officers, and Chief Information Officers, who will also manage the usage and the utilization of the fiber ring. As planned, the project will be constructed in four phases and is currently in Phase 1 to construct 119-mile fiber ring to connect the five southside cities (Chesapeake, Norfolk, Suffolk, and Virginia Beach) to the MAREA cable including the construction of 40+ miles of fiber in Virginia Beach. The Ring will connect to high-speed broadband networks through carrier-neutral "hotels" such as Gloabalinx, among others. The estimated cost for Phase 1 is between \$23 and \$28 million. Virginia Beach funded its share of the cost using \$7 million in American Rescue Plan Act funds. Groundbreaking for Phase 1 occurred in April 2022 and construction completion is anticipated by the end of 2023. Future project phases will extend the network further in the Hampton Roads region to provide broadband service to the 17 local jurisdictions and 1.7 million people. This project has multiple benefits to the City and region. This fiber ring could potentially serve internet service providers in areas where the providers lack a presence and will provide opportunity for new internet service providers to enter the market and expand the high-speed internet options available to Hampton Roads communities at competitive rates. In addition, the project will provide the infrastructure to attract companies needing access to high-speed internet, support business incubators, data centers, collaborations between educational and bio-medical institutions, and expanded bandwidth for growing educational needs.

Other economic development initiatives underway in Virginia Beach include the emergence of the offshore wind energy industry.

Virginia Beach, in collaboration with its offshore wind partners, is positioned to become one of the main offshore wind energy hubs in the nation; and the City is taking steps to prepare for the industry's success by working with other companies that specialize in the development, construction, operations and maintenance of this renewable energy source. The City has partnered with Tidewater Community College and appropriated \$1.9 million to purchase offshore wind training equipment that will support the industry's workforce development.

Further workforce development efforts include a Memorandum of Understanding (MOU) with the New Anglia Local Enterprise Partnership in the east of England, an area well-known for its advanced offshore wind industry. This MOU will facilitate the collaboration between academic institutions and training programs that will help build and sustain a skilled local workforce for the offshore wind industry in Virginia Beach.

Currently, there are two commercial offshore wind energy projects that will begin harnessing 5.1 GW offshore wind power off the Virginia Beach coast between 2024-2026. These projects are an important first step toward offshore wind development for Virginia and the United States.

Coastal Virginia Offshore Wind (CVOW) Development

Building on the experience gained from the CVOW pilot, in September 2019, Dominion Energy filed a request with PJM Interconnection for a commercial-scale offshore wind farm. The commercial project is scheduled to be built in three 880-megawatt phases, from 2024 to 2026, and would bring an additional 2.64 gigawatt (GW) of offshore wind energy online. In a commercial-scale buildout such as this, approximately 180 turbines can be erected; however, the exact quantity is subject to final project site conditions and the design layout of the wind farm. As currently envisioned, this \$9.8 billion project will be capable of generating enough electricity to power 660,000 homes (Source: Dominion Energy).

Kitty Hawk Offshore

Kitty Hawk Offshore is a wind project of Avangrid Renewables and will be the second commercial offshore wind project to bring offshore wind power to Virginia Beach. This \$5-\$8 billion project has the potential to yield 2.5 GW of electricity. As part of the onshore project, Avangrid Renewable had secured options from Virginia Beach to acquire 20 acres of land in the Princess Anne Commons area and 30 acres in Corporate Landing Business Park to locate two substations. The regional investment is estimated to be between \$60- to- \$310 million including the creation of 11,500 jobs. The construction is anticipated to begin in 2024 with completion in 2026 (Source: Kitty Hawk Offshore Wind).

Major Resort Development Projects

On July 10, 2018, City Council authorized the design-build of the Virginia Beach Sports Center. The Center is City-owned and privately operated, and the debt for the project is paid by tourism funds through the Tourism Investment Program Fund, which includes primarily hotel and restaurant meal taxes generated by visitors. This project was designed to attract tournament events from outside the region and to provide an amenity for local events. The Center opened in October 2020 (a month sooner than projected).

Since 2017, the city has been working exclusively with Venture Realty Group to transform the land between 18th and 20th streets, one of the last remaining open spaces in the heart of the resort area. Venture Realty Group won the City's favor with its proposal to develop the former Dome Site into a vibrant, year-round Atlantic Park. The preliminary project master plan calls for a combined investment of \$350 million (private: \$230+/- million and public: \$119 +/-million). The project continues in preliminary design and the developers expect to break ground for construction in late 2022. Features of the mixed-use development:

- Year-round destination with programming for locals and tourists
- Wavegarden Surf Park (1,000 waves per hour)
- Live entertainment venue to accommodate 3,500 ticketholders
- Unique/new to market retail & restaurants
- Additional entertainment concepts
- 425 market rate residential units

NAS Oceana and Future Base Design Development Opportunities

NAS Oceana is one of the most important contributors to the economic stability of the city and the Commonwealth of Virginia. According to the most recent Economic Impact Report for the Federal Fiscal Year 2020 from the U.S. Department of the Navy, Navy Region mid-Atlantic the base (including Dam Neck Annex and NALF Fentress) employed 9,951 active-duty personnel, as well as 10,227 civilians/contractors, with a total military and civilian payroll of more than \$2 billion and produced more than \$229 million in goods, services and travel expenditures.

Future Base Design Initiative: NAS Oceana is implementing Future Base Design – an innovative public-private business model that could change the landscape around NAS Oceana while generating critical resources for improving infrastructure. Through this innovative program, nearly 1,100 acres of land will become available for development around NAS Oceana. This property is ideal for data centers and to locate battery storage systems - near cable landing stations and power sub-stations, that are connected to lines coming in from offshore wind turbines. On Jan. 6, 2022, as part of the Future Base Design initiative, the Virginia Beach Development Authority and the U.S. Navy/Navy Mid-Atlantic Regional Command entered into an Intergovernmental Support Agreement for services to be provided by the Authority to market and promote the renovation, redevelopment and utilization of Navy real property including feasible incentives to increase marketability of the sites.

MAJOR INITIATIVES

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

For the 14th consecutive year, VBCPS has continued to maintain record levels with respect to the On-Time Graduation (OTG) rate, which stands at 94.9% for the 2022 cohort year, and a low dropout rate of 2.9%. VBCPS also outperformed Virginia's rates of 92.1% for OTG and 5.2% for dropouts.

Another indicator of the remarkable success of the school community is the Virginia Department of Education pass rates from the Standards of Learning Assessments for 2021-2022. Even under the extraordinary circumstances of the past several years, VBCPS remains accredited and students in VBCPS outperformed **all** local districts in reading, writing, math and science. The division also outperformed seven other comparable divisions in Virginia in reading and mathematics for the first time in recent history, proving that the teachers, staff, students, and families remained engaged and focused on their education and well-being.

VBCPS was also awarded the School Division of Innovation designation for efforts aimed at providing students more rigorous, relevant, and real-world learning opportunities that help them demonstrate life and career-ready skills and result in an actionable plan after graduation. Academic and Career Planning is now mapped from elementary school through graduation. This highlights that VBCPS is intentional about when and how its youngest students begin to be aware of careers and how their educational choices shape their opportunities. VBCPS believes

that providing work-based learning (WBL) experiences for all students is a necessary part of preparing them to go out into the world. This is demonstrated through the division's work to expand the robust WBL models at the Entrepreneurship and Business Academy, Advanced Technology Center, and Technical and Career Education Center (CTE) to all high schools. It is also supported by the hiring of a fulltime Work Based Learning Specialist in the fall of 2021 and the development of systems to scale models at the three sites mentioned.

Since the industry credential program began in 2002, over 140,000 industry credentials have been earned by VBCPS students. Each year, students have access to over 100 different credentials that link to career fields. Even during the last two pandemic years, more than 10,000 tests annually have been given to help students validate their skills for careers.

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

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

The recently launched Environmental Studies Program at the Chesapeake Bay Foundation's Brock Environmental Center continues to set the bar on sustainable education. The program offers a unique opportunity for students to expand their understanding of sustainable economics and business innovation, social sustainability, environmental sustainability and natural resource stewardship. This program is the first of its kind in the region and is preparing students for a fast-growing market in careers that are creating meaningful change to protect our planet.

Great Neck and Salem middle schools have earned distinction as Advancement Via Individual Determination (AVID) National Demonstration Schools. AVID is a college readiness system designed to level the playing field for all students by providing access, equity, and support to students in the academic middle. These students are often first-generation college students and traditionally underrepresented populations. Students learn to develop and refine their skills to best prepare to become successful lifelong learners. VBCPS started using AVID in 1998, and 22 schools now use the program.

VBCPS cares deeply about each and every student's academic experience, but also about their overall social emotional needs. One of the ways the division is working to enhance those

experiences is through the recent hiring of Family Outreach Representatives to help traditionally underserved families navigate the education process. Along with that, VBCPS has launched a "Language Ambassadors" program using volunteers to help welcome families whose first language isn't English into schools.

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

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

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

As a part of our continued commitment to carry out Board Policy 5-4, Educational Equity, VBCPS completed a division-wide equity assessment and formed an administrative equity planning committee that drafted an equity plan that aligns with the six goals in the strategic framework.

Key priorities of the equity plan include:

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

As the division continues to evaluate the effects of the pandemic on its students and families, VBCPS is dedicated to charting a course for each individual student that includes inclusive, meaningful learning experiences along with the social emotional support and skill-building that will prepare them for long-term success.

FINANCIAL INFORMATION

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School Board are protected from loss, theft, or misuse;

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

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

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

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

Long-term financial planning includes a five-year forecast submission to the City establishing underlying assumptions about expected costs, revenues, position turnover, inflation, and enrollment as well as evaluating the budget impact of post-employment benefits, the risk management program, and assessing the fiscal impact of the capital improvement program on the school division's operations. With over 50 percent of General Fund revenue derived from the City appropriation, assumptions regarding the City's revenue growth play a major role in forecast results and the budget development process. In addition, nearly 85 percent of the School Board's Operating budget is tied to personnel and assumptions related to salary

increases, rise in healthcare costs and the impact of pension costs and other post-employment benefits are significant factors in future forecasting.

INDEPENDENT AUDIT

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

FINANCIAL REPORTING CERTIFICATE AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School Board for its ACFR for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a governmental entity financial report. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. The ACFR must satisfy both GAAP and applicable legal requirements. A GFOA Certificate is the highest form of recognition awarded in the field of governmental financial reporting and is valid for a period of one year only. We believe that our current ACFR continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine the School Board's eligibility for another certificate award.

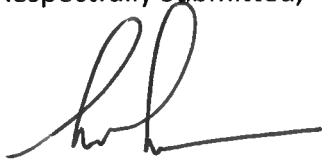
In addition, the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the School Board for its ACFR for the fiscal year ended June 30, 2021. ASBO sponsors this Certificate of Excellence in Financial Reporting program to foster excellence in the preparation and issuance of school system annual financial reports. This prestigious international certificate award is the highest form of recognition in school financial reporting and is valid for a period of one year only. We believe that our current ACFR conforms also to the ASBO program requirements, and we are submitting it to the ASBO to determine the School Board's eligibility for another certificate award.

ACKNOWLEDGMENTS

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

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

Respectfully Submitted,

A handwritten signature in black ink, appearing to be 'A. Spence', with a long horizontal stroke extending to the right.

Aaron C. Spence, Ed.D.
Superintendent

A handwritten signature in black ink, reading 'Crystal M. Pate' in a cursive style.

Crystal M. Pate, MPA, CPA
Chief Financial Officer

A handwritten signature in black ink, reading 'Daniel G. Hopkins' in a cursive style.

Daniel G. Hopkins, CPA
Director of Business Services

**SCHOOL BOARD
OF THE
CITY OF VIRGINIA BEACH, VIRGINIA
June 30, 2022**



Carolyn T. Rye
Chair
District 5 - Lynnhaven



Kimberly A. Melynk
Vice Chair
District 7 - Princess Anne



Sharon R. Felton
District 6 - Beach



Dorothy M. Holtz
At-Large



Jennifer S. Franklin
District 2 - Kempsville



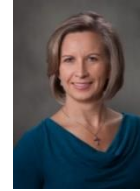
Laura K. Hughes
At-Large



Jessica L. Owens
District 3 - Rose Hall



Beverly M. Anderson
At-Large



Victoria C. Manning
At-Large



Trenace B. Riggs
District 1 - Centerville



Carolyn D. Weems
District 4 - Bayside



Dr. Aaron C. Spence
Superintendent



Government Finance Officers Association

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

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

School Board of the City of Virginia Beach

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

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



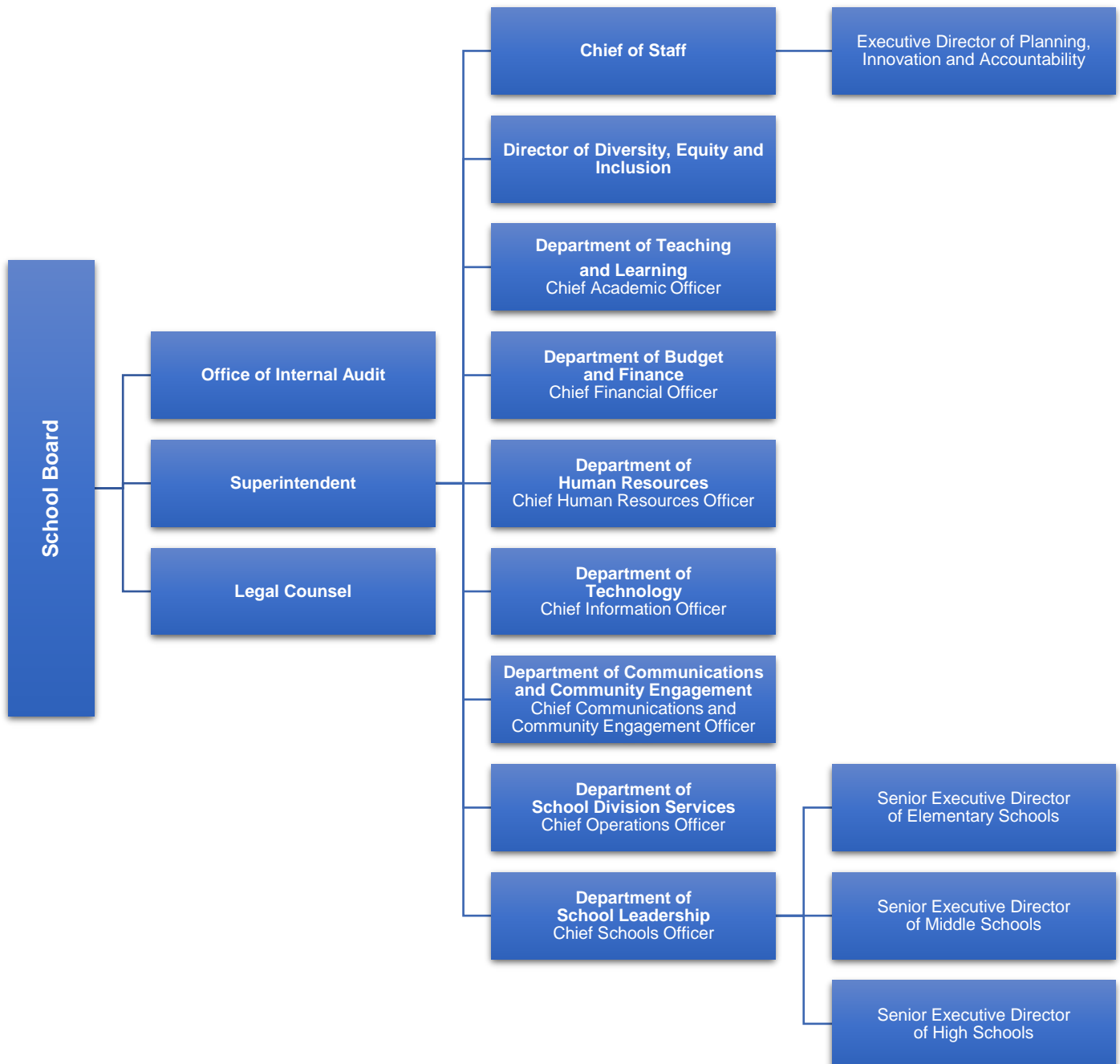
A handwritten signature in black ink, reading 'Will A. Sutter'.

William A. Sutter
President

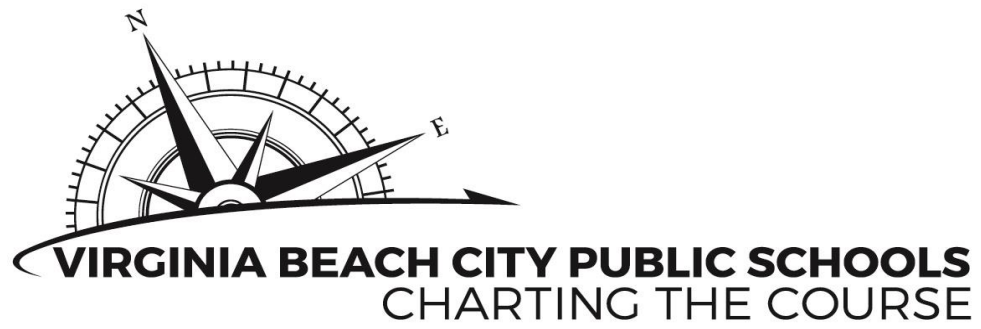
A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
Organizational Chart
June 30, 2022



FINANCIAL SECTION



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Report of Independent Auditor

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board of the City of Virginia Beach, Virginia (the "School Board"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying Other Supplementary Information, as listed in the table of contents, is 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

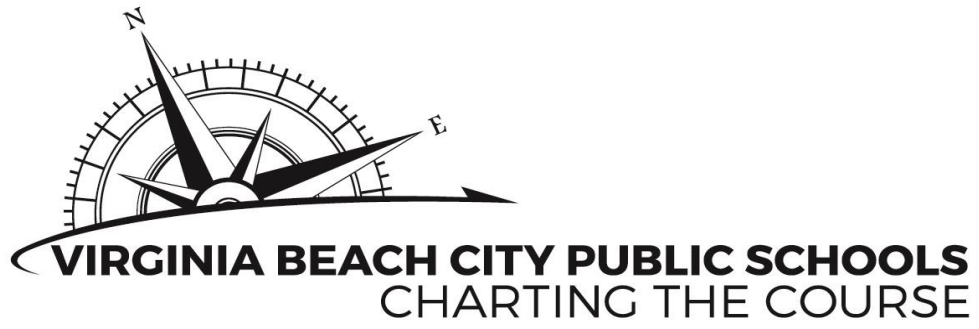
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School Board's internal control over financial reporting and compliance.

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

Virginia Beach, Virginia
December 14, 2022



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SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Management’s discussion and analysis (MD&A) provides a narrative overview and analysis of the financial activities of the School Board of the City of Virginia Beach, Virginia (the School Board) as of and for the fiscal year ended June 30, 2022. The MD&A should be read in conjunction with the information contained in the transmittal letter, which begins on page 1, and the financial statements and notes, which immediately follow the MD&A.

FINANCIAL HIGHLIGHTS

Fiscal Year 2022 was a full year of return to in person operations following the COVID-19 worldwide pandemic. We continue to take all necessary precautions to make the year as normal as it can be for students and staff. Moving into the school year, we began to experience the economic price inflations, delays in receipt of goods, and struggled with maintaining and recruiting staff. With the help of increased federal grant funds, we were able to overcome such obstacles and maintain fiscal stability.

On a government-wide basis for governmental activities, the assets and deferred outflows of the School Board exceeded its liabilities and deferred inflows by \$87,228,652 (net position) at June 30, 2022. Of this amount, \$564,465,917 is investment in capital assets, \$33,364,012 is restricted for grants, cafeterias, textbooks, and school activities, and (\$510,601,277) is an unrestricted deficit. The deficit is due to net pension liability and net OPEB liability in the amounts \$374,959,932 and \$144,993,753, respectively.

On a government-wide basis for governmental activities, the School Board’s revenues of \$1,091,463,736 exceeded expenses of \$952,286,866 by \$139,176,870.

The School Board’s Governmental funds reported total fund balances of \$177,004,444 at June 30, 2022. Of this amount, \$4,113,511 is nonspendable (i.e., inventories, prepaid items, and leases), \$33,364,012 is restricted (e.g. federal and state grantor agencies, cafeterias, textbook adoptions, school activities), \$111,913,690 is committed (e.g., capital projects contracts, communication towers/technology, vending, equipment replacement), and \$27,613,231 is assigned (e.g., instructional technology, athletics, instruction, administration, attendance, and health, pupil transportation, operations and maintenance, technology).

In the General Fund, the School Board returned unexpended appropriations and excess revenue (reversion) for Fiscal Year 2022 to the City of Virginia Beach, Virginia (City) in the amount of \$21,071,766, as required by the Code of Virginia, as amended. Based on the Revenue Sharing Formula between the City and the School Board, the initial reversion amount available for re-appropriation in FY2023 will be increased by \$27,222,401 due to certain City revenue streams coming in over budget for FY2022. The net reversion of \$48,294,167 is designated for use in Fiscal Year 2023 in the following manner; approximately \$46,294,167 will be re-appropriated to the CIP

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

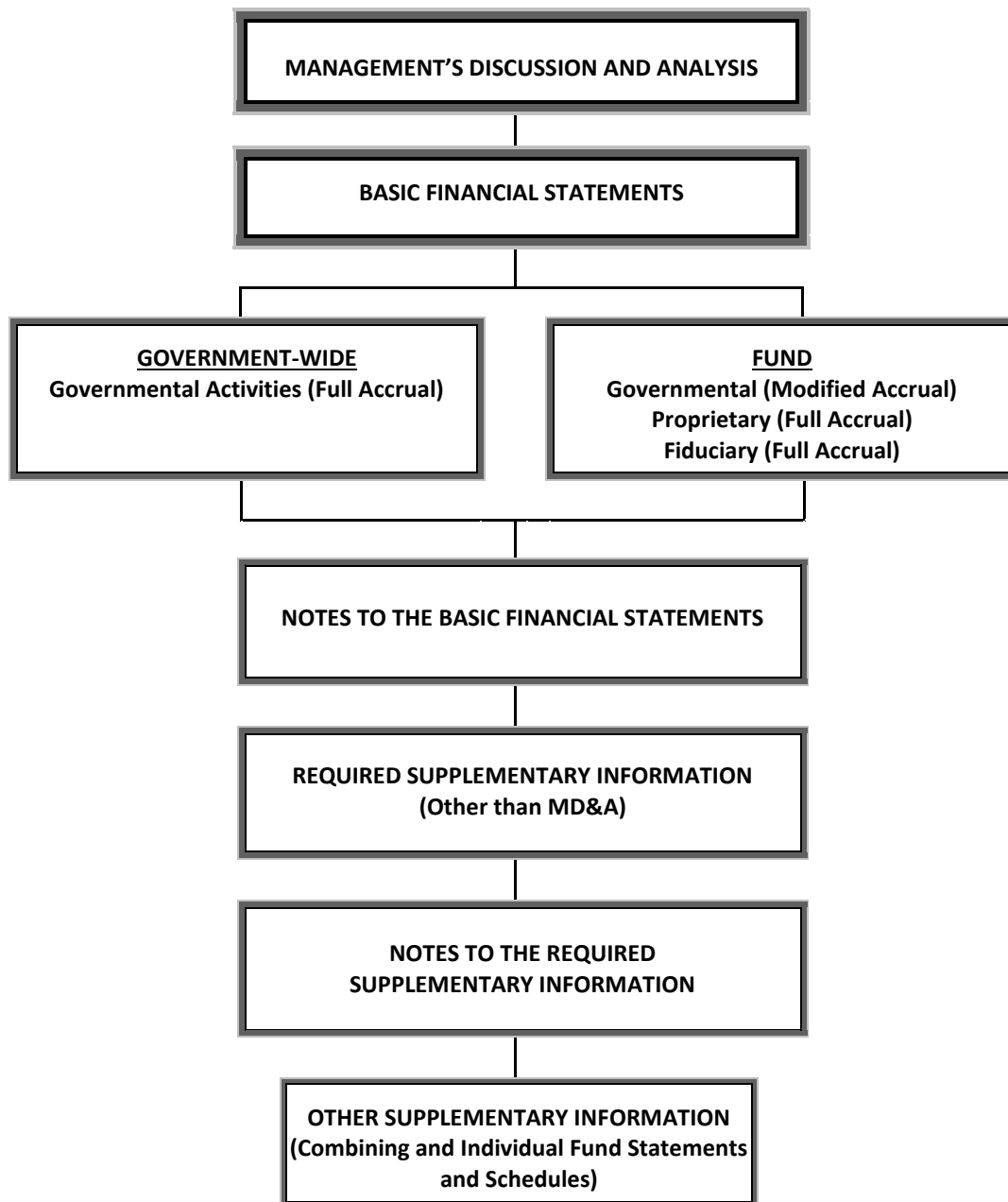
fund and \$2,000,000 re-appropriated to the Risk Management Fund to replenish funds paid out due to unexpected claims.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**



SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

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

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

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

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

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

Proprietary Funds

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

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

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

Fiduciary Fund

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

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

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

Notes to the Basic Financial Statements and the Required Supplementary Information

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

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

Other Information

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

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

NET POSITION

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$87,228,652 (net position) at June 30, 2022, as illustrated in the Summary of Net Position (with comparative amounts at June 30, 2021), as follows:

Summary of Net Position			
	2022	2021	Variance
Current Assets	\$ 384,690,711	\$ 301,280,425	\$ 83,410,286
Noncurrent Assets	<u>568,391,642</u>	<u>598,165,240</u>	<u>(29,773,598)</u>
Total Assets	<u>\$ 953,082,353</u>	<u>\$ 899,445,665</u>	<u>\$ 53,636,688</u>
Deferred Outflows	<u>\$ 177,570,604</u>	<u>\$ 213,756,038</u>	<u>\$ (36,185,434)</u>
Current Liabilities	\$ 137,883,504	\$ 141,283,794	\$ (3,400,290)
Net Pension Liability	374,959,932	748,825,120	(373,865,188)
Net OPEB Liability	144,993,753	147,744,327	(2,750,574)
Other Noncurrent Liabilities	<u>33,814,609</u>	<u>39,232,824</u>	<u>(5,418,215)</u>
Total Liabilities	<u>\$ 691,651,798</u>	<u>\$ 1,077,086,065</u>	<u>\$ (385,434,267)</u>
Deferred Inflows	<u>\$ 351,772,507</u>	<u>\$ 88,063,856</u>	<u>\$ 263,708,651</u>
Net Position:			
Invested in Capital Assets	\$ 564,465,917	\$ 598,165,240	\$ (33,699,323)
Restricted for:			
Grants	3,856,966	2,911,234	945,732
Cafeterias	19,014,788	8,899,538	10,115,250
Textbooks	5,509,053	8,291,593	(2,782,540)
School Activities	4,983,205	4,458,622	524,583
Unrestricted (Deficit)	<u>(510,601,277)</u>	<u>(674,674,445)</u>	<u>164,073,168</u>
Total Net Position (Deficit)	<u>\$ 87,228,652</u>	<u>\$ (51,948,218)</u>	<u>\$ 139,176,870</u>

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

An additional portion of the School Board's net position represents resources that are subject to external restrictions on their use. The \$510,601,277 unrestricted deficit reflects the effects of accounting principles generally accepted in the United States of America requirements for reporting pensions and OPEB activity. At June 30, 2022 the net pension liability is \$374,959,932 and the net OPEB liability is \$144,993,753.

CHANGES IN NET POSITION

The School Board's revenues of \$1,091,463,736 exceeded expenses of \$952,286,866 by \$139,176,870 for Fiscal Year 2022. Changes in Net Position (with comparative amounts for the year ended June 30, 2021), is illustrated as follows:

Changes in Net Position			
	2022	2021	Variance
<u>Revenues</u>			
Program Revenues:			
Charges for Services	\$ 6,549,464	\$ 3,408,114	\$ 3,141,350
Operating Grants	266,759,796	201,162,593	65,597,203
General Revenues:			
Local Government	520,622,167	416,765,494	103,856,673
State Basic Aid	177,729,756	183,758,757	(6,029,001)
State Sales Tax	98,227,243	87,120,778	11,106,465
Federal Impact Aid	14,339,468	14,948,341	(608,873)
Interest Earnings	219,891	313,213	(93,322)
Miscellaneous	6,388,283	2,792,203	3,596,080
Sale of Capital Assets	627,668	349,303	278,365
Total Revenues	<u>\$1,091,463,736</u>	<u>\$ 910,618,796</u>	<u>\$ 180,844,940</u>
<u>Expenses</u>			
Instruction	\$ 662,288,101	\$ 614,301,579	\$ 47,986,522
Admin, Attendance, & Health	37,088,876	39,059,615	(1,970,739)
Pupil Transportation	45,739,040	38,763,178	6,975,862
Operations and Maintenance	109,185,578	105,015,813	4,169,765
Cafeterias	36,566,426	29,494,063	7,072,363
Technology	61,418,845	54,919,511	6,499,334
Total Expenses	<u>\$ 952,286,866</u>	<u>\$ 881,553,759</u>	<u>\$ 70,733,107</u>
Change in Net Position	\$ 139,176,870	\$ 29,065,037	\$ 110,111,833
Net Position (Deficit) - July 1	<u>(51,948,218)</u>	<u>(81,013,255)</u>	<u>29,065,037</u>
Net Position (Deficit) – June 30	<u>\$ 87,228,652</u>	<u>\$ (51,948,218)</u>	<u>\$ 139,176,870</u>

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Total revenue increased by \$180,844,940 (19.9%). This is a net result of:

- An increase in local government revenue source of \$103,856,673 mainly due to bonds sold by the City for capital projects; and
- Increase in State Sales Tax revenue of \$11,106,465; and
- Increase in Operating Grants of \$65,597,203 due to federal COVID-19 grants.

Total expenses increased by \$70,733,107 (8.0%). This is a net result of:

- An increase in Instruction expenses of \$47,986,522 due to a 3.5% increase in salaries and grant funds received that provided employees additional stipends and recruiting incentives; and
- An increase in Cafeterias Special Revenue Fund of \$7,072,363 due to schools returning to full year of in person operations; and
- An increase in Pupil Transportation of \$6,975,862 due to the purchase of capital equipment, and
- An increase in Operations and Maintenance of \$4,169,765 due to building improvements; and
- An increase in Technology of \$6,499,334 due to technology expenditures funded by federal COVID-19 related grants.

Governmental Activities

The following illustration presents the cost of the governmental activities: Instruction; Administration, Attendance and Health; Pupil Transportation; Operations and Maintenance; Cafeterias; and Technology during Fiscal Years 2022 and 2021. The illustration also shows each activity's net cost (total cost less charges for services, operating grants, and capital grants). The net cost shows the financial impact that is placed on the School Board's general revenue sources (local government, federal and state aid, interest earnings, and other nonspecific revenue sources).

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Total and Net Cost of Governmental Activities				
	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
<u>Expenses</u>				
Instruction	\$ 662,288,101	\$ 513,563,854	\$614,301,579	\$ 459,296,361
Admin, Attendance, & Health	37,088,876	(15,292,751)	39,059,615	34,910,860
Pupil Transportation	45,739,040	44,679,325	38,763,178	38,340,213
Operations and Maintenance	109,185,578	108,927,801	105,015,813	104,800,494
Cafeterias	36,566,426	(8,060,552)	29,494,063	2,903,770
Technology	61,418,845	35,159,929	54,919,511	36,731,354
Total Expenses	<u>\$ 952,286,866</u>	<u>\$ 678,977,606</u>	<u>\$ 881,553,759</u>	<u>\$ 676,983,052</u>

FINANCIAL ANALYSIS OF THE SCHOOL BOARD'S FUNDS

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

GOVERNMENTAL FUNDS

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

As of June 30, 2022, the School Board's governmental funds reported combined fund balances of \$177,004,444, an increase of \$94,641,956 in comparison with the prior fiscal year balance. Of the total amount of the combined fund balances, \$4,113,511 is nonspendable (i.e., inventories, prepaid items, and leases), \$33,364,012 is restricted (e.g., federal and state grantor agencies, cafeterias, textbook adoptions, school activities), \$111,913,690 is committed (e.g., capital projects, communication towers/technology, vending, equipment replacement), and \$27,613,231 is assigned (e.g., instructional technology, athletics, instruction, administration, attendance, and health, pupil transportation, operations and maintenance, technology). The fund balance increased 114.9% mainly due to an increase in fund balance in the Capital Projects Fund, which resulted from a bond sale in the current fiscal year and no bond sale in the previous year. The following pages will provide additional fund balance information.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

General Fund

The General Fund is the general operating fund of the School Board that is used to account for all of the financial resources, except those required to be accounted for in another fund. At June 30, 2022, the fund balance of the General Fund was \$29,037,389. Of this amount, \$1,424,158 is nonspendable (i.e., prepaid items) and \$27,613,231 is assigned (e.g., instructional technology, athletics, instruction, administration, attendance, and health, pupil transportation, operations and maintenance, technology). The General Fund balance decreased \$8,359,799 due to an increase in encumbrances in the prior year because of delayed spending due to COVID-19.

General Fund Budget Amendment

<u>Amount</u>	<u>Purpose</u>
\$ 9,506,640	There was a supplemental budget amendment, other than for encumbrances, during fiscal year 2022. The General Fund budget amendment (e.g. startup costs for high school lacrosse program and one-time purchases/services for technology equipment and maintenance and repair projects) was funded through an increase in revenue from the local government.

General Fund Original Budget to Final Budget Difference Reconciliation

General Fund:

\$ 35,739,424 – FY 2021 Outstanding Encumbrances Appropriated
9,506,640 – Budget Amendment (See above)
\$ 45,246,064 – Original Budget to Final Budget Difference (including the Other Financing
Uses budget)

General Fund Final Budget to Actual Expenditures Variance Reconciliation

The following table presents a summary comparison of the General Fund's final budget compared to actual expenditures by type. The variance includes \$26,328,800 of outstanding encumbrances at June 30, 2022.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

	Final Budget	Actual	Variance from Final Budget	%
<u>Expenditures</u>				
Salaries and Benefits	\$701,482,837	\$689,832,342	\$11,650,495	1.66%
Purchased Services	63,205,082	52,750,510	10,454,572	16.54%
Other	24,503,954	21,585,268	2,918,686	11.91%
Materials and Supplies	52,661,914	41,373,823	11,288,091	21.44%
Capital Outlay	25,443,849	17,140,023	8,303,826	32.64%
Total Expenditures	<u>\$ 867,297,636</u>	<u>\$822,681,966</u>	<u>\$44,615,670</u>	<u>5.14%</u>

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

- Lower than expected expenditures for salaries and benefits due to vacancies and lapsed salaries;
- Lower than expected expenditures for purchased services due to reduced contractual services; variance includes \$8.2 million in carryover and other commitments;
- Lower than expected expenditures of other charges due to reduction of \$1.7 million in utilities usage and \$1.0 million due to reduction of travel;
- Lower than expected expenditures of materials and supplies due to a reduction of \$879 thousand in instructional supplies; \$441 thousand in custodial supplies; variance includes \$9.8 million in carryover and other commitments;
- Capital Outlay variance includes \$8.3 million in carryover and other commitments.

Transfers:

\$ 4,020,167 – Final Budget to Actual Expenditures Variance

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

Special Revenue Funds

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Major Funds:

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

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

Nonmajor Funds:

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

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

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

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

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

School Grants Fund: During Fiscal Year 2022, revenues and other financing sources totaled \$102,625,603 and expenditures totaled \$101,679,871. This resulted in an increase in the fund balance of \$945,732, due to a net increase in local match requirements. The remaining fund balance will be used for the required local match of Commonwealth of Virginia approved FY 2022 grant proceeds to be disbursed in FY 2023.

School Cafeterias Fund: During Fiscal Year 2022, revenues totaled \$44,678,352 and expenditures totaled \$34,391,811. This resulted in an increase in the fund balance of \$10,286,541. This is due to an increase in Federal funding received to compensate for prior year losses due to

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

COVID-19. The remaining fund balance will be used to support increasing food and labor costs, as well as continue the expansion of the Scratch Cooking Initiative.

Nonmajor Special Revenue Funds: During Fiscal Year 2022, revenues totaled \$10,974,193 and expenditures totaled \$11,031,442. This resulted in a combined decrease in the fund balances of all nonmajor Special Revenue funds of \$57,249. The Communication Towers/Technology, School Vending Operations, and School Activity funds had an increase in fund balance while the School Textbook fund and School Equipment Replacement fund incurred an expected decrease in fund balance. The remaining fund balances of these nonmajor Special Revenue funds will be used in the future for technology purposes, equipment replacements and other appropriate needs.

Proprietary Funds – Internal Service Funds

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

During Fiscal Year 2022, total revenues including nonoperating revenues and transfers amounted to \$161,552,744. Expenses totaled \$165,572,944. This resulted in a decrease in net position of \$4,020,200 due to the planned use of the School Health Insurance Fund Net Position and increased claims cost in the Risk Management Fund.

Capital Projects Fund (Major Fund)

During Fiscal Year 2022, revenues including other financing sources totaled \$118,863,421 and expenditures totaled \$27,036,690. This resulted in an increase in the fund balance of \$91,826,731 due to the sale of bonds by the City in the current fiscal year.

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

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Princess Anne Middle School Replacement
 Energy Performance Contracts
 Lynnhaven Middle School Expansion

Renovations/Replacements-HVAC Systems
 Renovations/Replacements-Reroofing
 Renovations/Replacements-Grounds

CAPITAL ASSETS

Section 15.2-1800.1 of the Code of Virginia, as amended, affects the reporting of local School Board capital assets and related debt for financial reporting purposes. Under this legislation, the City has a "tenancy in common" with the School Board whenever the City incurs "on-behalf of" debt for any school property which is payable over more than one year. For financial reporting purposes, the City will report the Net Book Value of School Board property equal to the total outstanding principal balance of the applicable "on-behalf of" debt at June 30, 2022. The below illustration reflects capital assets remaining with the School Board (net of those that have been transferred between the School Board and the City as the outstanding principal balance changes).

The School Board's investment in capital assets for its governmental activities as of June 30, 2022 amounts to \$564,465,917 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements other than buildings, machinery/equipment and vehicles. The total decrease in the School Board's investment in capital assets for the current fiscal year was 5.63%, as follows:

Capital Assets (net of accumulated depreciation) As of June 30, 2022 and 2021			
	2022	2021	Percentage Change
Land	\$ 38,968,372	\$ 38,968,372	0%
Construction in Progress	2,940,086	71,961,464	-95.91%
Buildings and Improvements	467,563,554	440,735,233	6.09%
Machinery/Equipment and Vehicles	54,993,905	46,500,171	18.27%
Total Capital Assets (net)	<u>\$ 564,465,917</u>	<u>\$ 598,165,240</u>	-5.63%

The decrease in Construction in Progress is mainly due to the completion of the Princess Anne Middle School Replacement. The decrease in capital assets is due to the sale/disposal of buses and vehicles compared to the previous fiscal year.

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

ECONOMIC FACTORS

The unemployment rate for the City continues to be below the Metropolitan Statistical Area (MSA) and U.S. rates and is also below the Commonwealth of Virginia (state) rate. Average annual unemployment rates for 2021 were 3.7% for Virginia Beach, 4.5% for the MSA, 3.9% for Virginia, and 5.4% for the U.S. Unemployment rates have decreased in 2021 compared with 2020 for the City, the region, the State and the Nation as the recovery continues from the impacts of COVID-19 pandemic; however the rates are still higher than they were pre-pandemic in 2019. There has been a steady decline in the unemployment rate in Virginia Beach from 2012 through 2019. The shock of COVID-19 caused unemployment to increase in Virginia Beach to 12.3% in April 2020 with the gradual decline to 3.0% in August of 2022 as the economy continued recovering. Likewise, for the MSA, the unemployment rate rose to 12.2% in April 2020 and declined to 3.6% by August 2022. For the Commonwealth, the unemployment rate was 10.9% in April 2020 and decreased to 3.2% in August of 2022. For the United States, the unemployment rate was 14.4% in April 2020 and decreased to 3.8% by August 2022 (U.S. Department of Labor, Bureau of Labor Statistics).

The average number of Virginia Beach residents employed in 2021 was 215,879 from an average labor force of 224,178. This reflects a decrease over 2020 in average employment (216,547) and average labor force (230,879) of -0.3% and -2.9%, respectively (U.S. Department of Labor, Bureau of Labor Statistics).

Factors Influencing Future Budgets

- Decline in student enrollment
- Global and national economic conditions
- Employee health care costs
- Employee postemployment benefits
- Unfunded state and federal mandates
- Competitive salaries and pay raises

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS	
Current Assets:	
Cash and Investments (Notes 1K1 and 6)	\$ 328,357,377
Accounts Receivable	4,229,973
Due from Commonwealth (Note 2A)	13,287,953
Due from Federal Government (Note 2B)	33,792,250
Lease Receivable (Note 2C)	660,225
Inventories (Note 1F)	968,013
Prepaid Items (Note 1K5)	3,394,920
Total Current Assets	<u>\$ 384,690,711</u>
Noncurrent Assets:	
Net Pension Asset (Note 8)	\$ 1,594,224
Net OPEB Asset (Note 8)	167,335
Lease Receivable, Non-Current (Note 2C)	2,164,166
Capital Assets (Note 4):	
Land	38,968,372
Buildings, Improvements, Machinery, Equipment, and Vehicles (net of accumulated depreciation)	522,557,459
Construction in Progress	2,940,086
Total Noncurrent Assets	<u>\$ 568,391,642</u>
TOTAL ASSETS	<u>\$ 953,082,353</u>
DEFERRED OUTFLOWS OF RESOURCES (Note 8)	
Deferred Outflows from Pensions	\$ 144,748,793
Deferred Outflows from OPEB	<u>32,821,811</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 177,570,604</u>
LIABILITIES	
Current Liabilities:	
Salaries Payable and Withholding (Note 7C)	\$ 81,155,575
Vouchers and Accounts Payable	16,327,894
Deposits Payable	75,000
Due to Commonwealth	5,102
Due to Federal Government	94,299
Unearned Revenues (Note 3)	13,084,907
Long-term Liabilities (Note 5A)	27,140,727
Total Current Liabilities	<u>\$ 137,883,504</u>
Noncurrent Liabilities:	
Net Pension Liability (Notes 5A and 8)	374,959,932
Net OPEB Liability (Notes 5A and 8)	144,993,753
Other Long-term Liabilities (Notes 1H, 5A and 9)	33,814,609
Total Noncurrent Liabilities	<u>\$ 553,768,294</u>
TOTAL LIABILITIES	<u>\$ 691,651,798</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows from Pensions (Note 8)	\$ 318,457,159
Deferred Inflows from OPEB (Note 8)	30,513,436
Deferred Inflows from Leases (Note 2C)	<u>2,801,912</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 351,772,507</u>
NET POSITION (DEFICIT) (Note 1J)	
Investment in Capital Assets	\$ 564,465,917
Restricted for: (Note 10D)	
Grants	3,856,966
Cafeterias	19,014,788
Textbooks	5,509,053
School Activities	4,983,205
Unrestricted (Deficit)	<u>(510,601,277)</u>
TOTAL NET POSITION	<u>\$ 87,228,652</u>

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

		Program Revenues		Net (Expenses)
		Charges for	Operating	Revenues and
	Expenses	Services	Grants and	Change In
			Contributions	Net Position
<u>GOVERNMENTAL ACTIVITIES</u>				
Instruction	\$ 662,288,101	\$ 2,724,249	\$ 145,999,998	\$ (513,563,854)
Administration, Attendance, & Health	37,088,876	3,880	52,377,747	15,292,751
Pupil Transportation	45,739,040	1,059,715	-	(44,679,325)
Operations and Maintenance	109,185,578	241,643	16,134	(108,927,801)
Cafeterias	36,566,426	1,491,699	43,135,279	8,060,552
Technology	61,418,845	1,028,278	25,230,638	(35,159,929)
Total Governmental Activities	<u>\$ 952,286,866</u>	<u>\$ 6,549,464</u>	<u>\$ 266,759,796</u>	<u>\$ (678,977,606)</u>

General Revenues:

Local Sources:

Local Government	\$ 520,622,167
Miscellaneous	6,388,283
Sale of Capital Assets	627,668

Federal and State Aid not Restricted
to Specific Purposes:

State Basic Aid	177,729,756
State Sales Tax	98,227,243
Federal Impact Aid	14,339,468

Interest Earnings	<u>219,891</u>
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Total General Revenues	<u>\$ 818,154,476</u>
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Change in Net Position	\$ 139,176,870
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Total Net Position (Deficit) - July 1	<u>(51,948,218)</u>
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Total Net Position - June 30	<u>\$ 87,228,652</u>
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The accompanying notes are an integral part of the basic financial statements.

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	School Grants	School Cafeterias	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Investments (Notes 1K1 and 6)	\$ 78,704,415	\$ -	\$ 18,595,846	\$ 113,526,623	\$ 15,865,007	\$ 226,691,891
Accounts Receivable	477,333	52,515	124,658	-	-	654,506
Due from Other Funds (Note 10B)	21,432,800	-	-	-	-	21,432,800
Due from Commonwealth (Note 2A)	10,532,303	2,755,650	-	-	-	13,287,953
Due from Federal Government (Note 2B)	71,329	30,956,768	2,764,153	-	-	33,792,250
Lease Receivable (Note 2C)	-	-	-	-	2,824,391	2,824,391
Inventories (Note 1F)	-	-	968,013	-	-	968,013
Prepaid Items (Note 1K5)	1,424,158	-	7,221	-	1,691,640	3,123,019
TOTAL ASSETS	\$ 112,642,338	\$ 33,764,933	\$ 22,459,891	\$ 113,526,623	\$ 20,381,038	\$ 302,774,823
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities:						
Salaries Payable and Withholding (Note 7C)	\$ 76,229,826	\$ 3,679,797	\$ 1,222,037	\$ 22,806	\$ -	\$ 81,154,466
Vouchers and Accounts Payable	6,752,155	1,257,355	604,012	6,761,748	38,214	15,413,484
Deposits Payable	-	-	-	-	75,000	75,000
Due to Other Funds (Note 10B)	-	21,432,800	-	-	-	21,432,800
Due to Commonwealth	-	5,102	-	-	-	5,102
Due to Federal Government	-	6,385	-	87,914	-	94,299
Unearned Revenue (Note 3)	622,968	3,526,528	643,820	-	-	4,793,316
TOTAL LIABILITIES	\$ 83,604,949	\$ 29,907,967	\$ 2,469,869	\$ 6,872,468	\$ 113,214	\$ 122,968,467
Deferred Inflows of Resources:						
Leases (Note 2C)	\$ -	\$ -	\$ -	\$ -	\$ 2,801,912	\$ 2,801,912
Fund Balances: (Notes 1I and 10D)						
Nonspendable	\$ 1,424,158	\$ -	\$ 975,234	\$ -	\$ 1,714,119	\$ 4,113,511
Restricted	-	3,856,966	19,014,788	-	10,492,258	33,364,012
Committed	-	-	-	106,654,155	5,259,535	111,913,690
Assigned	27,613,231	-	-	-	-	27,613,231
TOTAL FUND BALANCES	\$ 29,037,389	\$ 3,856,966	\$ 19,990,022	\$ 106,654,155	\$ 17,465,912	\$ 177,004,444
TOTAL LIABILITIES AND FUND BALANCES	\$ 112,642,338	\$ 33,764,933	\$ 22,459,891	\$ 113,526,623	\$ 20,381,038	\$ 302,774,823

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

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

Total Fund Balances - Governmental Funds (this exhibit)	\$ 177,004,444
---	----------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

	Cost of Capital Assets	\$ 1,089,859,401	
	less: Accumulated Depreciation	<u>525,393,484</u>	564,465,917

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

	Compensated Absences		(42,221,717)
--	----------------------	--	--------------

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

	Total Assets	\$ 105,512,854	
	less: Total Liabilities	<u>27,940,729</u>	77,572,125
	Total Net Position		

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

	Net Pension Liability	\$ (374,959,932)	
	Net Pension Asset	1,594,224	
	Deferred Outflows of Resources	144,748,793	
	Deferred Inflows of Resources	<u>(318,457,159)</u>	(547,074,074)

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

	Net OPEB Liability	\$ (144,993,753)	
	Net OPEB Asset	167,335	
	Deferred Outflows of Resources	32,821,811	
	Deferred Inflows of Resources	<u>(30,513,436)</u>	<u>(142,518,043)</u>

Total Net Position of Governmental Activities in the Statement of Net Position (Exhibit A-1)	\$ <u><u>87,228,652</u></u>
--	-----------------------------

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General	School Grants	School Cafeterias	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
From Use of Money and						
Property	\$ 241,643	\$ -	\$ 42,682	\$ -	\$ 726,606	\$ 1,010,931
Charges for Services	685,686	-	678,179	-	122,436	1,486,301
Miscellaneous	3,695,111	422,362	884,412	-	6,081,505	11,083,390
From Local Government	401,758,124	-	-	118,863,421	-	520,621,545
From Commonwealth	395,068,002	11,908,631	636,965	-	4,043,646	411,657,244
From Federal Government	17,115,878	85,424,665	42,436,114	-	-	144,976,657
Total Revenues	<u>\$ 818,564,444</u>	<u>\$ 97,755,658</u>	<u>\$ 44,678,352</u>	<u>\$ 118,863,421</u>	<u>\$ 10,974,193</u>	<u>\$ 1,090,836,068</u>
EXPENDITURES						
Current:						
Instruction	\$ 597,668,220	\$ 65,424,956	\$ -	\$ 2,240,112	\$ 7,034,739	\$ 672,368,027
Administration, Attendance, & Health	36,895,804	3,312,168	-	-	-	40,207,972
Pupil Transportation	52,017,634	1,409,194	-	-	-	53,426,828
Operations and Maintenance	98,295,182	9,319,427	-	5,702,993	-	113,317,602
Cafeterias	-	3,187,981	34,242,955	-	-	37,430,936
Technology	37,805,126	19,026,145	148,856	316,644	3,996,703	61,293,474
Capital Outlay	-	-	-	18,776,941	-	18,776,941
Total Expenditures	<u>\$ 822,681,966</u>	<u>\$ 101,679,871</u>	<u>\$ 34,391,811</u>	<u>\$ 27,036,690</u>	<u>\$ 11,031,442</u>	<u>\$ 996,821,780</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES						
	<u>\$ (4,117,522)</u>	<u>\$ (3,924,213)</u>	<u>\$ 10,286,541</u>	<u>\$ 91,826,731</u>	<u>\$ (57,249)</u>	<u>\$ 94,014,288</u>
OTHER FINANCING SOURCES (USES)						
Transfers In (Note 10A)	\$ -	\$ 4,869,945	\$ -	\$ -	\$ -	\$ 4,869,945
Transfers Out (Note 10A)	(4,869,945)	-	-	-	-	(4,869,945)
Sale of Capital Assets	627,668	-	-	-	-	627,668
Total Other Financing Sources (Uses), net	<u>\$ (4,242,277)</u>	<u>\$ 4,869,945</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 627,668</u>
NET CHANGES IN FUND BALANCES						
	<u>\$ (8,359,799)</u>	<u>\$ 945,732</u>	<u>\$ 10,286,541</u>	<u>\$ 91,826,731</u>	<u>\$ (57,249)</u>	<u>\$ 94,641,956</u>
FUND BALANCES - JULY 1	<u>37,397,188</u>	<u>2,911,234</u>	<u>9,703,481</u>	<u>14,827,424</u>	<u>17,523,161</u>	<u>82,362,488</u>
FUND BALANCES - JUNE 30	<u><u>\$ 29,037,389</u></u>	<u><u>\$ 3,856,966</u></u>	<u><u>\$ 19,990,022</u></u>	<u><u>\$ 106,654,155</u></u>	<u><u>\$ 17,465,912</u></u>	<u><u>\$ 177,004,444</u></u>

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

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

Net Changes in Fund Balances - Governmental Funds (this exhibit) \$ 94,641,956

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

9,201,160

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

Leave Used	\$ 12,833,835	
Leave Earned	<u>(11,864,546)</u>	969,289

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

Risk Management	(3,372,569)	
Health Insurance	<u>(647,631)</u>	(4,020,200)

Section 15.2-1800.1 of the Code of Virginia, as amended, affects the reporting of local School Board capital assets and related debt for financial reporting purposes. Under this legislation, the City has a "tenancy in common" with the School Board whenever the City incurs "on-behalf of" debt for any school property owned by the School Board which is payable over more than one year. For financial reporting purposes, the City will report the Net Book Value of School Board property (the School Board incurs the depreciation expense) equal to the total outstanding principal balance of the applicable "on-behalf of" debt at June 30, 2022. This amount is the applicable net book value change and depreciation expense for the fiscal year.

(42,900,483)

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

Pension Expense	\$ 375,459,412	
Deferred Inflows	(258,295,804)	
Deferred Outflows	<u>(39,453,326)</u>	77,710,282

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

OPEB Expense	\$ 2,917,909	
Deferred Inflows	(2,610,935)	
Deferred Outflows	<u>3,267,892</u>	3,574,866

Change in Net Position of governmental activities in the Statement of Activities (Exhibit A-2) \$ 139,176,870

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Governmental Activities: Internal Service Funds
<hr/>	
<u>ASSETS</u>	
Current Assets:	
Cash and Investments (Notes 1K1 and 6)	\$ 101,665,486
Accounts Receivable	3,575,467
Prepaid Items (Note 1K5)	<u>271,901</u>
TOTAL ASSETS	<u>\$ 105,512,854</u>
 <u>LIABILITIES</u>	
Current Liabilities:	
Salaries Payable	\$ 1,109
Vouchers and	
Accounts Payables	914,410
Unearned Revenues (Note 3)	8,291,591
Estimated Claims and	
Judgments (due within one year)	
(Notes 5A and 9)	<u>14,050,214</u>
Total Current Liabilities	<u>\$ 23,257,324</u>
Noncurrent Liabilities:	
Estimated Claims and	
Judgments (due in more than one year)	
(Notes 5A and 9)	<u>4,683,405</u>
TOTAL LIABILITIES	<u>\$ 27,940,729</u>
 <u>NET POSITION</u>	
Unrestricted	<u>\$ 77,572,125</u>
TOTAL NET POSITION	<u><u>\$ 77,572,125</u></u>

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities: Internal Service Funds
<hr/>	
<u>OPERATING REVENUES</u>	
Charges for Services	\$ 160,500,557
Miscellaneous Revenue	644,530
Total Operating Revenue	<u>\$ 161,145,087</u>
<u>OPERATING EXPENSES</u>	
Personnel Services	\$ 909,460
Fringe Benefits	332,462
Purchased Services	3,591,864
Other Charges (Note 1K2)	160,739,158
Total Operating Expenses	<u>\$ 165,572,944</u>
<u>OPERATING INCOME (LOSS)</u>	<u>\$ (4,427,857)</u>
<u>NONOPERATING REVENUES</u>	
Interest Income	\$ 407,657
Total Nonoperating Revenues	<u>\$ 407,657</u>
<u>CHANGES IN NET POSITION</u>	<u>\$ (4,020,200)</u>
<u>TOTAL NET POSITION - JULY 1</u>	<u>81,592,325</u>
<u>TOTAL NET POSITION - JUNE 30</u>	<u><u>\$ 77,572,125</u></u>

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities: Internal Service Funds
<u>CASH FLOWS FROM OPERATING</u>	
<u>ACTIVITIES:</u>	
Receipts from Users	\$ 159,603,512
Payments to Vendors for Goods/Services	(165,846,988)
Payments to Employees for Services	(1,246,130)
Net Cash Used In Operating Activities	<u>\$ (7,489,606)</u>
<u>CASH FLOWS FROM INVESTING</u>	
<u>ACTIVITIES:</u>	
Interest Received on Investments	<u>407,657</u>
<u>NET DECREASE IN</u>	
<u>CASH AND INVESTMENTS</u>	\$ (7,081,949)
<u>CASH AND INVESTMENTS,</u>	
<u>BEGINNING OF YEAR</u>	<u>108,747,435</u>
<u>CASH AND INVESTMENTS,</u>	
<u>END OF YEAR</u>	<u><u>\$ 101,665,486</u></u>
<u>RECONCILIATION OF OPERATING</u>	
<u>INCOME TO NET CASH</u>	
<u>USED IN OPERATING</u>	
<u>ACTIVITIES:</u>	
Operating Income (Loss)	<u>\$ (4,427,857)</u>
Adjustments to Reconcile Operating	
Income to Net Cash Used In	
Operating Activities	
(Increase) Decrease in Assets	
Accounts Receivable	\$ (1,568,455)
Prepaid Items	(6,803)
Increase (Decrease) in Liabilities	
Salaries Payable	(4,208)
Vouchers and Accounts Payable	(1,647,689)
Unearned Revenue	26,879
Estimated Claims and Judgments	<u>138,527</u>
Total Adjustments	<u>\$ (3,061,749)</u>
Net Cash Used In Operating Activities	<u><u>\$ (7,489,606)</u></u>

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

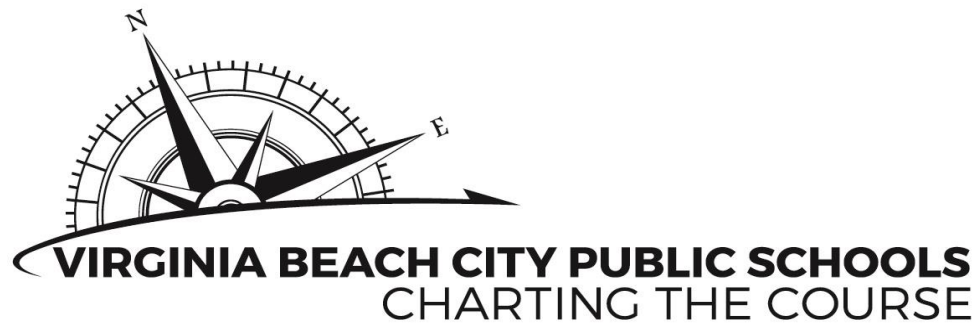
	Other Postemployment Benefits Trust Fund
<u>ASSETS</u>	
Fixed Income	\$ 8,353,780
Stocks	21,481,150
Real Estate	2,784,593
Alternative Investments	7,160,383
	<hr/>
TOTAL ASSETS	\$ 39,779,906
	<hr/> <hr/>
<u>NET PENSION</u>	
Net Position Restricted for Postemployment Benefits	
Other than Pensions	\$ 39,779,906
	<hr/> <hr/>

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	Other Postemployment Benefits Trust Fund
<u>ADDITIONS</u>	
Contributions:	
Employer	\$ 6,864,988
Investment Earnings:	
Decrease in the Fair Value of Investments	\$ (4,047,045)
Total Additions	\$ 2,817,943
<u>DEDUCTIONS</u>	
Benefits	\$ 6,864,988
Administrative Expenses	31,102
Total Deductions	\$ 6,896,090
Change in Net Position	\$ (4,078,147)
Net Position at Beginning of Year	43,858,053
Net Position at End of Year	\$ 39,779,906

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



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SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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JUNE 30, 2022

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SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Government-Wide and Fund Financial Statements

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

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

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

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

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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

The School Board reports the following major governmental funds:

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

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

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

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

Additionally, the School Board reports the following fund types:

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

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

Fiduciary Fund - is used to account for assets held by the School Board in a trustee capacity or as an agent for individuals, private organizations, other governmental units,

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and/or other funds. The Fiduciary Fund is the Other Postemployment Benefit (OPEB) Trust Fund for Retiree Health Benefits. The OPEB Trust Fund accounts for assets in essentially the same manner as a Proprietary Fund using the economic resources measurement focus.

B. Financial Reporting Entity

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

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

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

C. Capital Assets

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

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

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

D. Basis of Accounting and Measurement Focus

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

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

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

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

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

- Commonwealth of Virginia
- State Sales Taxes
- Federal Government

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

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

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

E. Encumbrances

Encumbrance accounting, in which purchase orders, contracts, and other commitments for the expenditure of monies are recorded (reduces the applicable available appropriation), is followed in the General, Special Revenue, and Capital Projects Funds. Encumbrances outstanding do not constitute expenditures until expended or accrued as liabilities.

F. Inventories

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

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

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G. Deferred Outflows and Inflows of Resources

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

H. Accrued Compensated Leave

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

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

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

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

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

I. Fund Balance

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

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

Restricted - The restricted fund balance classification is used when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or

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enabling legislation. Enabling legislation authorizes the School Board to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the School Board can be compelled by an external party, such as citizens, public interest groups, or the judiciary, to use resources created by enabling legislation only for the purposes specified by the legislation.

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

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

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

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

J. Net Position

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

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

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

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

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K. Miscellaneous

1. Cash and Investments

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

2. Proprietary Funds' Other Charges

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

3. Statement of Cash Flows

For purposes of the Statement of Cash Flows, all highly liquid debt instruments and certificates of deposit, regardless of maturity date, are grouped into cash and temporary investments. The proprietary funds participate in the City's centralized cash and investment pool (see Note 6); therefore, separate information on cash equivalents (i.e., investments with original maturities of three months or less upon acquisition) for the fund is not available.

4. Long-Term Obligations

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

5. Prepaid Items

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

6. Debt Service

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

L. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and

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expenditures/expenses during the reporting period. Actual results could differ from those estimates.

M. Pensions

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

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

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

N. Other Postemployment Benefits

1. Retiree Health Benefits

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

2. Teacher Employee and Political Subdivision Health Insurance Credit Program

The VRS Teacher Employee Health Insurance Credit (HIC) Program is a multiple-employer, cost-sharing plan. This program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. The Political Subdivision Health Insurance Credit Program is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. These programs were established pursuant to §51.1-1400 et seq. of the *Code of Virginia* as amended, and to provide the authority under which benefit terms are established or may be amended. For purposes of measuring the net Teacher Employee and Political Subdivision Health Insurance Credit Program OPEB liability, deferred outflows and inflows of resources related to the Teacher

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Employee and Political Subdivision Health Insurance Credit Program OPEB, and the Teacher Employee and Political Subdivision Health Insurance Credit Program OPEB expense, information about the fiduciary net position of the VRS Teacher Employee and Political Subdivision Health Insurance Credit Program; and the additions to/deductions from the VRS Teacher Employee and Political Subdivision Health Insurance Credit Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

3. Group Life Insurance

The VRS Group Life Insurance (GLI) Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program was established pursuant §51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. The program is a defined benefit plan that provides a basic group life insurance benefit for employees or participating employers. For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows and inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the VRS Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

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O. Implementation of New Accounting Pronouncements

During the fiscal year ended June 30, 2022, the School Board adopted the following new accounting standard issued by the Governmental Accounting Standards Board (GASB):

Statement No. 87 *Leases*

Issued in June 2017, the primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this Statement are effective for the reporting periods beginning after June 15, 2021.

P. Pronouncements Issued but not Yet Effective

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

GASB STATEMENT NO.	GASB ACCOUNTING STANDARD	EFFECTIVE FISCAL YEAR
96	Subscription-Based Information Technology Arrangements	2023

2. RECEIVABLES

A. Due from Commonwealth

The following revenues were due from the Commonwealth of Virginia at June 30, 2022:

State Share Sales Tax	\$ 8,176,773
Special Education – Regional Program	2,355,530
Technology Initiative	2,369,386
Juvenile Detention Center	320,805
Other Grants, Entitlements, and Shared Revenues	<u>65,459</u>
Total Due From Commonwealth (Exhibit A-3 and A-1)	<u>\$ 13,287,953</u>

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B. Due from Federal Government

The following revenues were due from various Federal agencies at June 30, 2022:

Adult Basic Education	\$ 90,479
ARPA	9,544,000
CARES	426,587
Carl Perkins	917,765
CRRSA	7,915,799
McKinney Homeless	16,019
NJROTC	71,329
Preschool Incentive	149,932
Spec Educ Support	197,527
National School Lunch Program	2,102,939
School Breakfast Program	636,945
Summer Feeding Program	6,601
Child and Adult Care Program	17,668
Title I	7,490,660
Title II	267,538
Title III	49,618
Title IV	977,094
Title VI-B	2,852,609
Other Grants, Entitlements, and Shared Revenues	61,141
Total Due From Federal Gvt (Exhibit A-3 and A-1)	<u>\$ 33,792,250</u>

C. Lease Receivable

The School Board leases cell towers to various third parties under multiple leases. The leases are for periods ending at various dates through December 2028 and the School Board receives monthly lease payments ranging from \$72 to \$5,443. The School Board recognized \$639,709 in lease revenue and \$38,099 in interest revenue during the current fiscal year related to these leases. As of June 30, 2022, the School Board's receivable for lease payments was \$2,824,391. Also, the School Board has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$2,801,912.

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3. UNEARNED REVENUES

Unearned revenues represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unearned revenues consist of the following as of June 30, 2022:

General Fund – Summer School Tuition, Regular School Tuition	\$ 622,968
School Grants Fund – Learning Loss Instructional, Early Reading Intervention, Algebra Readiness, VA Preschool Initiative, and other	3,526,528
Other Governmental Funds – School Cafeterias – Charges for Services	643,820
Total Unearned Revenue – Governmental Funds (Exhibit A-3)	<u>\$ 4,793,316</u>
School Health Insurance Internal Service Fund – Prepayment of July health insurance premiums (Exhibit A-5)	8,291,591
Total Unearned Revenue – Governmental Activities (Exhibit A-1)	<u><u>\$ 13,084,907</u></u>

4. CAPITAL ASSETS

A. Summary of Changes in Capital Assets

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 38,968,372	\$ -	\$ -	\$ 38,968,372
Construction in Progress	71,961,464	9,549,291	78,570,669	2,940,086
Total Capital Assets Not Being Depreciated	<u>\$ 110,929,836</u>	<u>\$ 9,549,291</u>	<u>\$ 78,570,669</u>	<u>\$ 41,908,458</u>
Capital Assets Being Depreciated:				
Buildings	\$ 776,199,176	\$ 79,720,290	\$ 34,106,614	\$ 821,812,852
Improvements Other Than Buildings	73,141,494	8,009,072	287,491	80,863,075
Machinery/Equipment and Vehicles	136,235,831	17,776,034	8,736,849	145,275,016
Total Capital Assets Being Depreciated	<u>\$ 985,576,501</u>	<u>\$ 105,505,396</u>	<u>\$ 43,130,954</u>	<u>\$ 1,047,950,943</u>
Less Accumulated Depreciation for:				
Buildings	\$ 357,086,756	\$ 24,668,192	\$ 327,140	\$ 381,427,808
Improvements Other Than Buildings	51,518,681	2,453,375	287,491	53,684,565
Machinery/Equipment and Vehicles	89,735,660	9,141,289	8,595,838	90,281,111
Total Accumulated Depreciation	<u>\$ 498,341,097</u>	<u>\$ 36,262,856</u>	<u>\$ 9,210,469</u>	<u>\$ 525,393,484</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 487,235,404</u>	<u>\$ 69,242,540</u>	<u>\$ 33,920,485</u>	<u>\$ 522,557,459</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 598,165,240</u></u>	<u><u>\$ 78,791,831</u></u>	<u><u>\$ 112,491,154</u></u>	<u><u>\$ 564,465,917</u></u>

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

Section 15.2-1800.1 of the *Code of Virginia*, as amended, affects the reporting of local School Board capital assets and related debt for financial reporting purposes. Under this legislation, the City has a “tenancy in common” with the School Board whenever the City incurs “on behalf of” debt for any school property owned by the School Board, which is payable over more than one year. For financial reporting purposes, the City will report the Net Book Value of School Board property (the School Board incurs the depreciation expense) equal to the total outstanding principal balance of the applicable “on behalf of” debt at June 30, 2022, as follows:

School Buildings reported by the City	\$ 427,984,616
Less: Accumulated Depreciation	<u>64,989,984</u>
Net Book Value reported by the City	<u><u>\$ 362,994,632</u></u>

C. Depreciation Expense on Capital Assets

Depreciation expense was charged to governmental activities, as follows:

Instruction	\$ 26,299,473
Admin, Attendance, & Health	375,325
Pupil Transportation	5,762,668
Operations and Maintenance	698,368
Cafeterias	430,227
Technology	<u>2,620,943</u>
Total Depreciation Expense	<u><u>\$ 36,187,004</u></u>

Note: Approximately \$9.0 million of the depreciation expense is on buildings owned by the School Board and reported by the City, and the net accumulated depreciation change/transfer on buildings owned by the School Board and previously reported by the City as a result of the Tenancy in Common provisions disclosed in Note 4B.

The School Board also reported \$75,852 increase to accumulated depreciation in Note 4A as a result of the transfer of buildings previously reported by the City and transferred to the School Board in the current year as a result of the Tenancy in Common provision disclosed in Note 4B.

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5. LONG-TERM LIABILITIES

A. Summary of Changes in Long-Term Liabilities

	Balance			Balance	Amounts
	<u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2022</u>	<u>Due Within</u>
Governmental Activities:					<u>One Year</u>
Accrued Compensated Leave					
(Note 5B)	\$ 43,191,006	\$ 11,864,546	\$ 12,833,835	\$ 42,221,717	\$ 13,090,513
Estimated Claims and Judgments					
(Notes 9A and 9C)	18,595,092	160,739,158	160,600,631	18,733,619	14,050,214
Net Pension Liability					
(Note 8A)	748,825,120	142,817,872	516,683,060	374,959,932	-
Net OPEB Liability					
(Note 8B-F)	<u>147,744,327</u>	<u>57,698,453</u>	<u>60,449,027</u>	<u>144,993,753</u>	<u>-</u>
Long-Term Liabilities	<u>\$ 958,355,545</u>	<u>\$ 373,120,029</u>	<u>\$ 750,566,553</u>	<u>\$ 580,909,021</u>	<u>\$ 27,140,727</u>

Note: Long-term liabilities are typically liquidated either by the General Fund or the applicable special revenue (e.g., School Cafeterias) or internal service (e.g., Risk Management) fund.

B. Accrued Compensated Leave

The accrued compensated leave is as follows at June 30, 2022:

<u>Compensated</u>	
<u>Leave</u>	
Annual	\$ 14,838,070
Sick	20,156,486
Personal	<u>7,227,161</u>
Total	<u>\$ 42,221,717</u>

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6. DEPOSITS AND INVESTMENTS

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

A. Deposits

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

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

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

As of June 30, 2022, the City had the following recurring investments. Except for the investments in the State Non-Arbitrage Program (SNAP), Virginia Investment Pool (VIP), and Local Government Investment Pool (LGIP), all investments are in an internal investment pool.

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	June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Weighted Average Maturities (in months)
Investments at Fair Value:					
Money Market Funds	\$ 9,891,222	\$ -	\$ 9,891,222	\$ -	0.01
Negotiable Certificates of Deposits	250,157,738	-	250,157,738	-	1.50
Commercial Paper	44,365,911	-	44,365,911	-	0.20
U.S. Government Securities	134,969,728	-	134,969,728	-	2.23
Miscellaneous Coupon Securities	300,447,823	-	300,447,823	-	4.52
	<u>\$ 739,832,422</u>	<u>\$ -</u>	<u>\$ 739,832,422</u>	<u>\$ -</u>	<u>0.04</u>
Investments Measured at Amortized Cost:					
Certificates of Deposits	\$ 110,332,669				0.41
State Non Arbitrage Program (SNAP)	29,009,950				0.04
State Treasurer's Local Government Pool (LGIP)	212,000,000				0.16
Virginia Investment Pool (VIP)	10,731,286				0.01
Virginia Investment Pool (VIP) - Liquidity Pool	209,582,725				0.16
Total Fair Value	<u>\$ 571,656,630</u>				
Total Investments	<u>\$ 1,311,489,052</u>				
Portfolio Weighted Average Maturity					<u>1.62</u>

Reconciliation of total deposits and investments at June 30, 2022:

	Primary Government	School Board Component Unit	Total
Cash and Investments	\$ 1,015,661,367	\$ 328,357,377	\$ 1,344,018,744
Restricted Cash and Cash Equivalents	246,652,713	-	246,652,713
Fiduciary Funds	53,593,618	39,779,906	93,373,524
Total	<u>\$ 1,315,907,698</u>	<u>\$ 368,137,283</u>	<u>\$ 1,684,044,981</u>
Less: Cash on Deposit			(372,555,929)
Total Fair Value of Investments at June 30, 2022			<u>\$ 1,311,489,052</u>

The City has investments in U.S. Government securities valued at \$135.0 million (Level 2 inputs). These investments are classified in Level 2 at the fair value hierarchy and are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the City's custodian bank.

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

The remaining investments are measured in accordance with existing GAAP standards at amortized costs totaled \$571.7 million at June 30, 2022. Investments within the SNAP Investment Pool are held there to meet the debt service reserve requirements of the bond covenants and therefore cannot be withdrawn for any other purpose. Investments within the LGIP have no restrictions on withdrawals and can be obtained upon demand. Investments in the VIP fall within two primary funds, 1-3 Year High Quality Bond Fund and Stable NAV Liquidity Pool. The 1-3 High Quality Bond Fund redemptions are available twice a month and participants are required to provide 5 days notice. Redemptions greater than \$5 million are requested to be submitted 60 days in advance and if the redemption is greater than 10% of the portfolio's net asset value without the 60 days' notice, the redemption can be executed over time. The Stable NAV Liquidity Pool has no restrictions on withdrawals and funds are available the same day.

B. Interest Rate Risk

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

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

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

C. Credit Risk

Credit risk is the risk an investor is subject to as a result of the credit quality of investments in debt securities. Statutes, as well as the City's investment policy, authorize the City to invest in obligations of the United States or agencies thereof; the Commonwealth of Virginia or political subdivisions thereof; obligations of the International Bank for Reconstruction and Development (World Bank); the Asian Development Bank; the African Development Bank; commercial paper

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rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record; bankers' acceptance instruments; repurchase agreements which are collateralized with securities approved for direct investment; State Treasurer's LGIP; and corporate notes with at least a rating of Aa by Moody's or AA by Standard and Poor's.

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

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

The City's rated debt investments as of June 30, 2022 were rated by Standard & Poor's and Moody's and/or an equivalent national rating organization and the ratings are presented below using the respective rating scale from both agencies.

	<u>AAA</u>	<u>A1/P1/F1+</u>
LGIP	\$ 212,000,000	\$ -
U. S. Government Securities	134,969,728	-
SNAP	29,009,950	-
Commercial Paper	44,365,911	-

Concentration of Credit Risk: Concentration of credit risk represents the risk of investments in any one issue that represents 5% or more of investments. The City's investment policy limits the amount it can invest in commercial paper and bankers' acceptance instruments. By policy, investments in commercial paper are limited to 35% of the total available for investment and not more than 5% of the total available for investment can be invested in any one issuing corporation. Bankers' acceptance instruments shall not exceed 50% of the total investment portfolio's book value on the date of acquisition.

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

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7. COMMITMENTS AND CONTINGENCIES

A. Litigation

The School Board, as of June 30, 2022, is a named defendant in various lawsuits. The School Board is vigorously defending all cases and expects no losses will be incurred, which would have a material effect on the School Board's financial position.

B. Intergovernmental Grants, Entitlements, and Shared Revenues

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

C. Salaries Payable

The outstanding Salaries Payable amount represents salaries due (in July and August 2022) to school employees (e.g., teachers) who have opted to be paid over a twelve-month period; and salaries that are due (e.g., for services rendered in June 2022 and not paid until July 2022) to substitutes, part-time employees, and other school personnel.

D. Construction Projects

The School Board has active construction projects and related contractual commitments as of June 30, 2022, as follows:

<u>Construction in Progress</u>	<u>Commitments</u>
\$2,940,086	\$35,869,933

E. Encumbrances

The School Board has encumbrances such as purchase orders, contracts, and other commitments for the expenditure of monies for goods and/or services not received as of June 30, 2022. These outstanding encumbrances (listed below) do not constitute expenditures until expended or accrued as liabilities and, therefore, are not reflected in the accompanying financial statements.

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<u>Fund</u>	<u>Amount of Encumbrances</u>
General	\$ 26,328,800
Capital Projects	35,869,933
Other Governmental	4,208,774
Total	<u>\$ 66,407,507</u>

F. COVID-19

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic significantly affected global markets, supply chains, businesses, and communities. Specific to the School Board, COVID-19 may impact various future operations and financial results. Management believes the School Board has taken appropriate actions to mitigate any negative impact.

8. RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS

A. Virginia Retirement System

1. Plan Description

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

The System administers three different benefit structures for covered employees in the VRS Teacher Retirement Plan and VRS Political Subdivision Retirement Plan – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

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

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

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

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

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

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

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

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

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

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2. Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial valuation, the following nonprofessional employees (non-teacher) were covered by the benefit terms of the pension plan:

Nonprofessional Employees (non-teacher):

Inactive Members or Their Beneficiaries	
Currently Receiving Benefits	1,768
Inactive Members:	
Vested Inactive Members	303
Non-Vested Inactive Members	998
LTD	7
Active Elsewhere in VRS	392
Total Inactive Members	1,700
Active Members	1,969
Total Covered Employees	5,437

3. Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. For the Professional Plan (Teacher Retirement Plan), each school division's contractually required contribution rate for the year ended June 30, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the pension plan from the School Board of the City of Virginia Beach, Virginia were \$70,274,556 and \$67,989,422 for the years ended June 30, 2022 and June 30, 2021, respectively.

For the Nonprofessional (non-teacher) employees. The School Board contractually required employer contribution rate for the year ended June 30, 2022 was 8.04% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. When combined with employee contributions, this rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board were \$3,629,076 and \$3,404,642 for the years ended June 30, 2022 and June 30, 2021, respectively.

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4. Net Pension Liability

At June 30, 2022, the School Board reported a net pension liability of \$374,959,932 for its proportionate share of the net pension liability of the Teacher Retirement Plan (Professional). The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed June 30, 2020 and rolled forward to the measurement date 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, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the School Board's proportion was 4.83003% as compared to 4.91132% at June 30, 2020.

The net pension liability is calculated separately for each system and represents that particular employer's total pension liability determined in accordance with GAAP, less that employer's fiduciary net position. As of June 30, 2021, net pension liability amounts for the VRS Teacher Employee Retirement Plan are as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	\$ 53,381,141
Plan Fiduciary Net Position	<u>45,617,878</u>
Employers' Net Pension Liability	<u><u>\$ 7,763,263</u></u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.46%
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The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GAAP in the System's notes to the financial statements and required supplementary information.

For the School Board's Nonprofessional (non-teacher) Retirement Plan, the net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to the measurement date of June 30, 2021. At June 30, 2022, the school division reported a net pension asset of \$1,594,224 for the Nonprofessional (non-teacher) Retirement Plan.

5. Pension Expense

For the year ended June 30, 2022, the School Board recognized pension expense of \$(1,843,217) for the Teacher Retirement Plan (Professional). Since there was a change in proportionate share

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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.

In addition, for the year ended June 30, 2022, the School Board recognized pension expense of \$1,381,214 for the Nonprofessional (non-teacher) Retirement Plan.

6. Deferred Outflows/Inflows of Resources

At June 30, 2022, for the Teacher Retirement Plan (Professional), the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 31,936,817
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	236,289,715
Change in Assumptions	65,691,999	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	-	21,035,202
Employer Contributions Subsequent to the Measurement Date	<u>70,274,556</u>	<u>-</u>
Total	<u><u>\$ 135,966,555</u></u>	<u><u>\$289,261,734</u></u>

\$70,274,556 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Fiscal Year Ended June 30	Deferred Amounts
2023	\$ (53,964,376)
2024	(48,190,009)
2025	(52,448,100)
2026	(69,009,947)
2027	42,697
	<u>\$ (223,569,735)</u>

In addition, at June 30, 2022, for the Nonprofessional (non-teacher) Retirement Plan, the School Board reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 384,711	\$ 467,455
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	28,727,970
Change in Assumptions	4,768,451	-
Employer Contributions Subsequent to the Measurement Date	3,629,076	-
Total	<u>\$ 8,782,238</u>	<u>\$ 29,195,425</u>

\$3,629,076 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended June 30	Deferred Amounts
2023	\$ (3,198,386)
2024	(5,385,376)
2025	(6,685,872)
2026	(8,772,629)
	<u>\$ (24,042,263)</u>

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7. Actuarial Assumptions

Professional/Teacher Retirement Plan

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

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

- Update to PUB2010 public sector mortality tables. For future mortality improvements,

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- replace load with modified Mortality Improvement Scale MP-2020
- Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted rates to better fit experience at each year age and service through 9 years of service
- No change to disability rates
- No change to salary scale
- No change to discount rate

Nonprofessional (non-teacher) Retirement Plan

The total pension liability for Nonprofessional Retirement Plan (non-teacher) was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

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Mortality Improvement:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with modified Mortality Improvement Scale MP-2020
- Adjusted rates to better fit experience for Pan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
- Adjusted rates to better fit experience at each year age and service through 9 years of service

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- No change to disability rates
- No change to salary scale
- No change to discount rate

8. Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		<u>4.89%</u>
Inflation			<u>2.50%</u>
*Expected arithmetic nominal return			<u>7.39%</u>

**The above allocation provides a one-year return of 7.39%. 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 6.94%, 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 2.5%.*

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9. Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2021, the rate contributed by the school division for the VRS Professional/Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, school divisions are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1.00% Decrease	Current Discount	1.00% Increase
	5.75%	6.75%	7.75%
School Division's Proportionate Share of the Net Pension Liability for the VRS Teacher Retirement Plan	\$ 723,652,366	\$ 374,959,932	\$ 88,113,832

In addition, the following presents the School Board's net pension asset for the Nonprofessional (non-teacher) Retirement Plan using the discount rate of 6.75%, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

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	1.00% Decrease 5.75%	Current Discount 6.75%	1.00% Increase 7.75%
School Division's Net Pension Liability (Asset) for the NonProfessional (non-teacher) Retirement Plan	\$ 29,280,276	\$ (1,594,224)	\$ (27,440,567)

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

	Virginia Retirement System		
	Professional Plan	Nonprofessional Plan	Combined Totals
Net Pension Liability	\$ 374,959,932	\$ -	\$ 374,959,932
Net Pension Asset	\$ -	\$ 1,594,224	\$ 1,594,224
Pension Expense	\$ (1,843,217)	\$ 1,381,214	\$ (462,003)
Deferred Outflows of Resources:			
Differences in Expected and Actual Experience	\$ -	\$ 384,711	\$ 384,711
Change in Assumptions	65,691,999	4,768,451	70,460,450
Employer Contributions Subsequent to the Measurement Date	70,274,556	3,629,076	73,903,632
Total Deferred Outflows of Resources	\$ 135,966,555	\$ 8,782,238	\$ 144,748,793
Deferred Inflows of Resources:			
Differences in Expected and Actual Experience	\$ 31,936,817	\$ 467,455	\$ 32,404,272
Net Difference between Projected and Actual Earnings on Pension Plan Investments	236,289,715	28,727,970	265,017,685
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	21,035,202	-	21,035,202
Total Deferred Inflows of Resources	\$ 289,261,734	\$ 29,195,425	\$ 318,457,159

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

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance - July 1, 2020	\$ 250,359,718	\$ 216,260,637	\$ 34,099,081
Changes for the fiscal year:			
Service Cost	\$ 3,964,435	\$ -	\$ 3,964,435
Interest	16,427,054	-	16,427,054
Diff between Expected/Actual Experience	(808,663)	-	(808,663)
Assumption Changes	8,249,072		8,249,072
Contribution - Employer	-	3,376,047	(3,376,047)
Contribution - Employee	-	2,129,012	(2,129,012)
Net Investment Income	-	58,169,277	(58,169,277)
Benefit Payments	(13,991,919)	(13,991,919)	-
Administrative Expenses	-	(148,821)	148,821
Other Changes	-	(312)	312
Net Changes	\$ 13,839,979	\$ 49,533,284	\$ (35,693,305)
Balance - June 30, 2021	\$ 264,199,697	\$ 265,793,921	\$ (1,594,224)

13. Pension Plan Fiduciary Net Position – Teacher Retirement Plan

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position or the VRS Political Subdivision Retirement Plan is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

B. Other Postemployment Benefits – Retiree Health Benefits

1. Plan Description

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

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

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

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

2. Plan Membership

The membership as of January 1, 2022 includes:

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

3. Benefits Provided

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

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4. Contributions

Contribution requirements of the City, School Board, and plan members are established and may be amended by the respective legislative bodies. The required contributions were actuarially determined and are based upon projected pay as you go financing requirements with an additional amount to prefund benefits. For the period ending June 30, 2022, the School Board's OPEB cost of \$6,864,988 exceeded its actuarially determined employer contribution of \$5,942,500 by \$922,488. For the period ending June 30, 2021, the School Board's OPEB cost was \$6,160,668. Plan members from each organization contributed \$3,075 and \$1,459 for the POS and Consumer Driven Health plans respectively, annually for retiree-only point of service coverage. The School Board retirees with coverage for their spouses contributed \$10,284 and \$6,519 for the POS and Consumer Driven Health plans, respectively, annually until Medicare eligibility. The School Board has determined that all current employees and retirees shall contribute to the cost of their health care coverage and no level of benefit shall be provided free of charge. Rates are calculated by an actuary with the City and School Board health care consultant and finalized by the Benefits Executive Committee, comprised of City and School executive leadership.

5. Investments Policy, Target Allocation, Rate of Return

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

The best estimate range for the long-term expected rate of return is determined by taking the annual average long-term future inflation and real return components including the anticipated effects of return volatility and correlation among various asset classes. The data used in the assessment of reasonability were Milliman's investment consulting practice December 31, 2021 capital market assumptions (real returns) and the 2021 Social Security Trustees Report (inflation).

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Core Fixed Income	21.00%	1.39%	1.28%
Large Cap US Equities	26.00%	4.94%	3.46%
Small Cap US Equities	10.00%	6.73%	4.18%
Foreign Developed Equities	13.00%	6.27%	4.52%
Emerging Market Equities	5.00%	8.82%	5.31%
Private Real Estate Property	7.00%	4.61%	3.58%
Private Equities	5.00%	10.36%	6.15%
Commodities	3.00%	1.99%	0.61%
Hedge FOF Strategic	10.00%	3.58%	2.67%
Total	<u>100.00%</u>		
Assumed Inflation Mean		2.40%	2.40%
Assumed Inflation Standard Deviation		1.23%	1.23%
Portfolio Real Mean Return		4.76%	3.97%
Portfolio Nominal Mean Return		7.16%	6.46%
Portfolio Standard Deviation			12.28%
Long-Term Expected Rate of Return			6.50%

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -9.23%. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

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6. Net OPEB Liability

The components of the net OPEB liability of the School Board at June 30, 2022 and 2021, were as follows:

Net OPEB Liability	<u>June 30, 2021</u>	<u>June 30, 2022</u>
Total OPEB Liability	\$ 83,799,046	\$ 91,049,406
Fiduciary Net Position	<u>(43,858,053)</u>	<u>(39,779,906)</u>
Net OPEB Liability	\$ 39,940,993	\$ 51,269,500
Fiduciary Net Position as a % of Total OPEB Liability	52.34%	43.69%
Covered Employee Payroll	\$ 466,464,228	\$ 481,013,873
Net OPEB Liability as a % of Covered Payroll	8.56%	10.66%

7. Actuarial Methods and Assumptions

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

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

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

8. Discount Rate

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

	<u>June 30, 2021</u>	<u>June 30, 2022</u>
Discount Rate	6.50%	6.50%
Long-Term Expected Rate of Return, Net of Investment Expense	6.50%	6.50%

The plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the long-term expected rate of return.

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9. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2021	\$ 83,799,046	\$ 43,858,053	\$ 39,940,993
Changes for the year:			
Service Cost	\$ 2,049,213		\$ 2,049,213
Interest on Total OPEB Liability	5,360,537		5,360,537
Changes of Benefit Terms	-		-
Effect of Economic/Demographic Gains or (Losses)	7,289,849		7,289,849
Effect of Assumption Changes or Inputs	(584,251)		(584,251)
Employer Contributions	-	\$ 6,864,988	(6,864,988)
Net Investment Income	-	(4,047,045)	4,047,045
Benefit Payments	(6,864,988)	(6,864,988)	-
Administrative Expenses	-	(31,102)	31,102
Net Change in Total OPEB Liability	\$ 7,250,360	\$ (4,078,147)	\$ 11,328,507
Balance at June 30, 2022	\$ 91,049,406	\$ 39,779,906	\$ 51,269,500

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

For the years ended June 30, 2021 and June 30, 2022, the School Board recognized OPEB expense of \$4,539,722 and \$6,497,757 respectively.

OPEB Expense	June 30, 2021	June 30, 2022
Service Cost	\$ 1,934,661	\$ 2,049,213
Interest on Total OPEB Liability	5,305,457	5,360,537
Administrative Expenses	29,042	31,102
Expected Investment Return net of Investment Expenses	(2,192,377)	(2,849,779)
Recognition of Deferred Inflows/Outflows of Resources		
Recognition of Economic/Demographic Gains or Losses	508,157	1,665,276
Recognition of Assumption Changes or Inputs	314,553	221,815
Recognition of Investment Gains or Losses	(1,359,771)	19,593
OPEB Expense	\$ 4,539,722	\$ 6,497,757

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At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 7,965,805	\$ -
Changes in Assumptions	7,770,802	13,973,371
Net Difference between Projected and Actual Earnings	1,331,976	-
Total	<u>\$ 17,068,583</u>	<u>\$ 13,973,371</u>

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

Fiscal Year Ending June 30:	
2023	\$ 2,041,769
2024	1,895,969
2025	(823,155)
2026	(303,974)
2027	(34,709)
Thereafter*	319,312
	<u>\$ 3,095,212</u>

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

11. Sensitivity Analysis

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

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	1.00% Decrease 5.50%	Discount Rate 6.50%	1.00% Increase 7.50%
Total OPEB Liability	\$ 97,631,083	\$ 91,049,406	\$ 84,969,960
Fiduciary Net Position	(39,779,906)	(39,779,906)	(39,779,906)
Net OPEB Liability	\$ 57,851,177	\$ 51,269,500	\$ 45,190,054

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

	1.00% Decrease	Current Trend Rate	1.00% Increase
Total OPEB Liability	\$ 83,394,991	\$ 91,049,406	\$ 99,760,805
Fiduciary Net Position	(39,779,906)	(39,779,906)	(39,779,906)
Net OPEB Liability	\$ 43,615,085	\$ 51,269,500	\$ 59,980,899

C. Other Postemployment Benefits – Health Insurance Credit Program

1. Plan Description

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

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

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TEACHER EMPLOYEE HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS

<p>Eligible Employees</p>

<p>The Teacher Employee Retiree Health Insurance Credit Program was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit.</p>

<p>Eligible employees are enrolled automatically upon employment. They include:</p>

- | |
|---|
| <ul style="list-style-type: none">• Full-time permanent (professional) salaried employees of public school divisions covered under VRS. |
|---|

<p>Benefit Amounts</p>

<p>The Teacher Employee Retiree Health Insurance Credit Program provides the following benefits for eligible employees:</p>

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

<p>Health Insurance Credit Program Notes:</p>
--

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

POLITICAL SUBDIVISION HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS
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<p>Eligible Employees</p>

<p>The Political Subdivision Retiree Health Insurance Credit Program was established July 1, 1993 for retired political subdivision employees who elect the benefit and who retire with at least 15 years of service credit.</p>
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<p>Eligible employees are enrolled automatically upon employment. They include:</p>

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- Full-time permanent salaried employees of the participating political subdivision who are covered under VRS pension plan.

Benefit Amounts

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

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

Health Insurance Credit Program Notes:

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

2. Plan Membership

The Teacher membership as of June 30, 2021 includes:

Active Plan Members	150,681
Inactive Members or their Beneficiaries currently receiving benefits	69,698
Inactive Members entitled to but not yet receiving benefits	<u>3,217</u>
	<u><u>223,596</u></u>

The Political Subdivision membership as of June 30, 2021 includes:

Active Plan Members	37,398
Inactive Members or their Beneficiaries currently receiving benefits	11,265
Inactive Members entitled to but not yet receiving benefits	<u>580</u>
	<u><u>49,243</u></u>

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3. Contributions

The contribution requirement for active employees is governed by §51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions and political subdivisions by the Virginia General Assembly. Each school division's and political subdivision's contractually required employer contribution rate for the year ended June 30, 2022 was 1.21% and 0.87%, respectively, of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Program or Political Subdivision Health Insurance Credit Program, respectively. These rates were based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the VRS Teacher Employee Health Insurance Credit Program were \$5,398,393 and \$5,143,628 for the years ended June 30, 2022 and June 30, 2021, respectively. Contributions from the School Board to the Political Subdivision HIC Program were \$430,973 and \$400,904 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022, the School Board of the City of Virginia Beach, Virginia reported a liability of \$61,684,868 for its proportionate share of the VRS Teacher Employee Health Insurance Credit Program Net OPEB Liability. The Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was measured as of June 30, 2021 and the total VRS Teacher Employee Health Insurance Credit Program OPEB liability used to calculate the Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The School Board's proportion of the Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was based on the School Board's actuarially determined employer contributions to the VRS Teacher Employee Health Insurance Credit Program OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the School Board's proportion of the VRS Teacher Employee Health Insurance Credit Program was 4.80573% as compared to 4.87922% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized VRS Teacher Employee Health Insurance Credit Program OPEB expense of \$4,399,974. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee Health Insurance Credit Program Net OPEB expense was related to deferred amounts from changes in proportion.

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At June 30, 2022, the School Board of the City of Virginia Beach, Virginia reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee Health Insurance Credit Program OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,076,396
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	812,576
Change in assumptions	1,667,454	247,907
Changes in proportionate share	-	2,629,883
Employer contributions subsequent to the measurement date	5,398,393	-
Total	<u>\$ 7,065,847</u>	<u>\$ 4,766,762</u>

\$5,398,393 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the Fiscal Year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

Year ended June 30

FY 2023	\$ (699,236)
FY 2024	(708,463)
FY 2025	(642,756)
FY 2026	(558,178)
FY 2027	(294,544)
Thereafter	<u>(196,131)</u>
	<u>\$ (3,099,308)</u>

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5. Changes in the Net Political Subdivision HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a) - (b)
Balance at June 30, 2020	\$ 5,249,993	\$ -	\$ 5,249,993
Changes for the year:			
Service Cost	\$ 63,751	\$ -	\$ 63,751
Interest on Total OPEB Liability	354,375	-	354,375
Assumption Changes	149,910	-	149,910
Contributions - Employer	-	400,904	(400,904)
Net investment income	-	47,594	(47,594)
Administrative Expenses	-	(1,754)	1,754
Net Change in Total OPEB Liability	\$ 568,036	\$ 446,744	\$ 121,292
Balance at June 20, 2021	<u>\$ 5,818,029</u>	<u>\$ 446,744</u>	<u>\$ 5,371,285</u>

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

For the year ended June 30, 2022, the School Board of the City of Virginia Beach, Virginia recognized Political Subdivision Health Insurance Credit Program OPEB expense of \$433,888.

At June 30, 2022, the School Board of the City of Virginia Beach, Virginia reported deferred outflows of resources and deferred inflows of resources related to the Political Subdivision Health Insurance Credit Program OPEB related to employer contributions subsequent to the measurement date:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	\$ -	\$ 27,298
Change in assumptions	115,606	-
Changes in proportionate share	-	-
Employer contributions subsequent to the measurement date	430,973	-
Total	<u>\$ 546,579</u>	<u>\$ 27,298</u>

\$430,973 reported as deferred outflows of resources related to the Political Subdivision HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Political Subdivision HIC OPEB Liability in the Fiscal Year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Political Subdivision HIC OPEB will be recognized in the Political Subdivision HIC OPEB expense in future reporting periods as follows:

Year ended June 30

FY 2023	\$ 27,479
FY 2024	27,479
FY 2025	27,479
FY 2026	<u>5,871</u>
	<u>\$ 88,308</u>

7. Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee Health Insurance Credit Program and Political Subdivision HIC OPEB liability for the Political Subdivision Health Insurance Credit Program was based on an actuarial valuation as of June 30, 2020, 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, 2021.

Inflation 2.5 percent

Salary increases, including inflation –

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

Mortality rates – Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

Mortality rates – Political Subdivision

Pre-Retirement:

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

Post-Retirement:

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

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Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

8. Net HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee Health Insurance Credit Program represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2021, NOL amounts for the VRS Teacher Employee Health Insurance Credit Program is as follows (amounts expressed in thousands):

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	Teacher Employee HIC OPEB <u>Plan</u>
Total Teacher Employee HIC OPEB Liability	\$ 1,477,874
Plan Fiduciary Net Position	<u>194,305</u>
Teacher Employee net HIC OPEB Liability	<u>\$ 1,283,569</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability	13.15%

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

The School Board Net Political Subdivision Health Insurance Credit OPEB liability was measured as of June 30, 2021. The total Political Subdivision Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

9. Long-Term Expected Rate of Return

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

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AssetClass (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS-Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
Inflation			2.50%
*Expected arithmetic nominal return			7.39%

* The above allocation provides a one-year return of 7.39%. 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 6.94%, 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%.

10. Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB and Political Subdivision HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2021, the rate contributed by each school division and entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rates. From July 1, 2021 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of eligible current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

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11. Sensitivity Analysis

The following presents the School Board's proportionate share of the VRS Teacher Employee Health Insurance Credit Program net HIC OPEB liability using the discount rate of 6.75%, as well as what the School Board's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease 5.75%	Current Discount 6.75%	1.00% Increase 7.75%
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan	\$ 69,440,064	\$ 61,684,868	\$ 55,122,123
Net HIC OPEB Liability			

The following presents the Political Subdivision Health Insurance Credit Program net HIC OPEB liability using the discount rate of 6.75%, as well as what the liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease 5.75%	Current Discount 6.75%	1.00% Increase 7.75%
Political Subdivision's Net HIC OPEB Liability	\$ 5,933,716	\$ 5,371,285	\$ 4,888,660

12. Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee Health Insurance Credit Program's Fiduciary Net Position and Political Subdivision Health Insurance Credit Program is available in the separately issued VRS 2021 Annual Report. A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at varetire.org/Pdf/Publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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D. Other Postemployment Benefits – Group Life Insurance

1. Plan Description

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

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

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

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

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

Reduction in benefit Amounts

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

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

For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute in 2015. This amount will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,722 as of June 30, 2022.

2. Plan Membership

The membership as of June 30, 2021

includes:

Active Plan Members	361,306
Inactive Members or their Beneficiaries currently receiving benefits	208,644
Inactive members entitled to, but not yet receiving benefits	<u>7,070</u>
	<u><u>577,020</u></u>

3. Contributions

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

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provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% ($1.34\% \times 60\%$) and the employer component was 0.54% ($1.34\% \times 40\%$). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the Group Life Insurance Program from the entity for Professionals (Teachers) was \$2,368,914 and \$2,302,569 for the years ended June 30, 2022 and June 30, 2021, respectively. Contribution to the Group Life Insurance Program from the entity for Nonprofessionals was \$268,726 and \$251,112 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022, the entities reported a liability for Professionals (Teachers) of \$24,045,696 and for Nonprofessionals of \$2,622,404 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion for Professionals (Teachers) was 2.06530% and for Nonprofessionals .22524% as compared to 2.08728% for Professionals (Teachers) and .23282% for Nonprofessionals at June 30, 2020.

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense of \$677,327 for Professionals (Teachers) and \$59,850 for Nonprofessionals. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to the Professional (Teacher) GLI OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,742,496	\$ 183,215
Net difference between projected and actual earnings on Teacher GLI OPEB plan investments	-	5,739,192
Change in assumptions	1,325,633	3,289,964
Changes in proportionate share	-	1,088,449
Employer contributions subsequent to the measurement date	2,368,914	-
Total	<u>\$ 6,437,043</u>	<u>\$ 10,300,820</u>

At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to the Nonprofessional GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 299,094	\$ 19,981
Net difference between projected and actual earnings on Teacher GLI OPEB plan investments	-	625,912
Change in assumptions	144,572	358,801
Changes in proportionate share	-	167,253
Employer contributions subsequent to the measurement date	268,726	-
Total	<u>\$ 712,392</u>	<u>\$ 1,171,947</u>

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\$2,368,914 and \$268,726 reported as deferred outflows of resources related to the Professional (Teacher) and Nonprofessional GLI OPEB, respectively, resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Professional (Teacher) and Nonprofessional GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year ended June 30 - Professional (Teacher)		Year ended June 30 - Nonprofessional	
FY 2023	\$ (1,492,366)	FY 2023	\$ (176,775)
FY 2024	(1,215,132)	FY 2024	(142,977)
FY 2025	(1,161,121)	FY 2025	(132,881)
FY 2026	(1,951,615)	FY 2026	(219,333)
FY 2027	(412,457)	FY 2027	(56,315)
	<u>\$ (6,232,691)</u>		<u>\$ (728,281)</u>

5. Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

Mortality rates – Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Mortality rates – Largest Ten Locality Employers - General Employees

Pre-Retirement:

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

Post-Retirement:

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

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Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

6. Net GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of the measurement date of June 30, 2021, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

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	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 3,577,346
Plan Fiduciary Net Position	<u>2,413,074</u>
Employers' Net GLI OPEB Liability	<u><u>\$ 1,164,272</u></u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.45%

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

7. Long-Term Expected Rate of Return

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

AssetClass (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS-Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		<u>4.89%</u>
Inflation			<u>2.50%</u>
*Expected arithmetic nominal return			<u><u>7.39%</u></u>

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* The above allocation provides a one-year return of 7.39%. 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 6.94%, 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 2.5%.

8. Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2021, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

The following presents the employer's proportionate share of the net Professional (Teacher) and Nonprofessional GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

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	1.00% Decrease	Current Discount	1.00% Increase
	5.75%	6.75%	7.75%
Employer's proportionate share of the Professional (Teacher) Group Life Insurance Program	\$ 35,131,634	\$ 24,045,696	\$ 15,093,298
Net OPEB Liability			
Employer's proportionate share of the Nonprofessional Group Life Insurance Program	\$ 3,831,428	\$ 2,622,404	\$ 1,646,063
Net OPEB Liability			

10. Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Report. A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at varetire.org/Pdf/Publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

E. Other Postemployment Benefits – Virginia Local Disability Program

1. Plan Description

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

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

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TEACHER EMPLOYEE AND POLITICAL SUBDIVISION EMPLOYEE VLDP PLAN PROVISIONS

Eligible Employees

The Teacher Employee and Political Subdivision Employee Virginia Local Disability Program was implemented January 1, 2014 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with Hybrid retirement benefits

Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include:

- Teachers and other full-time permanent (professional) salaried employees of public school divisions covered under VRS.
- Full-time general employees; including local law enforcement officers, firefighters, or emergency medical technicians who do not have enhanced hazardous duty benefits; of public political subdivisions covered under VRS.

Benefit Amounts

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

Short-Term Disability –

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

Long-Term Disability –

- The VLDP program provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work at all or are working fewer than 20 hours per week.
- Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be

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offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.

Virginia Local Disability Program Notes:

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

2. Plan Membership

Virginia Local Disability Program - Teachers

The plan membership as of June 30, 2021 includes:

Active Plan Members	13,027
Inactive Members or their Beneficiaries currently receiving benefits	17
	<u>13,044</u>

Virginia Local Disability Program - Political Subdivisions

The plan membership as of June 30, 2021 includes:

Active Plan Members	10,672
Inactive Members or their Beneficiaries currently receiving benefits	44
	<u>10,716</u>

3. Contributions

The contribution requirement for active Hybrid employees is governed by §51.1-1178(C) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions and political subdivisions by the Virginia General Assembly. Each school division's and political subdivision's contractually required employer contribution rate for the year ended June 30, 2022 was 0.47% and 0.61%, respectively, of covered employee compensation for employees in the VRS Teacher Employee Virginia Local Disability Program or the VRS Political Subdivision Employee Virginia Local, respectively. These rates were based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee VLDP were \$659,550 and \$553,806 for the years ended June 30, 2022 and June 30, 2021, respectively. Contributions from the political subdivision to the VRS Political Subdivision

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Employee VLDP were \$172,623 and \$145,229 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022, the school division reported an asset of \$123,258 for its proportionate share of the VRS Teacher Employee VLDP Net OPEB Asset. The Net VRS Teacher Employee VLDP OPEB Asset was measured as of June 30, 2021 and the total VRS Teacher Employee VLDP OPEB asset used to calculate the Net VRS Teacher Employee VLDP OPEB Asset was determined by an actuarial valuation as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the Net VRS Teacher Employee VLDP OPEB Asset was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee VLDP OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion of the VRS Teacher Employee VLDP was 17.50814% as compared to 17.32958% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized VRS Teacher Employee VLDP OPEB expense of \$415,393. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee VLDP Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2022, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee VLDP OPEB from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 61,630	\$ 68,497
Net difference between projected and actual earnings on Teacher VLDP OPEB plan investments	-	98,068
Change in assumptions	66,900	-
Changes in proportion	2,983	-
Employer contributions subsequent to the measurement date	659,550	-
Total	<u>\$ 791,063</u>	<u>\$ 166,565</u>

\$659,550 reported as deferred outflows of resources related to the Teacher Employee VLDP OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee VLDP OPEB Liability in the Fiscal Year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee VLDP OPEB will be recognized in the Teacher Employee VLDP OPEB expense in future reporting periods as follows:

Year ended June 30

FY 2023	\$ (19,101)
FY 2024	(19,217)
FY 2025	(19,053)
FY 2026	(22,820)
FY 2027	4,469
Thereafter	<u>40,670</u>
	<u>\$ (35,052)</u>

In addition, at June 30, 2022, the political subdivision reported an asset of \$44,077 for its proportionate share of the VRS Political Subdivision Employee VLDP Net OPEB Asset. The Net VRS Political Subdivision Employee VLDP OPEB Asset was measured as of June 30, 2021 and the total VRS Political Subdivision Employee VLDP OPEB asset used to calculate the Net VRS Political Subdivision Employee VLDP OPEB Asset was determined by an actuarial valuation as June 30,

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2020, and rolled forward to the measurement date of June 30, 2021. The political subdivision's proportion of the Net VRS Political Subdivision Employee VLDP OPEB Asset was based on the political subdivision's actuarially determined employer contributions to the VRS Political Subdivision Employee VLDP OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the political subdivision's proportion of the VRS Political Subdivision Employee VLDP was 4.35422% as compared to 4.54891% at June 30, 2020.

For the year ended June 30, 2022, the political subdivision recognized VRS Political Subdivision Employee VLDP OPEB expense of \$119,553. Since there was a change in proportionate share between measurement dates a portion of the VRS Political Subdivision Employee VLDP Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2022, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to the VRS Political Subdivision Employee VLDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,185	\$ 66,036
Net difference between projected and actual earnings on Teacher VLDP OPEB plan investments	-	24,593
Change in assumptions	1,496	11,953
Changes in proportion	-	4,091
Employer contributions subsequent to the measurement date	172,623	-
Total	<u>\$ 200,304</u>	<u>\$ 106,673</u>

\$172,623 reported as deferred outflows of resources related to the Political Subdivision Employee VLDP OPEB resulting from the political subdivision's contributions subsequent to the measurement date will be recognized as a reduction of the Net Political Subdivision Employee VLDP OPEB Liability in the Fiscal Year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Political Subdivision

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Employee VLDP OPEB will be recognized in the Political Subdivision Employee VLDP OPEB expense in future reporting periods as follows:

Year ended June 30	
FY 2023	\$ (11,377)
FY 2024	(11,293)
FY 2025	(11,616)
FY 2026	(20,872)
FY 2027	(7,184)
Thereafter	(16,650)
	<u>\$ (78,992)</u>

5. Actuarial Assumptions

Teacher Employee Virginia Local Disability Program

The total Teacher Employee VLDP OPEB liability for the VRS Teacher Employee VLDP was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

Mortality rates – Teachers

Pre-Retirement:

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

Post-Retirement:

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

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Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

Political Subdivision Employee Virginia Local Disability Program

The total Political Subdivision Employee VLDP OPEB liability for the VRS Political Subdivision Employee VLDP was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

Mortality rates – General State Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 2020 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:

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

6. Net VLDP OPEB Liability(Asset)

Teacher Employee Virginia Local Disability Program

The net OPEB liability (NOL) for the Teacher Employee VLDP represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2021, NOL amounts for the VRS Teacher Employee VLDP is as follows (amounts expressed in thousands):

	Teacher Employee VLDP OPEB Plan
Total Teacher Employee VLDP OPEB Liability	\$4,884
Plan Fiduciary Net Position	5,590
Teacher Employee net VLDP OPEB Liability(Asset)	<u>\$ (706)</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee VLDP OPEB Liability	114.46%

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

Political Subdivision Employee Virginia Local Disability Program

The net OPEB liability (NOL) for the Political Subdivision Employee VLDP represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position.

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As of June 30, 2021, NOL amounts for the VRS Political Subdivision Employee Virginia Local Disability Program is as follows (amounts expressed in thousands):

	Political Subdivision
	Employee
	VLDP OPEB
	<u>Plan</u>
Total Political Subdivision VLDP OPEB Liability	\$ 267,198
Plan Fiduciary Net Position	<u>611,919</u>
Political Subdivision net VLDP OPEB Liability(Asset)	<u>\$ (344,721)</u>
Plan Fiduciary Net Position as a Percentage	
of the Total Political Subdivision VLDP OPEB Liability	229.01%

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

7. Long-Term Expected Rate of Return

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

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AssetClass (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS-Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
Inflation			2.50%
*Expected arithmetic nominal return			7.39%

* The above allocation provides a one-year return of 7.39%. 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 6.94%, including expected inflation of 2.50%. October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 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%.

8. Discount Rate

The discount rate used to measure the total Teacher Employee VLDP OPEB and the Political Subdivision Employee VLDP OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2021, the rate contributed by the school division for the VRS Teacher Employee Virginia Local Disability Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee VLDP OPEB and the Political Subdivision Employee VLDP OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee VLDP OPEB liability and the total Political Subdivision Employee VLDP OPEB liability.

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

The following tables presents the school division's proportionate share of the VRS Teacher Employee Virginia Local Disability Program net VLDP OPEB asset and the VRS Political Subdivision Employee Virginia Local Disability Program net VLDP OPEB asset using the discount rate of 6.75%, as well as what the school division's/political subdivision's proportionate share of the net VLDP OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1.00% Decrease 5.75%	Current Discount 6.75%	1.00% Increase 7.75%
School division's proportionate share of the VRS Teacher Employee VLDP OPEB Plan	\$ (18,497)	\$ (123,258)	\$ (215,354)
Net VLDP OPEB Liability(Asset)			
Political Subdivision's proportionate share of the VRS Political Subdivision VLDP OPEB Plan	\$ (23,610)	\$ (44,077)	\$ (61,826)
Net VLDP OPEB Liability(Asset)			

10. VLDP OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee VLDP's Fiduciary Net Position and the VRS Political Subdivision Employee VLDP's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Report. A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at varetire.org/Pdf/Publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

	OPEB Trust	Virginia Retirement System			
	Retiree Health	Health Insurance Credit	Group Life Insurance	Virginia Local Disability Program	Combined Totals
Net OPEB Liability	\$ 51,269,500	\$ 67,056,153	\$ 26,668,100	\$ -	\$ 144,993,753
Net OPEB Asset	\$ -	\$ -	\$ -	\$ 167,335	\$ 167,335
OPEB Expense	\$ 6,497,757	\$ 4,833,862	\$ 737,177	\$ 534,946	\$ 12,603,742
Deferred Outflows of Resources:					
Differences in Expected and Actual Experience	\$ 7,965,805	\$ -	\$ 3,041,590	\$ 87,815	\$ 11,095,210
Net Differences between Projected and Actual Earnings on Investments	1,331,976	-	-	-	1,331,976
Change in Assumptions	7,770,802	1,783,060	1,470,205	68,396	11,092,463
Changes in Proportionate Share	-	-	-	2,983	2,983
Employer Contributions Subsequent to the Measurement Date	-	5,829,366	2,637,640	832,173	9,299,179
Total Deferred Outflows of Resources	\$ 17,068,583	\$ 7,612,426	\$ 7,149,435	\$ 991,367	\$ 32,821,811
Deferred Inflows of Resources:					
Differences in Expected and Actual Experience	\$ -	\$ 1,076,396	\$ 203,196	\$ 134,533	\$ 1,414,125
Net Difference between Projected and Actual Earnings on Investments	-	839,874	6,365,104	122,661	7,327,639
Change in Assumptions	13,973,371	247,907	3,648,765	11,953	17,881,996
Changes in Proportionate Share	-	2,629,883	1,255,702	4,091	3,889,676
Total Deferred Inflows of Resources	\$ 13,973,371	\$ 4,794,060	\$ 11,472,767	\$ 273,238	\$ 30,513,436

9. RISK MANAGEMENT AND HEALTH CARE BENEFITS

A. School Self-Insurance Program

The School Board is self-insured for a portion of its risks. The self-insurance coverage for Fire and Property Insurance is \$100,000 per occurrence (includes unnamed windstorm and earthquake damage) and 1% of the total insured value of the damaged covered property when such loss or damage results from a named windstorm (minimum deductible – \$250,000 per occurrence); Boiler and Machinery Breakdown coverage is \$10,000 per occurrence; School Leaders Liability (including general liability and errors and omissions) coverage is \$350,000 per occurrence; Crime (Employee Dishonesty) coverage is \$2,500 per occurrence; Environmental Impairment is \$25,000 and Cyber Liability coverage has a \$50,000 self-insured retention. Automobile Liability retention (engine on) is \$450,000 per occurrence; Automobile Physical Damage retention (engine off) is

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NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

\$60,000 per occurrence; and the Excess Workers' Compensation self-insured retention is \$750,000 per claim.

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

Claims processing and payments for all insurance claims are made through commercial carriers and third-party administrators. The School Board uses the information provided by the third-party administrators to aid in the determination of self-insurance liabilities. The computed liability as of June 30, 2022 is \$11,120,619 (undiscounted), as follows:

Fiscal Year	Beginning-of- Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2020-21	\$ 7,808,151	\$ 7,974,335	\$5,725,394	\$ 10,057,092
2021-22	\$ 10,057,092	\$ 8,353,507	\$7,289,980	\$ 11,120,619

B. Surety Bonds

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

C. Self-Insured Health Care Benefits Program

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

Claims processing and payments for all health care claims are made through third-party administrators. The School Board uses the information provided by the third-party administrators and a health care benefits consultant to aid in the determination of self-insurance liabilities. The computed liability as of June 30, 2022 is \$7,613,000 (undiscounted), as follows:

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NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

<u>Fiscal Year</u>	<u>Beginning-of-Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2020-21	\$ 8,255,000	\$ 147,366,000	\$ 147,083,000	\$ 8,538,000
2021-22	\$ 8,538,000	\$ 152,385,651	\$ 153,310,651	\$ 7,613,000

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

A. Interfund Transfers

The following are the School Board's interfund transfers in and transfers out that occurred during fiscal year 2022:

<u>Fund</u>	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
General Fund	\$ -	\$ 4,869,945
School Grants -		
Special Revenue	4,869,945	-
Total per Exhibit A-4 and A-6	<u>\$ 4,869,945</u>	<u>\$ 4,869,945</u>

Purpose: Operational support during Fiscal Year 2021-22

B. Interfund Receivables and Payables

The following are the School Board's interfund receivables and payables as of June 30, 2022:

<u>Fund</u>	<u>Interfund Receivables (Due from Other Funds)</u>	<u>Interfund Payables (Due to Other Funds)</u>
General Fund	\$ 21,432,800	\$ -
School Grants -		
Special Revenue	-	21,432,800
Total per Exhibit A-3	<u>\$ 21,432,800</u>	<u>\$ 21,432,800</u>

Purpose: Eliminate School Grants fund negative cash balance at June 30, 2022
(expected to be repaid within one year)

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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

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

Capital Outlay:	
Capital Projects Fund	\$ 18,776,941
General Fund	16,784,522
Grants Special Revenue Fund	452,931
School Equipment Replacement	
Special Revenue Fund	62,829
School Cafeterias Special Revenue Fund	406,795
Total Capital Outlay	<u>\$ 36,484,018</u>
Less:	
Depreciation Expense	\$(36,187,004)
Depreciation Expense and Accumulated	
Depreciation change/transfer related to	
the Tenancy in Common by the City on	
certain School Buildings (Notes 4B&C)	9,045,157
Loss on Disposals	<u>(141,011)</u>
Total Depreciation Expense and Other	<u>\$(27,282,858)</u>
Total Amount by which Capital	
Outlay Exceeded Depreciation	
Expense and Other (Exhibit A-4)	<u><u>\$ 9,201,160</u></u>

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

D. Fund Balance Classifications

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

	General	School Grants	School Cafeterias	Capital Projects	Nonmajor Governmental	Total Governmental Funds
<u>Nonspendable</u>						
Inventories, Prepaid Items and Leases	\$ 1,424,158	\$ -	\$ 975,234	\$ -	\$ 1,714,119	\$ 4,113,511
<u>Restricted</u>						
Federal And State Grantor Agencies	\$ -	\$ 3,856,966	\$ -	\$ -	\$ -	\$ 3,856,966
Capital Projects						
State DOE/Textbooks	-	-	-	-	5,509,053	5,509,053
School Activities	-	-	-	-	4,983,205	4,983,205
USDA/Cafeterias Charges	-	-	19,014,788	-	-	19,014,788
Total Restricted	\$ -	\$ 3,856,966	\$ 19,014,788	\$ -	\$ 10,492,258	\$ 33,364,012
<u>Committed</u>						
Capital Projects Contracts	\$ -	\$ -	\$ -	\$ 106,654,155	\$ -	\$ 106,654,155
Communication Towers/ Technology	-	-	-	-	4,389,769	4,389,769
Vending Operations/ School Allocations	-	-	-	-	169,815	169,815
Equipment Replacement	-	-	-	-	699,951	699,951
Total Committed	\$ -	\$ -	\$ -	\$ 106,654,155	\$ 5,259,535	\$ 111,913,690
<u>Assigned</u>						
Instructional Technology	\$ 1,335,287	\$ -	\$ -	\$ -	\$ -	\$ 1,335,287
School Athletics	685,490	-	-	-	-	685,490
Green Run Collegiate Public Charter	1,421	-	-	-	-	1,421
Instruction Category	3,186,721	-	-	-	-	3,186,721
Administration, Attendance and Health Category	295,470	-	-	-	-	295,470
Pupil Transportation Category	4,470,186	-	-	-	-	4,470,186
Operations and Maintenance Category	10,749,022	-	-	-	-	10,749,022
Technology Category	6,889,634	-	-	-	-	6,889,634
Total Assigned	\$ 27,613,231	\$ -	\$ -	\$ -	\$ -	\$ 27,613,231
Total Fund Balances	\$ 29,037,389	\$ 3,856,966	\$ 19,990,022	\$ 106,654,155	\$ 17,465,912	\$ 177,004,444

REQUIRED SUPPLEMENTARY INFORMATION

RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS

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

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

SCHOOL GRANTS SPECIAL REVENUE FUND

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

SCHOOL CAFETERIAS SPECIAL REVENUE FUND

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE MEASUREMENT DATES OF JUNE 30, 2014 THROUGH 2021
PROFESSIONAL EMPLOYEES
JUNE 30, 2022**

Professional/Teacher Retirement Plan

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

Notes to Schedule:

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
NONPROFESSIONAL EMPLOYEES
FOR THE YEAR ENDED JUNE 30, 2022

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability(Asset)								
Service Cost	\$ 3,964,435	\$ 3,961,923	\$ 3,788,974	\$ 3,831,060	\$ 4,027,098	\$ 4,079,432	\$ 4,089,939	\$ 4,171,321
Interest	16,427,054	15,856,267	15,432,954	14,994,765	14,519,133	14,020,741	13,574,596	13,051,394
Diff Between Expected and Actual Experience	(808,663)	2,409,511	2,127,992	(114,972)	1,300,649	264,387	(747,303)	-
Change in Assumptions	8,249,072	-	6,306,405	-	(1,332,150)	-	-	-
Benefit Payments	(13,991,919)	(13,083,421)	(12,468,334)	(11,553,290)	(11,066,537)	(10,581,181)	(9,558,643)	(9,003,617)
Refunds of Contributions	-	(467,858)	(419,254)	(461,154)	(358,994)	(482,631)	(465,012)	(469,524)
Net Change in Total Pension Liability	\$ 13,839,979	\$ 8,676,422	\$ 14,768,737	\$ 6,696,409	\$ 7,089,199	\$ 7,300,748	\$ 6,893,577	\$ 7,749,574
Total Pension Liability - Beginning	250,359,718	241,683,296	226,914,559	220,218,150	213,128,951	205,828,203	198,934,626	191,185,052
Total Pension Liability - Ending (a)	\$264,199,697	\$250,359,718	\$241,683,296	\$226,914,559	\$220,218,150	\$213,128,951	\$205,828,203	\$198,934,626
Plan Fiduciary Net Position								
Employer Contributions	\$ 3,376,047	\$ 2,906,100	\$ 2,880,916	\$ 2,967,419	\$ 2,959,847	\$ 3,876,348	\$ 3,739,486	\$ 3,646,317
Employee Contributions	2,129,012	2,209,656	2,161,296	2,121,653	2,124,981	2,113,676	2,041,468	2,000,972
Net Investment Income	58,169,277	4,171,983	14,049,158	15,092,474	22,825,346	3,214,427	8,507,018	25,850,848
Benefit Payments	(13,991,919)	(13,083,421)	(12,468,334)	(11,553,290)	(11,066,537)	(10,581,181)	(9,558,643)	(9,003,617)
Refunds of Contributions	-	(467,858)	(419,254)	(461,154)	(358,994)	(482,631)	(465,012)	(469,524)
Administrative Expenses	(148,821)	(145,905)	(143,574)	(133,315)	(135,200)	(120,635)	(118,985)	(141,126)
Other Changes	(312)	(4,932)	(8,810)	(13,321)	(20,191)	(1,394)	(1,792)	1,363
Net Change in Fiduciary Net Position	\$ 49,533,284	\$ (4,414,377)	\$ 6,051,398	\$ 8,020,466	\$ 16,329,252	\$ (1,981,390)	\$ 4,143,540	\$ 21,885,233
Fiduciary Net Position, Beginning	216,260,637	220,675,014	214,623,616	206,603,150	190,273,898	192,255,288	188,111,748	166,226,515
Fiduciary Net Position, Ending (b)	\$265,793,921	\$216,260,637	\$220,675,014	\$214,623,616	\$206,603,150	\$190,273,898	\$192,255,288	\$188,111,748
Net Pension Liability(Asset)- Nonprofessional Employees (a) - (b)	\$ (1,594,224)	\$ 34,099,081	\$ 21,008,282	\$ 12,290,943	\$ 13,615,000	\$ 22,855,053	\$ 13,572,915	\$ 10,822,878
Plan Fiduciary Net Position as a % of Total Pension Liability (b)/(a)	100.60%	86.38%	91.31%	94.58%	93.82%	89.28%	93.41%	94.56%
Covered Payroll (c)	\$ 42,346,298	\$ 43,518,726	\$ 42,872,651	\$ 42,303,998	\$ 42,112,697	\$ 42,344,732	\$ 40,970,605	\$ 40,017,176
Net Pension Liability as a % of Covered Payroll - Nonprofessional	-3.76%	78.35%	49.00%	29.05%	32.33%	53.97%	33.13%	27.05%

Notes to Schedule:

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
PROFESSIONAL EMPLOYEES
JUNE 30, 2022

Professional Employees

Date	(a) Contractually Required Contributions	(b) Contributions in Relation to Contractually Required Contributions	(c) Contribution Deficiency (Excess) (a) - (b)	(d) Employer's Covered Payroll	(e) Contributions as a % of Covered Payroll (b) / (d)
June 30, 2022	\$ 70,274,556	\$ 70,274,556	\$ -	\$ 422,831,262	16.62%
June 30, 2021	\$ 67,989,422	\$ 67,989,422	\$ -	\$ 409,081,963	16.62%
June 30, 2020	\$ 65,059,491	\$ 65,059,491	\$ -	\$ 414,920,223	15.68%
June 30, 2019	\$ 63,710,358	\$ 63,710,358	\$ -	\$ 406,316,058	15.68%
June 30, 2018	\$ 65,402,518	\$ 65,402,518	\$ -	\$ 400,750,722	16.32%
June 30, 2017	\$ 57,698,763	\$ 57,698,763	\$ -	\$ 393,579,555	14.66%
June 30, 2016	\$ 54,463,409	\$ 54,463,409	\$ -	\$ 387,364,218	14.06%
June 30, 2015	\$ 55,858,551	\$ 55,858,551	\$ -	\$ 385,231,385	14.50%
June 30, 2014	\$ 43,992,831	\$ 43,992,831	\$ -	\$ 377,297,007	11.66%
June 30, 2013	\$ 44,228,510	\$ -	\$ -	\$ 379,318,265	-

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

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

- Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted rates to better fit experience at each year age and service through 9 years of service
- No change to disability rates
- No change to salary scale
- No change to discount rate

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
NONPROFESSIONAL EMPLOYEES
JUNE 30, 2022

Date	(a) Contractually Required Contributions	(b) Contributions in Relation to Contractually Required Contributions	(c) Contribution Deficiency (Excess) (a) - (b)	(d) Employer's Covered Payroll	(e) Contributions as a % of Covered Payroll (b) / (d)
June 30, 2022	\$ 3,629,076	\$ 3,629,076	\$ -	\$ 45,137,761	8.04%
June 30, 2021	\$ 3,404,642	\$ 3,404,642	\$ -	\$ 42,346,298	8.04%
June 30, 2020	\$ 2,928,810	\$ 2,928,810	\$ -	\$ 43,518,726	6.73%
June 30, 2019	\$ 2,885,329	\$ 2,885,329	\$ -	\$ 42,872,651	6.73%
June 30, 2018	\$ 2,969,741	\$ 2,969,741	\$ -	\$ 42,303,998	7.02%
June 30, 2017	\$ 2,956,311	\$ 2,956,311	\$ -	\$ 42,112,697	7.02%
June 30, 2016	\$ 3,857,605	\$ 3,857,605	\$ -	\$ 42,344,732	9.11%
June 30, 2015	\$ 3,732,422	\$ 3,732,422	\$ -	\$ 40,970,605	9.11%
June 30, 2014	\$ 3,645,565	\$ 3,645,565	\$ -	\$ 40,017,176	9.11%
June 30, 2013	\$ 3,671,537	\$ -	\$ -	\$ 40,302,269	-

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

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

- Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
- Adjusted rates to better fit experience at each year age and service through 9 years of service
- No change to disability rates
- No change to salary scale
- No change to discount rate

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
OTHER POSTEMPLOYMENT BENEFITS – RETIREE HEALTH
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
JUNE 30, 2022

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability						
Service Cost	\$ 2,049,213	\$ 1,934,661	\$ 2,566,620	\$ 2,429,766	\$ 1,239,627	\$ 1,529,672
Interest on Total OPEB Liability	5,360,537	5,305,457	6,616,759	6,508,729	5,027,382	4,928,893
Effect of Economic/Demographic Gains or (Losses)	7,289,849	-	2,340,909	-	1,400,273	-
Effect of Assumption Changes or Inputs	(584,251)	-	(22,674,032)	3,705,597	20,370,070	-
Benefit Payments	(6,864,988)	(6,160,668)	(5,945,243)	(6,650,666)	(6,679,101)	(5,661,710)
Net Change in Total OPEB Liability	7,250,360	1,079,450	(17,094,987)	5,993,426	21,358,251	796,855
Total OPEB Liability, Beginning	83,799,046	82,719,596	99,814,583	93,821,157	72,462,906	71,666,051
Total OPEB Liability, Ending (a)	<u>\$ 91,049,406</u>	<u>\$ 83,799,046</u>	<u>\$ 82,719,596</u>	<u>\$ 99,814,583</u>	<u>\$ 93,821,157</u>	<u>\$ 72,462,906</u>
Fiduciary Net Position						
Employer Contributions	\$ 6,864,988	\$ 6,160,668	\$ 6,950,743	\$ 6,650,666	\$ 7,369,401	\$ 5,661,710
Net Investment Income	(4,047,045)	10,143,922	2,096,210	2,126,862	1,922,273	3,098,316
Investment Gains or Losses	-	-	(1,099,110)	(729,008)	675,431	-
Benefit Payments	(6,864,988)	(6,160,668)	(5,945,243)	(6,650,666)	(6,679,101)	(5,661,710)
Administrative Expenses	(31,102)	(29,042)	(27,508)	(26,592)	(25,409)	(24,357)
Net Change in Fiduciary Net Position	(4,078,147)	10,114,880	1,975,092	1,371,262	3,262,595	3,073,959
Fiduciary Net Position, Beginning	43,858,053	33,743,173	31,768,081	30,396,819	27,134,224	24,060,265
Fiduciary Net Position, Ending (b)	<u>\$ 39,779,906</u>	<u>\$ 43,858,053</u>	<u>\$ 33,743,173</u>	<u>\$ 31,768,081</u>	<u>\$ 30,396,819</u>	<u>\$ 27,134,224</u>
 Net OPEB Liability, Ending (a) - (b)	 <u>\$ 51,269,500</u>	 <u>\$ 39,940,993</u>	 <u>\$ 48,976,423</u>	 <u>\$ 68,046,502</u>	 <u>\$ 63,424,338</u>	 <u>\$ 45,328,682</u>
 Fiduciary Net Position as a % of Total OPEB Liability	 43.69%	 52.34%	 40.79%	 31.83%	 32.40%	 37.45%
 Covered Payroll	 \$481,013,873	 \$466,464,228	 \$466,464,228	 \$444,517,100	 \$444,517,100	 \$426,884,300
 Net OPEB Liability as a % of Covered Payroll	 10.66%	 8.56%	 10.50%	 15.31%	 14.27%	 10.62%

Notes to Schedule:

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

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
OTHER POSTEMPLOYMENT BENEFITS – RETIREE HEALTH
SCHEDULE OF ANNUAL CONTRIBUTIONS
LAST TEN FISCAL YEARS
JUNE 30, 2022

Fiscal Year Ending June 30	Actuarially Determined Contribution	Actual Employer Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2013	\$7,858,100	\$ 7,858,100	\$ -	\$ 409,662,700	1.92%
2014	\$5,700,900	\$ 5,700,900	\$ -	\$ 421,065,100	1.35%
2015	\$5,832,200	\$ 5,832,200	\$ -	\$ 421,065,100	1.39%
2016	\$4,462,800	\$ 5,748,000	\$ (1,285,200)	\$ 426,884,300	1.35%
2017	\$4,542,400	\$ 5,661,700	\$ (1,119,300)	\$ 426,884,300	1.33%
2018	\$7,369,400	\$ 7,369,400	\$ -	\$ 444,517,100	1.66%
2019	\$7,656,200	\$ 6,650,700	\$ 1,005,500	\$ 444,517,100	1.50%
2020	\$5,704,500	\$ 6,950,743	\$ (1,246,243)	\$ 466,464,228	1.49%
2021	\$5,835,800	\$ 6,160,668	\$ (324,868)	\$ 466,464,228	1.32%
2022	\$5,942,500	\$ 6,864,988	\$ (922,488)	\$ 481,013,873	1.43%

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
OTHER POSTEMPLOYMENT BENEFITS – RETIREE HEALTH
SCHEDULE OF ANNUAL CONTRIBUTIONS
LAST TEN FISCAL YEARS
JUNE 30, 2022**

Valuation Timing:

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

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar, Closed
Amortization Period	24 Years Remaining as of January 1, 2022
Asset Valuation Method	Five-year asset smoothing; Actuarial value of assets will equal market value for applicable year less amounts deferred through the recognition over five years of the annual difference between actual and expected market value of assets.
Inflation	2.50%
Salary Increases	Inflation rate of 2.50%; productivity component 1.00%; and a variable merit component that is dependent on years of service.
Discount Rate	6.50%
Age Related Claims Costs	Age related medical claims cost assumptions for retirees based on recent retiree claims experience. Based on retiree population size and claim patterns during calendar years 2020 through 2021, assigned one third credibility to calendar year 2020 and remaining two thirds to calendar year 2021 retiree and dependent claims.
Healthcare Cost Trend Rates	Assumption changed from 6.70% in 2020, 5.90% in 2021, 5.10% in 2022, then grading to an to an ultimate rate of 4.10% in 2074 to 5.50% in 2022, 5.10% in 2023 and 2024, then grading to an ultimate rate of 4.00% in 2074. These healthcare trend rates are consistent with information from the Getzen Trend Model, Milliman's Health Cost Guidelines and actuarial judgment.
Retirement Age	VRS Plan 1: 65 and VRS Plans2/Hybrid: Normal Social Security Retirement Age
Mortality Rates	Based on the PUB-2010 Employee Mortality Table for Males or Females as appropriate, with adjustments for mortality improvements based on Scale BB
Disability Rates	20% of disabilities are assumed to be service-related.

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
OTHER POSTEMPLOYMENT BENEFITS – RETIREE HEALTH
SCHEDULE OF INVESTMENT RETURNS
LAST TEN FISCAL YEARS
JUNE 30, 2022

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

Notes to Schedule:

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
HEALTH INSURANCE CREDIT PROGRAM (HIC) – POLITICAL SUBDIVISION
LAST TEN FISCAL YEARS
JUNE 30, 2022

	June 30, 2021	June 30, 2020
Total HIC OPEB Liability		
Service Cost	\$ 63,751	\$ -
Interest on Total OPEB Liability	354,375	-
Changes of Benefit Terms	-	5,249,993
Change in Assumptions	149,910	-
Net Change in Total HIC OPEB Liability	568,036	5,249,993
Total HIC OPEB Liability, Beginning	5,249,993	0
Total HIC OPEB Liability, Ending (a)	<u>\$ 5,818,029</u>	<u>\$ 5,249,993</u>
Fiduciary Net Position		
Employer Contributions	\$ 400,904	\$ -
Net Investment Income	47,594	-
Administrative Expenses	(1,754)	-
Net Change in Fiduciary Net Position	446,744	-
Fiduciary Net Position, Beginning	-	-
Fiduciary Net Position, Ending (b)	<u>\$ 446,744</u>	<u>\$ -</u>
 Net HIC OPEB Liability, Ending (a) - (b)	 <u>\$ 5,371,285</u>	 <u>\$ 5,249,993</u>
 Fiduciary Net Position as a % of Total OPEB HIC Liability	 7.68%	 0.00%
 Covered Payroll	 \$ 46,018,028	 \$ -
 Net HIC OPEB Liability as a % of Covered Payroll	 11.67%	 N/A

Notes to Schedule:

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY
HEALTH INSURANCE CREDIT PROGRAM (HIC)
FOR THE MEASUREMENT DATES OF JUNE 30, 2017 through 2021**

Health Insurance Credit Program - Teacher

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

Notes to Schedule:

This schedule is intended to show information for 10 years. Since 2021 is the fifth year for this presentation, there are only five years available. However, additional years will be included as they become available.

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY
GROUP LIFE INSURANCE PROGRAM (GLI)
FOR THE MEASUREMENT DATES OF JUNE 30, 2017 through 2021

Group Life Insurance Program - Teachers

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

Group Life Insurance Program - Political Subdivision

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

Notes to Schedule:

This schedule is intended to show information for 10 years. Since 2021 is the fifth year for this presentation, there are only five years available. However, additional years will be included as they become available.

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY
VIRGINIA LOCAL DISABILITY PROGRAM (VLDP)
FOR THE MEASUREMENT DATES OF JUNE 30, 2017 through 2021

Virginia Local Disability Program - Teachers

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

Virginia Local Disability Program - Political Subdivision

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

Notes to Schedule:

This schedule is intended to show information for 10 years. Since 2021 is the fifth year for this presentation, there are only five years available. However, additional years will be included as they become available.

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS (OPEB)
LAST TEN FISCAL YEARS
JUNE 30, 2022

Health Insurance Credit Program - Teacher

Fiscal Year Ending June 30	Contractually Required Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2022	\$5,398,393	\$ 5,398,393	\$ -	\$ 441,111,818	1.22%
2021	\$5,143,628	\$ 5,143,628	\$ -	\$ 425,016,085	1.21%
2020	\$5,148,298	\$ 5,148,298	\$ -	\$ 427,749,309	1.20%
2019	\$4,996,970	\$ 4,996,970	\$ -	\$ 416,667,852	1.20%
2018	\$5,023,021	\$ 5,023,021	\$ -	\$ 408,375,692	1.23%
2017	\$4,914,862	\$ 4,435,363	\$ 479,499	\$ 399,582,254	1.11%
2016	\$4,609,056	\$ 4,140,339	\$ 468,717	\$ 390,598,006	1.06%
2015	\$4,556,498	\$ 4,093,125	\$ 463,373	\$ 386,143,862	1.06%
2014	\$4,417,613	\$ 4,191,068	\$ 226,545	\$ 377,573,722	1.11%
2013	\$4,440,741	\$ 4,213,011	\$ 227,730	\$ 379,550,508	1.11%

Health Insurance Credit Program - Political Subdivision

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS (OPEB)
LAST TEN FISCAL YEARS
JUNE 30, 2022**

Notes to Schedule:

This schedule is intended to show information for 10 years. Since 2022 is the second year the School Board had employees eligible for HIC – Political Subdivision, there are only two years available. However, additional years will be included as they become available.

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

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

- Updated Mortality Rates to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service
- No change to disability rates
- No change to salary scale
- No change to discount rate

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS (OPEB)
LAST TEN FISCAL YEARS
JUNE 30, 2022

Group Life Insurance Program - Teacher

Fiscal Year Ending June 30	Contractually Required Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2022	\$2,368,914	\$ 2,368,914	\$ -	\$ 442,535,190	0.54%
2021	\$2,302,569	\$ 2,302,569	\$ -	\$ 426,407,218	0.54%
2020	\$2,257,910	\$ 2,257,910	\$ -	\$ 429,568,184	0.52%
2019	\$2,189,610	\$ 2,189,610	\$ -	\$ 418,203,923	0.52%
2018	\$2,131,438	\$ 2,131,438	\$ -	\$ 409,891,865	0.52%
2017	\$2,087,447	\$ 2,087,447	\$ -	\$ 401,432,134	0.52%
2016	\$2,079,432	\$ 1,883,259	\$ 196,173	\$ 392,345,632	0.48%
2015	\$2,053,604	\$ 1,859,868	\$ 193,736	\$ 387,472,533	0.48%
2014	\$2,011,839	\$ 1,822,043	\$ 189,796	\$ 379,592,250	0.48%
2013	\$2,020,542	\$ 1,829,925	\$ 190,617	\$ 381,234,424	0.48%

Group Life Insurance Program - Political Subdivision

Fiscal Year Ending June 30	Contractually Required Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2022	\$ 268,726	\$ 268,726	\$ -	\$ 49,796,398	0.54%
2021	\$ 251,112	\$ 251,112	\$ -	\$ 46,503,477	0.54%
2020	\$ 250,065	\$ 250,065	\$ -	\$ 47,915,825	0.52%
2019	\$ 241,899	\$ 241,899	\$ -	\$ 46,160,454	0.52%
2018	\$ 234,625	\$ 234,625	\$ -	\$ 45,120,109	0.52%
2017	\$ 230,517	\$ 230,517	\$ -	\$ 44,330,131	0.52%
2016	\$ 231,831	\$ 209,960	\$ 21,871	\$ 43,741,730	0.48%
2015	\$ 221,058	\$ 200,204	\$ 20,854	\$ 41,709,123	0.48%
2014	\$ 214,578	\$ 194,335	\$ 20,243	\$ 40,486,356	0.48%
2013	\$ 214,874	\$ 194,603	\$ 20,271	\$ 40,542,262	0.48%

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS (OPEB)
LAST TEN FISCAL YEARS
JUNE 30, 2022**

Notes to Schedule:

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

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

- Updated Mortality Rates to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service
- No change to disability rates
- No change to salary scale
- No change to discount rate

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS (OPEB)
FOR THE YEARS ENDED JUNE 30, 2014 THROUGH
JUNE 30, 2022**

Virginia Local Disability Program - Teacher

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

Virginia Local Disability Program - Political Subdivision

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS (OPEB)
LAST TEN FISCAL YEARS
JUNE 30, 2022**

Notes to Schedule:

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

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

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

- Updated Mortality Rates to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
- Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service
- No change to disability rates
- No change to salary scale
- No change to discount rate

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
with comparative actual amounts for the year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance	2021 Actual
REVENUES					
<u>From Use of Money and Property</u>					
Rents	\$ 450,000	\$ 450,000	\$ 241,643	\$ (208,357)	\$ 167,000
<u>Charges for Services</u>					
Tuition and Educational Fees	\$ 1,481,100	\$ 1,481,100	\$ 685,686	\$ (795,414)	\$ 561,027
<u>Miscellaneous Revenues</u>					
Sale of Salvage	\$ 12,000	\$ 12,000	\$ 114,017	\$ 102,017	\$ 57,748
Donations	-	-	3,250	3,250	450
Miscellaneous	224,703	224,703	147,143	(77,560)	141,577
Indirect Costs	600,000	600,000	1,623,654	1,023,654	821,954
Athletics	504,000	504,000	489,381	(14,619)	30,758
Instructional Technology	-	-	76,009	76,009	140,063
Lost, Damaged, Stolen Technology	-	-	181,942	181,942	58,310
Stop Arm Enforcement	350,000	350,000	1,059,715	709,715	422,965
Total Miscellaneous Revenues	\$ 1,690,703	\$ 1,690,703	\$ 3,695,111	\$ 2,004,408	\$ 1,673,825
<u>From Local Government</u>					
City - General Fund	\$ 411,253,348	\$ 420,759,988	\$ 399,688,222	\$ (21,071,766)	\$ 383,024,947
City - School Reserve Fund	1,334,364	1,334,364	1,334,364	-	5,800,000
City for Consolidated Benefits Office	735,538	735,538	735,538	-	735,538
Total From Local Government	\$ 413,323,250	\$ 422,829,890	\$ 401,758,124	\$ (21,071,766)	\$ 389,560,485
<u>From Commonwealth</u>					
Basic Aid	\$ 190,383,716	\$ 190,383,716	\$ 177,729,756	\$ (12,653,960)	\$ 183,758,757
Reimbursement-Social Security	10,935,722	10,935,722	10,760,982	(174,740)	10,664,439
Reimbursement-Retirement	25,465,702	25,465,702	25,058,789	(406,913)	24,858,656
Reimbursement-Life Insurance	764,736	764,736	752,516	(12,220)	751,017
Remedial Education	4,588,415	4,588,415	4,515,097	(73,318)	4,506,101
Remedial Education-Summer School	1,935	1,935	257,702	255,767	1,935
Special Education	20,036,078	20,036,078	19,715,924	(320,154)	19,676,640
Special Education-Regional Program	9,690,078	9,690,078	4,803,202	(4,886,876)	5,082,801
Special Education-Homebound	77,743	77,743	-	(77,743)	76,973
Special Education-Foster Children	-	-	203,344	203,344	357,346
Foster Home Children	470,374	470,374	145,581	(324,793)	333,956
Vocational	1,605,945	1,605,945	1,580,284	(25,661)	1,577,135
Vocational-Occupational/Tech.	318,903	318,903	252,289	(66,614)	244,112
Vocational-Adult Education	-	-	-	-	-
Sales Tax	81,922,118	81,922,118	98,227,243	16,305,125	87,120,778
No Loss Funding	-	-	-	-	14,335,159
Class Size Initiative	5,079,167	5,079,167	4,987,111	(92,056)	5,085,123
At-Risk Initiative	7,455,186	7,455,186	7,336,146	(119,040)	5,626,703
English as a Second Language	1,603,531	1,603,531	1,604,380	849	1,365,294
Supplemental Lottery per Pupil Alloc.	15,239,091	15,239,091	15,291,274	52,183	15,659,393
Salary Supplement	12,039,181	12,039,181	11,848,031	(191,150)	-
Gifted and Talented Aid	1,988,313	1,988,313	1,956,542	(31,771)	1,952,644
Other State Funds	9,694,011	9,694,011	8,041,809	(1,652,202)	8,755
Total From Commonwealth	\$ 399,359,945	\$ 399,359,945	\$ 395,068,002	\$ (4,291,943)	\$ 383,043,717
<u>From Federal Government</u>					
Public Law 874	\$ 9,935,191	\$ 9,935,191	\$ 7,916,771	\$ (2,018,420)	\$ 6,949,903
Public Law 874-Special Education	-	-	965,617	965,617	3,159,685
Dept of the Navy-NJROTC	100,000	100,000	293,705	193,705	326,397
Department of Defense	1,500,000	1,500,000	2,876,974	1,376,974	2,735,852
Dept of Defense-Special Education	-	-	2,580,106	2,580,106	2,102,900
Medicaid Reimbursement	1,964,809	1,964,809	2,379,931	415,122	2,766,808

(continued)

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
with comparative actual amounts for the year ended June 30, 2021

(continued)

	Original Budget	Final Budget	Actual	Variance	2021 Actual
Medicaid Reimbursement-Transportation	\$ -	\$ -	\$ 102,645	\$ 102,645	\$ 201,632
Other Federal Funds	-	-	129	129	48
Total From Federal Government	\$ 13,500,000	\$ 13,500,000	\$ 17,115,878	\$ 3,615,878	\$ 18,243,225
Total Revenues	\$ 829,804,998	\$ 839,311,638	\$ 818,564,444	\$ (20,747,194)	\$ 793,249,279
EXPENDITURES					
<u>Instruction</u>					
Elementary Classroom	\$ 162,777,915	\$ 164,146,941	\$ 162,877,717	\$ 1,269,224	\$ 157,423,396
Senior High Classroom	84,139,688	85,218,826	83,886,773	1,332,053	81,492,194
Technical and Career Education	19,898,946	19,530,604	17,539,000	1,991,604	17,114,200
Gifted Education and Academy Programs	15,552,848	15,570,080	15,535,629	34,451	14,952,686
Special Education	102,153,415	101,416,154	99,287,160	2,128,994	96,835,720
Summer School	1,872,768	1,825,446	1,553,014	272,432	1,112,438
General Adult Education	2,083,250	2,085,014	1,907,055	177,959	1,878,852
Alternative Education - Renaissance	6,411,592	5,724,611	5,202,418	522,193	5,361,838
Student Activities	3,830,235	3,889,577	3,825,149	64,428	3,517,448
Student Athletics	5,478,274	6,807,643	5,811,138	996,505	4,181,203
Office/Principal - Elementary	27,777,575	28,779,747	28,419,596	360,151	26,527,101
Office/Principal - Senior High	12,945,202	12,906,721	12,782,050	124,671	12,433,257
Office/Principal - Tech & Career	729,181	714,197	691,119	23,078	674,352
Guidance Services	21,112,262	20,971,235	20,698,112	273,123	18,788,300
Social Work Services	4,306,266	4,816,266	4,809,918	6,348	3,651,746
Instructional Support	14,149,148	13,091,720	12,852,585	239,135	12,153,679
Instructional Professional Growth & Innovation	1,343,216	1,393,921	1,219,266	174,655	1,109,215
Diversity Equity & Inclusion	486,024	521,984	474,895	47,089	210,146
Special Education Support	3,826,286	4,470,286	4,368,611	101,675	3,561,422
Gifted Educ. & Academy Programs Support	2,596,237	2,610,637	2,395,365	215,272	2,369,695
Media Services Support	13,895,169	14,234,939	13,880,777	354,162	12,878,075
Middle School Classroom	65,251,755	66,527,607	65,064,823	1,462,784	62,228,290
Remedial Education	8,734,684	9,886,090	9,543,455	342,635	8,064,298
Office/Principal - Middle Schools	11,920,102	12,231,603	12,202,895	28,708	11,507,955
Homebound Services	413,194	413,194	137,614	275,580	76,316
Technical and Career Ed. Support	1,036,823	1,036,823	971,352	65,471	972,688
Student Leadership	1,616,567	1,678,708	1,658,053	20,655	1,520,948
School Leadership	2,179,025	2,189,882	1,996,254	193,628	1,828,015
Alternative Education Support	2,740,758	2,749,283	2,564,047	185,236	2,316,932
Green Run Collegiate Public Charter	3,833,691	3,836,336	3,512,380	323,956	3,344,087
Total Instruction	\$ 605,092,096	\$ 611,276,075	\$ 597,668,220	\$ 13,607,855	\$ 570,086,492
<u>Admin, Attendance, & Health</u>					
Board, Legal, & Governmental	\$ 1,297,287	\$ 1,297,287	\$ 1,011,821	\$ 285,466	\$ 1,026,665
Office of the Superintendent	1,198,108	1,198,108	1,124,932	73,176	1,231,177
Communications & Community Engagement	2,402,771	2,387,779	2,039,996	347,783	1,837,377
Department of Budget & Finance	5,480,665	5,494,330	5,083,375	410,955	5,064,924
Department of Human Resources	6,352,180	5,962,485	5,399,116	563,369	5,437,998
Internal Audit	509,690	521,018	509,238	11,780	483,659
Purchasing	1,221,801	1,231,388	1,143,436	87,952	1,068,227
Professional Growth & Innovation	941,854	945,031	791,552	153,479	795,964
Consolidated Benefits Office	2,616,867	2,687,987	2,438,752	249,235	2,150,339
Planning Innovation & Accountability	2,398,724	2,419,484	1,970,197	449,287	1,704,421
Health Services	8,699,621	8,699,621	8,432,806	266,815	7,858,634
Psychological Services	7,198,546	6,586,956	6,423,445	163,511	5,878,022
Audiological Services	530,419	536,449	527,138	9,311	500,524
Total Admin, Attendance, & Health	\$ 40,848,533	\$ 39,967,923	\$ 36,895,804	\$ 3,072,119	\$ 35,037,931
<u>Pupil Transportation</u>					
Management	\$ 2,670,748	\$ 2,760,945	\$ 2,749,427	\$ 11,518	\$ 2,585,399
Vehicle Operation	24,058,144	36,128,226	32,166,621	3,961,605	19,986,627
Vehicle Operation - Special Education	7,225,597	11,162,801	10,238,235	924,566	6,316,451

(continued)

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
with comparative actual amounts for the year ended June 30, 2021

(continued)

	Original Budget	Final Budget	Actual	Variance	2021 Actual
Vehicle Maintenance	\$ 4,036,987	\$ 4,190,007	\$ 3,543,709	\$ 646,298	\$ 3,539,851
Monitoring Services	3,710,682	3,710,682	3,063,414	647,268	3,047,919
Green Run Collegiate Public Charter	321,578	321,578	256,228	65,350	-
Total Pupil Transportation	<u>\$ 42,023,736</u>	<u>\$ 58,274,239</u>	<u>\$ 52,017,634</u>	<u>\$ 6,256,605</u>	<u>\$ 35,476,247</u>
<u>Operations and Maintenance</u>					
School Division Services	\$ 334,268	\$ 322,211	\$ 320,136	\$ 2,075	\$ 295,668
Facilities and Maintenance Services	47,822,484	58,917,181	49,740,697	9,176,484	45,078,392
Distribution Services	2,236,119	2,239,221	2,037,859	201,362	1,876,392
Grounds Services	4,618,699	4,618,699	4,618,699	-	4,479,888
Custodial Services	30,426,464	30,239,576	29,100,528	1,139,048	25,279,560
Safe Schools	8,596,472	8,743,596	8,557,406	186,190	7,938,788
Vehicle Services	1,624,481	5,409,231	2,788,308	2,620,923	1,864,507
Telecommunications	922,764	1,187,750	1,131,549	56,201	1,063,323
Green Run Collegiate Public Charter	-	-	-	-	-
Total Operations & Maintenance	<u>\$ 96,581,751</u>	<u>\$ 111,677,465</u>	<u>\$ 98,295,182</u>	<u>\$ 13,382,283</u>	<u>\$ 87,876,518</u>
<u>Technology</u>					
Instruction	\$ 18,349,828	\$ 21,226,516	\$ 16,350,230	\$ 4,876,286	\$ 17,763,198
Admin, Attendance & Health	2,671,374	3,193,541	2,912,628	280,913	2,378,341
Pupil Transportation	488,089	874,818	794,479	80,339	488,169
Operations and Maintenance	16,574,927	20,760,812	17,723,149	3,037,663	16,197,576
Green Run Collegiate Public Charter	38,615	46,247	24,640	21,607	11,488
Total Technology	<u>\$ 38,122,833</u>	<u>\$ 46,101,934</u>	<u>\$ 37,805,126</u>	<u>\$ 8,296,808</u>	<u>\$ 36,838,772</u>
Total Expenditures	<u>\$ 822,668,949</u>	<u>\$ 867,297,636</u>	<u>\$ 822,681,966</u>	<u>\$ 44,615,670</u>	<u>\$ 765,315,960</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>\$ 7,136,049</u>	<u>\$ (27,985,998)</u>	<u>\$ (4,117,522)</u>	<u>\$ 23,868,476</u>	<u>\$ 27,933,319</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers Out	\$ (8,272,735)	\$ (8,890,112)	\$ (4,869,945)	\$ 4,020,167	\$ (5,994,446)
Sale of Capital Assets	15,000	15,000	627,668	612,668	347,855
Total Other Financing Sources (Uses), net	<u>\$ (8,257,735)</u>	<u>\$ (8,875,112)</u>	<u>\$ (4,242,277)</u>	<u>\$ 4,632,835</u>	<u>\$ (5,646,591)</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>\$ (1,121,686)</u>	<u>\$ (36,861,110)</u>	<u>\$ (8,359,799)</u>	<u>\$ 28,501,311</u>	<u>\$ 22,286,728</u>
<u>FUND BALANCE - JULY 1</u>	<u>37,397,188</u>	<u>37,397,188</u>	<u>37,397,188</u>	<u>-</u>	<u>15,110,460</u>
<u>FUND BALANCE - JUNE 30</u>	<u>\$ 36,275,502</u>	<u>\$ 536,078</u>	<u>\$ 29,037,389</u>	<u>\$ 28,501,311</u>	<u>\$ 37,397,188</u>

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHOOL GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
with comparative actual amounts for the year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance	2021 Actual
REVENUES					
Miscellaneous	\$ 367,200	\$ 635,813	\$ 422,362	\$ (213,451)	\$ 461,612
From Commonwealth	20,247,176	21,270,239	11,908,631	(9,361,608)	8,674,069
From Federal Government	171,921,080	194,863,642	85,424,665	(109,438,977)	46,574,908
Contingency	7,200,000	555,609	-	(555,609)	-
Total Revenues	<u>\$ 199,735,456</u>	<u>\$ 217,325,303</u>	<u>\$ 97,755,658</u>	<u>\$ (119,569,645)</u>	<u>\$ 55,710,589</u>
EXPENDITURES					
Instruction					
2 Revolutions	\$ -	\$ 1,878	\$ 457	\$ 1,421	\$ 4,631
AASA CZI Sel Impact Project FY21	-	4,000	4,000	-	-
Adult Education & Family Literacy Act FY21	-	15,550	15,550	-	310,824
Adult Education & Family Literacy Act FY22	310,594	291,948	291,910	38	-
Advancing Computer Science Education FY20	-	-	-	-	91,606
Advancing Computer Science Education FY21	-	97,728	97,728	-	6,194
Algebra Readiness FY20	-	136,034	136,034	-	295,411
Algebra Readiness FY21	671,692	965,419	457,761	507,658	36,368
Algebra Readiness FY22	1,001,833	998,221	-	998,221	-
ARP Before & After School FY22	-	331,755	-	331,755	-
ARP Homeless II FY22	-	322,489	-	322,489	-
ARP Homess I FY22	-	50,000	-	50,000	-
ARP Mentor Teacher FY22	-	39,258	-	39,258	-
ARP Summer Learning FY22	-	234,895	-	234,895	-
ARP Unfinished Learning FY22	-	1,747,783	-	1,747,783	-
ARPA ESSER III FY21	-	38,430,544	3,060,440	35,370,104	-
Asia Society Confucius Classrooms Network FY13	-	991	-	991	-
C. Perkins Career & Tech. Act FY20	-	-	-	-	45,380
C. Perkins Career & Tech. Act FY21	-	107,122	106,843	279	343,784
C. Perkins Career & Tech. Act FY22	543,813	490,501	436,403	54,098	-
Career & Tech Ed. State Equip Allocation FY21	-	-	-	-	343
Career Switcher Program Mentor FY21	-	-	-	-	7,503
Career Switcher Program Mentor FY22	28,200	19,550	17,747	1,803	-
CARES Act Corona Virus Relief Fund (CRF) FY21	-	23,058	23,058	-	600,168
CARES Act ESSER FY21	998,677	289,266	191,769	97,497	2,345,303
CARES ESSER Instructional Delivery Support FY21	13,547	4,634	455	4,179	21,726
CARES ESSER SPED Services Support FY21	202,752	181,315	65,733	115,582	46,720
CARES ESSER Universal Screener FY21	5,312	5,312	5,000	312	-
CARES GEER Vision FY21	500	1,500	-	1,500	-
Champions Together-Idea FY20	-	-	-	-	3,952
Corrections Ed & Other Institutionalized FY21	-	-	-	-	1,110
Corrections Ed & Other Institutionalized FY22	-	1,098	1,098	-	-
CRRSA Act ESSER II FY21	35,813,852	20,720,253	19,520,429	1,199,824	-
DodEA MCASP Operation GRIT FY20	-	-	-	-	53,483
DodEA MCASP Operation GRIT FY21	-	-	-	-	244,010
DodEA Spanish Immersion FY22	-	77,981	50,189	27,792	-
Dual Enrollment TCC FY22	750,000	-	-	-	-
Early Reading Intervention FY20	-	-	-	-	1,436,586
Early Reading Intervention FY21	1,576,031	1,503,263	1,503,263	-	475,196
Early Reading Intervention FY22	1,917,036	3,385,250	341,739	3,043,511	-
ECSE Teacher Incentive FY22	-	25,000	14,960	10,040	-
General Adult Education FY21	-	-	-	-	29,803
General Adult Education FY22	30,993	30,993	30,993	-	-
Go Open Va FY20	-	-	-	-	8,639
Green Run Collegiate Charter School Support FY20	-	7,662	7,662	-	2,267
Hampton Roads Community Foundation FY21	-	-	-	-	30,000
Hampton Roads Workforce Council - Stem (OSY) FY21	-	-	-	-	87,701
Hampton Roads Workforce Council - Stem (OSY) FY22	129,183	157,500	80,716	76,784	-
Hampton Roads Workforce Council ALC FY21	-	-	-	-	96,081
Hampton Roads Workforce Council ALC FY22	129,600	142,474	102,535	39,939	-
Hampton Roads Workforce Council Stem (ISY) FY21	-	-	-	-	46,860

(continued)

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHOOL GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
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(continued)

	Original Budget	Final Budget	Actual	Variance	2021 Actual
Hampton Roads Workforce Council Stem (ISY) FY22	107,583	100,000	57,068	42,932	-
IPOP Intensive TA FY22	\$ -	\$ 2,000	\$ 342	\$ 1,658	\$ -
ISAEF FY20	-	-	-	-	3,149
ISAEF FY21	-	-	-	-	60,207
ISAEF FY22	49,363	53,428	53,428	-	-
Jail Education Program FY20	-	-	-	-	97,311
Jail Education Program FY21	107,094	127,528	112,195	15,333	35,323
Jail Education Program FY22	142,791	141,447	36,070	105,377	-
Juvenile Detention Center FY20	-	-	-	-	822,091
Juvenile Detention Center FY21	886,516	890,795	877,629	13,166	302,315
Juvenile Detention Center FY22	858,123	858,123	320,344	537,779	-
Learning Loss Instructional Supports FY21	-	1,753,264	1,676,452	76,812	-
McKinney Homeless FY20	-	-	-	-	12,863
McKinney Homeless FY21	32,850	52,952	38,586	14,366	23,162
McKinney Homeless FY22	77,584	77,584	5,398	72,186	-
MyCAA-LPN Program FY21	-	-	-	-	1,000
MyCAA-LPN Program FY22	-	1,000	1,000	-	-
National Board Certified Teachers Stipend FY21	-	-	-	-	400,000
National Board Certified Teachers Stipend FY22	328,334	395,000	395,000	-	-
National Math & Science Initiative (NMSI) FY20	-	-	-	-	53,182
National Math & Science Initiative (NMSI) FY21	-	50,331	22,577	27,754	17,845
Network Improvement Community (NIC)	-	1,380	1,380	-	1,120
New Teacher Mentor FY21	-	-	-	-	49,977
New Teacher Mentor FY22	34,768	39,258	39,258	-	-
NJROTC FY21	-	-	-	-	29,702
NJROTC FY22	-	70,435	70,435	-	-
Post 9-11 GI Bill FY21	-	-	-	-	1,626
Post 9-11 GI Bill FY22	-	3,330	147	3,183	-
Post Secondary SPED Services Support ESSER II FY22	-	164,704	164,704	-	-
Preschool - IDEA Section 619 FY20	-	-	-	-	265,817
Preschool - IDEA Section 619 FY21	320,776	323,157	323,157	-	179,752
Preschool - IDEA Section 619 FY22	504,234	504,025	142,153	361,872	-
Project Graduation FY19	-	608	608	-	6,469
Project Graduation FY20	-	10,766	3,074	7,692	-
Project Graduation FY21	5,383	5,383	-	5,383	-
Project Graduation FY22	5,383	5,383	35	5,348	-
Project Hope City Wide SCA FY14	-	2,454	-	2,454	-
Race To GED FY21	-	-	-	-	58,691
Race To GED FY22	58,691	58,691	58,691	-	-
Start On Success FY21	-	-	-	-	3,602
Startalk FY20	49,185	66,979	53,421	13,558	6,950
Startalk FY22	72,359	108,261	-	108,261	-
STEM Competition Team Initiative FY20	-	-	-	-	913
STEM Competition Team Initiative FY21	-	7,503	6,899	604	-
STEM Teacher Recruitment & Retention FY21	-	-	-	-	2,000
Stopping The Push Out Of Black Girls FY21	-	7,750	7,741	9	1,750
Title I Part A FY19	-	29,409	29,409	-	349,669
Title I Part A FY20	460,976	1,657,924	1,121,558	536,366	1,568,918
Title I Part A FY21	2,000,281	1,854,503	1,805,567	48,936	8,294,773
Title I Part A FY22	10,242,599	10,242,599	8,704,026	1,538,573	-
Title I Part D Subpart 1 FY20	-	1,005	814	191	15,904
Title I Part D Subpart 1 FY21	37,472	19,246	16,149	3,097	-
Title I Part D Subpart 1 FY22	40,000	40,000	-	40,000	-
Title I Part D Subpart 2 FY19	-	-	-	-	75,329
Title I Part D Subpart 2 FY20	7,049	87,888	49,358	38,530	115,051
Title I Part D Subpart 2 FY21	218,285	218,366	137,114	81,252	-
Title I Part D Subpart 2 FY22	218,285	141,621	-	141,621	-
Title II Part A FY19	2,000	4,328	4,328	-	8,044
Title II Part A FY20	20,000	86,859	76,615	10,244	301,217
Title II Part A FY21	263,649	411,297	329,910	81,387	1,109,701

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SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHOOL GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
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(continued)

	Original Budget	Final Budget	Actual	Variance	2021 Actual
Title II Part A FY21	1,520,997	1,692,578	1,028,733	663,845	-
Title III Part A Language Acquisition FY20	\$ -	\$ 1,905	\$ 1,878	\$ 27	\$ 61,515
Title III Part A Language Acquisition FY21	83,469	87,819	87,705	114	71,749
Title III Part A Language Acquisition FY22	160,770	177,710	47,748	129,962	-
Title IV Part A FY19	-	10,175	10,121	54	93,680
Title IV Part A FY20	303,775	183,006	61,362	121,644	524,823
Title IV Part A FY21	875,842	629,903	595,415	34,488	91,848
Title IV Part A FY22	886,842	788,045	8,666	779,379	-
Title IV Pell FY21	-	-	-	-	46,634
Title IV Pell FY22	50,060	55,074	55,074	-	-
Title VI-B IDEA Section 611 FY20	-	-	-	-	3,907,705
Title VI-B IDEA Section 611 FY21	4,794,472	4,749,406	4,749,406	-	10,071,240
Title VI-B IDEA Section 611 FY22	14,859,193	14,974,882	9,626,340	5,348,542	-
Title VI-B IDEA Section 611 ARP FY22	-	3,393,734	-	3,393,734	-
Title VI-B IDEA Section 619 ARP FY22	-	253,775	-	253,775	-
VA Humanities Beneath the Surface FY21	-	9,965	5,060	4,905	-
VA Initiative At Risk Four Year Olds FY20	-	-	-	-	608,525
VA Initiative At Risk Four Year Olds FY21	734,621	660,800	660,800	-	4,735,277
VA Initiative At Risk Four Year Olds FY22	6,529,715	6,320,355	5,162,536	1,157,819	-
VBEF Sunshine Snacks FY22	-	2,000	2,000	-	-
Verizon Innovative Learning Lab FY21	-	-	-	-	15,000
Verizon Innovative Learning Lab FY22	-	15,000	15,000	-	-
Virginia Middle School Teacher Corps FY21	-	-	-	-	5,000
VPI+ FY20	-	-	-	-	33,243
Contingency	7,200,000	555,609	-	555,609	-
Total Instruction	\$ 99,274,984	\$ 126,082,530	\$ 65,424,956	\$ 60,657,574	\$ 41,213,311
<u>Admin, Attendance & Health</u>					
2 Revolutions	\$ -	\$ 80,015	\$ 69,976	\$ 10,039	\$ 100,476
ARPA ESSER III FY21	2,061,091	3,971,103	683,611	3,287,492	-
CARES Act Corona Virus Relief Fund (CRF) FY21	-	1,607	1,607	-	1,415,763
CARES Act ESSER FY21	1,093,539	88,379	84,913	3,466	248,914
CARES ESSER Cleaning Supplies FY21	1,179	-	-	-	1,179
CARES ESSER Facilities And PPE FY21	37,250	717	596	121	36,533
CARES ESSER Instructional Delivery Support FY21	320	97	10	87	543
CARES ESSER SPED Services Support FY21	4,392	3,938	1,446	2,492	1,168
CARES GEER Vision FY21	18,725	37,343	37,343	-	11,112
CRRSA Act ESSER II FY21	895,346	1,756,833	1,336,878	419,955	-
Jail Education Program FY20	-	-	-	-	4,004
Jail Education Program FY21	7,044	6,226	2,455	3,771	3,165
Jail Education Program FY22	9,391	9,391	258	9,133	-
Learning Loss Instructional Supports FY21	-	40,304	40,304	-	-
Positive Behavior Interventions & Support FY20	-	-	-	-	9,103
Positive Behavior Interventions & Support FY21	-	16,349	16,184	165	3,761
Positive Behavior Interventions & Support FY22	-	31,000	12,131	18,869	-
Recruitment Incentive-RIPE ESSER III FY22	-	3,677,500	350,000	3,327,500	-
Startalk FY20	-	933	933	-	-
Title I Part A FY20	-	7,810	-	7,810	-
Title I Part A FY21	152,097	-	-	-	297,217
Title I Part A FY22	326,221	326,221	322,378	3,843	-
Title VI-B IDEA Section 611 FY20	-	-	-	-	86,759
Title VI B IDEA Section 611 FY21	84,659	102,616	102,616	-	182,649
Title VI B IDEA Section 611 FY22	246,718	266,584	183,362	83,222	-
VISSTA FY22	-	714,000	65,167	648,833	-
Total Admin, Attendance & Health	\$ 4,937,972	\$ 11,138,966	\$ 3,312,168	\$ 7,826,798	\$ 2,402,346
<u>Pupil Transportation</u>					
2 Revolutions FY20	\$ -	\$ 816	\$ 816	\$ -	\$ -
ARP Before & After School FY22	-	92,781	-	92,781	-
ARPA ESSER III FY21	-	10,584,825	-	10,584,825	-
Bus Driver Incentive FY22	-	27,364	-	27,364	-

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	Original Budget	Final Budget	Actual	Variance	2021 Actual
C. Perkins Career & Tech. Act FY22	4,000	3,411	3,411	-	-
CARES Act ESSER FY21	\$ 1,539,914	\$ 7,120	\$ 7,120	\$ -	\$ -
CRRSA Act ESSER II FY21	-	1,348,956	1,325,477	23,479	-
Learning Loss Instructional Supports FY21	-	18,491	18,491	-	895
Post Secondary SPED Services Support ESSER II FY22	-	32,823	32,823	-	-
Startalk FY20	9,161	9,147	-	9,147	-
Startalk FY22	10,877	3,638	-	3,638	-
Title I Part A FY20	-	-	7,583	(7,583)	-
Title I Part A FY21	132,414	-	-	-	40,138
Title I Part A FY22	150,488	150,488	13,473	137,015	-
Title IV Part A FY20	6,928	6,928	-	6,928	-
Title IV Part A FY21	7,230	-	-	-	-
Title IV Part A FY22	7,230	7,230	-	7,230	-
Total Pupil Transportation	\$ 1,868,242	\$ 12,294,018	\$ 1,409,194	\$ 10,884,824	\$ 41,033
Operations and Maintenance					
ARPA ESSER III FY21	\$ 80,382,553	\$ 11,494,093	\$ 2,334,647	\$ 9,159,446	\$ -
CARES Act Corona Virus Relief Fund (CRF) FY21	-	-	-	-	\$ 1,919,020
CARES Act ESSER FY21	1,479,985	4,401,517	2,769,557	1,631,960	323,027
CARES ESSER Cleaning Supplies FY21	48,821	1,681	145	1,536	47,140
CARES ESSER Facilities And PPE FY21	250	250	45	205	-
CARES GEER Vision FY21	880,000	394,840	330,238	64,602	96,077
CRRSA Act ESSER II FY21	-	4,294,968	3,808,455	486,513	-
HVAC CSLFRF FY22	-	13,016,072	-	13,016,072	-
Jail Education Program FY20	-	-	-	-	2,529
Jail Education Program FY21	16,547	21,365	9,689	11,676	698
Jail Education Program FY22	22,063	22,063	2,745	19,318	-
Learning Loss Instructional Supports FY21	-	31,145	31,145	-	-
School Security Equipment FY20	-	2,934	2,934	-	-
School Security Equipment FY21	-	17,234	17,234	-	2,843
School Security Equipment FY22	30,647	-	-	-	-
Startalk FY20	382	-	-	-	-
Startalk FY22	636	749	-	749	-
Title I Part A FY21	8,074	12,593	12,593	-	-
Title I Part A FY22	8,074	8,074	-	8,074	-
Total Operations and Maintenance	\$ 82,878,032	\$ 33,719,578	\$ 9,319,427	\$ 24,400,151	\$ 2,391,334
Technology					
2 Revolutions	\$ -	6,257	-	6,257	926
Adult Education & Family Literacy Act FY21	-	-	-	-	16,321
Adult Education & Family Literacy Act FY22	16,550	71,647	70,212	1,435	-
Advancing Computer Science Education FY20	-	-	-	-	57,072
Advancing Computer Science Education FY21	-	43,815	43,815	-	535
Algebra Readiness FY20	-	125,275	125,275	-	130,464
Algebra Readiness FY21	140,000	140,000	-	140,000	-
Algebra Readiness FY22	140,000	140,000	-	140,000	-
ARP Homeless II FY22	-	43,669	-	43,669	-
ARPA ESSER III FY21	-	15,944,934	3,628,985	12,315,949	-
C. Perkins Career & Tech. Act FY20	-	-	-	-	133,286
C. Perkins Career & Tech. Act FY21	-	-	-	-	416,569
C. Perkins Career & Tech. Act FY22	319,662	449,312	449,312	-	-
C. Perkins Reserve Fund FY22	-	28,638	28,638	-	-
Career & Tech Ed. Special Equip Allocation FY21	-	-	-	-	57,113
Career & Tech Ed. Special Equip Allocation FY22	57,113	54,374	54,374	-	-
Career & Tech Ed. State Equip Allocation FY21	-	-	-	-	72,604
Career & Tech Ed. State Equip Allocation FY22	72,946	69,452	69,452	-	-
CARES Act Corona Virus Relief Fund (CRF) FY21	-	95	95	-	7,637,817
CARES Act ESSER FY21	3,561,531	1,342,217	1,224,404	117,813	850,539
CARES ESSER SPED Services Support FY21	-	-	59	(59)	-
CARES ESSER Universal Screener FY21	45,000	362	-	362	44,638
CARES GEER Vision FY21	1,106,500	1,721,604	1,700,591	21,013	348,393

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	Original Budget	Final Budget	Actual	Variance	2021 Actual
CRRSA Act ESSER II FY21	-	7,036,942	6,997,202	39,740	-
DodEA MCASP Operation GRIT FY20	\$ -	\$ -	\$ -	\$ -	81
DodEA MCASP Operation GRIT FY21	-	-	-	-	12,581
DODEA Spanish Immersion FY22	-	827	827	-	-
Early Reading Intervention FY20	-	-	-	-	22,704
Early Reading Intervention FY21	95,095	33,405	33,405	-	267
Early Reading Intervention FY22	95,095	95,095	200	94,895	-
Hampton Roads Workforce Council - Stem (OSY) FY21	-	-	-	-	850
Hampton Roads Workforce Council - Stem (OSY) FY22	417	2,500	371	2,129	-
Hampton Roads Workforce Council ALC FY21	-	-	-	-	1,145
Hampton Roads Workforce Council ALC FY22	-	156	156	-	-
Hampton Roads Workforce Council Stem (ISY) FY21	-	-	-	-	666
Hampton Roads Workforce Council Stem (ISY) FY22	417	-	-	-	-
Industry Certification Examinations FY21	-	-	-	-	88,032
Industry Certification Examinations FY22	88,032	60,847	60,847	-	-
Industry Certification Examinations STEM H FY21	-	-	-	-	24,033
Industry Certification Examinations STEM H FY22	24,033	22,849	22,849	-	-
ISAP FY21	-	-	-	-	6,885
ISAP FY22	13,506	12,435	12,435	-	-
Jail Education Program FY21	1,209	1,580	730	850	-
Jail Education Program FY22	1,612	2,956	1,009	1,947	-
Juvenile Detention Center FY20	-	-	-	-	30,874
Juvenile Detention Center FY21	16,750	31,937	23,082	8,855	434
Juvenile Detention Center FY22	17,500	17,500	461	17,039	-
McKinney Homeless FY20	-	-	-	-	196
McKinney Homeless FY21	-	1,886	1,886	-	-
McKinney Homeless FY22	416	416	300	116	-
Positive Behavior Interventions & Support FY20	-	-	-	-	6,332
Positive Behavior Interventions & Support FY21	-	6,390	6,390	-	-
Preschool - IDEA Section 619 FY21	-	-	-	-	12,326
Preschool - IDEA Section 619 FY22	11,000	13,686	12,816	870	-
Project Graduation FY19	-	16,723	16,723	-	13,701
Project Graduation FY20	-	26,735	(2,895)	29,630	-
Project Graduation FY21	32,117	32,117	-	32,117	-
Project Graduation FY22	32,117	32,117	-	32,117	-
Race To GED FY21	-	-	-	-	6,500
Race To GED FY22	6,500	6,500	6,500	-	-
School Security Equipment FY21	-	-	-	-	97,398
School Security Equipment FY22	69,594	195,233	31,720	163,513	-
Startalk FY20	369	347	222	125	20
Startalk FY22	503	-	-	-	-
STEM Competition Team Initiative FY21	-	2,497	2,497	-	-
Technology Initiative FY18	-	-	-	-	2,181
Technology Initiative FY19	86,000	553,142	502,190	50,952	1,793,853
Technology Initiative FY20	2,618,400	2,618,400	2,509,300	109,100	-
Technology Initiative FY21	2,618,400	2,618,400	31,324	2,587,076	-
Technology Initiative FY22	2,618,400	2,618,400	-	2,618,400	-
Title I Part A FY19	-	-	-	-	55,682
Title I Part A FY20	-	76,704	175,634	(98,930)	501,325
Title I Part A FY21	478,298	656,381	656,041	340	176,109
Title I Part A FY22	573,927	573,927	83,665	490,262	-
Title I Part D Subpart 1 FY21	-	35,851	32,349	3,502	-
Title I Part D Subpart 2 FY19	-	-	-	-	19,186
Title I Part D Subpart 2 FY20	24,000	24,639	13,766	10,873	9,711
Title I Part D Subpart 2 FY21	46,295	46,295	16,391	29,904	-
Title I Part D Subpart 2 FY22	46,295	500	-	500	-
Title III Part A Language Acquisition FY20	-	30,404	30,404	-	-
Title III Part A Language Acquisition FY21	22,525	23,894	23,894	-	-
Title III Part A Language Acquisition FY22	22,525	32,957	-	32,957	-

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SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
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	Original Budget	Final Budget	Actual	Variance	2021 Actual
Title IV Part A FY19	-	-	-	-	17,325
Title IV Part A FY20	\$ 20,651	\$ 90,567	\$ 84,443	\$ 6,124	\$ 85,165
Title IV Part A FY21	35,000	209,024	209,141	(117)	8,296
Title IV Part A FY22	45,000	37,785	18,067	19,718	-
Title VI-B IDEA Section 611 ARP FY22	-	77,062	-	77,062	-
VA Humanities Beneath the Surface FY21	-	486	486	-	248
VBEF School + Community Super Grant FY21	-	-	-	-	4,989
Workplace Readiness Skills Comm Exam FY21	-	-	-	-	14,836
Workplace Readiness Skills Comm Exam FY22	14,836	14,105	14,105	-	-
Total Technology	\$ 15,236,136	\$ 38,174,250	\$ 19,026,145	\$ 19,148,105	\$ 12,780,208
<u>Food Services</u>					
CARES Act Corona Virus Relief Fund (CRF) FY21	\$ -	\$ -	\$ -	\$ 0	\$ 79,504
CARES Act ESSER FY21	3,500	7,000	-	7,000	238,405
CRRSA Act ESSER II FY21	-	1,551,245	1,049,086	502,159	-
ARPA ESSER III FY21	-	2,076,695	2,076,695	0	-
No Kid Hungry FY21	-	62,200	62,200	0	-
Total Food Services	\$ 3,500	\$ 3,697,140	\$ 3,187,981	\$ 509,159	\$ 317,909
Total Expenditures	\$ 204,198,866	\$ 225,106,482	\$ 101,679,871	\$ 123,426,611	\$ 59,146,141
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	\$ (4,463,410)	\$ (7,781,179)	\$ (3,924,213)	\$ 3,856,966	\$ (3,435,552)
<u>OTHER FINANCING SOURCES</u>					
Transfers In	4,463,410	7,781,179	4,869,945	(2,911,234)	3,994,446
<u>NET CHANGE IN FUND BALANCE</u>	\$ -	\$ -	\$ 945,732	\$ 945,732	\$ 558,894
<u>FUND BALANCE - JULY 1</u>	2,911,234	2,911,234	2,911,234	-	2,352,340
<u>FUND BALANCE - JUNE 30</u>	\$ 2,911,234	\$ 2,911,234	\$ 3,856,966	\$ 945,732	\$ 2,911,234

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHOOL CAFETERIAS SPECIAL REVENUE FUND
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with comparative actual amounts for the year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance	2,021 Actual
REVENUES					
From Use of Money and Property	\$ 75,000	\$ 75,000	\$ 42,682	\$ (32,318)	\$ 60,081
Charges for Services	11,518,879	11,518,879	678,179	(10,840,700)	154,096
Miscellaneous	500,000	500,000	884,412	384,412	583,121
From Commonwealth	550,000	550,000	636,965	86,965	350,119
From Federal Government	20,403,886	20,403,886	42,436,114	22,032,228	25,607,229
Total Revenues	<u>\$ 33,047,765</u>	<u>\$ 33,047,765</u>	<u>\$ 44,678,352</u>	<u>\$ 11,630,587</u>	<u>\$ 26,754,646</u>
EXPENDITURES					
<u>Cafeterias</u>					
Personnel Services	\$ 13,196,702	\$ 13,196,702	\$ 11,245,953	\$ 1,950,749	\$ 10,337,667
Fringe Benefits	5,334,089	5,334,089	4,102,231	1,231,858	4,006,004
Purchased Services	413,000	457,204	276,243	180,961	692,609
Other Charges	49,801	49,801	15,318	34,483	6,201
Materials and Supplies	16,161,466	16,161,466	18,196,415	(2,034,949)	11,907,262
Capital Outlay	850,000	884,171	406,795	477,376	586,308
Total Cafeterias	<u>\$ 36,005,058</u>	<u>\$ 36,083,433</u>	<u>\$ 34,242,955</u>	<u>\$ 1,840,478</u>	<u>\$ 27,536,051</u>
<u>Technology</u>					
Purchased Services	\$ 110,120	\$ 110,120	\$ 72,152	\$ 37,968	\$ 72,923
Materials and Supplies	122,194	122,374	76,704	45,670	18,964
Total Technology	<u>\$ 232,314</u>	<u>\$ 232,494</u>	<u>\$ 148,856</u>	<u>\$ 83,638</u>	<u>\$ 91,887</u>
Total Expenditures	<u>\$ 36,237,372</u>	<u>\$ 36,315,927</u>	<u>\$ 34,391,811</u>	<u>\$ 1,924,116</u>	<u>\$ 27,627,938</u>
EXCESS (DEFICIENCY) OF					
<u>REVENUES OVER (UNDER)</u>					
<u>EXPENDITURES</u>	<u>\$ (3,189,607)</u>	<u>\$ (3,268,162)</u>	<u>\$ 10,286,541</u>	<u>\$ 13,554,703</u>	<u>\$ (873,292)</u>
NET CHANGE IN FUND BALANCE	\$ (3,189,607)	\$ (3,268,162)	\$ 10,286,541	\$ 13,554,703	\$ (873,292)
FUND BALANCE - JULY 1	9,703,481	9,703,481	9,703,481	-	10,576,773
FUND BALANCE - JUNE 30	<u>\$ 6,513,874</u>	<u>\$ 6,435,319</u>	<u>\$ 19,990,022</u>	<u>\$ 13,554,703</u>	<u>\$ 9,703,481</u>

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

A. Budget Information

The following presents the procedures followed by the School Board in establishing the budgetary data reflected in the financial statements and other budget information:

1. The Superintendent is required by Section 22.1-92 of the *Code of Virginia*, as amended, to prepare and submit to the City Council, with the approval of the School Board, the estimate of the amount of money deemed to be needed during the next fiscal year for the support of the public schools of the school division. Before the School Board gives final approval to its operating and capital improvement program budgets, the School Board is required to hold at least one public hearing.
2. The City Manager is required by the City Charter to present a proposed operating budget to the City Council, which includes the School Board's operating budget, at least 90 days before the beginning of each fiscal year, which begins July 1. The proposed operating budget must be balanced with projected expenditures equal to estimated revenues and/or the required financing from the proper fund balances. The necessary budget ordinances are also submitted at this time.
3. The City Council is required by the City Charter to hold a public hearing on the budget at which time all interested persons are given an opportunity to comment.
4. If the proposed operating budget is not legally adopted by the City Council upon one reading of the budget ordinances by June 1, the operating budget is automatically adopted as proposed.
5. Annual budgets are legally adopted for the General and Special Revenue funds. The budgets for these funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The legal level of budgetary control (that is, the level at which appropriated budget expenditures cannot exceed the appropriated amount) for the General Fund and Special Revenue funds is established at the individual fund level.
6. Additional appropriations require one reading of the ordinance for approval by the School Board and the City Council, and must be offset by additional estimated revenues and/or a transfer from the proper undesignated fund balances. Additional appropriations, which exceed 1% of the total estimated revenues shown in the adopted City budget, require one reading by City Council for approval after a public hearing.
7. The Superintendent is authorized to transfer appropriations up to a maximum of \$250,000 between cost centers or within cost centers. Transfers in excess of \$250,000 require one reading by the School Board for approval.

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

8. The accounting system is employed as a budgetary management control device to monitor the individual schools and departments. In addition, certain controls are exercised administratively on the General Fund (e.g., cost centers, personnel positions, and certain line-items; and the appropriations related thereto). A cost center is an activity (e.g., Elementary Classroom, Gifted Education and Academy Programs) of a category (e.g., Instruction). In addition, certain controls are exercised on the Special Revenue Funds (e.g., federal and state grants; and the appropriations related thereto).
9. Unexpended appropriations lapse (except for the School Capital Projects Fund) and are closed to the proper fund balances at the end of each fiscal year (June 30). However, the General Fund's fund balance (i.e., total assets (e.g., cash) less liabilities (e.g., salaries payable), outstanding encumbrances and prepaid items) is paid back (i.e., reverts) to the City (\$21,071,766 Fiscal Year 2022) before the aforementioned closing process. Appropriations for the subsequent fiscal year are increased in the amount necessary to satisfy the outstanding encumbrances at June 30.
10. Capital Projects for the School Board and City are budgeted separately from the Operating Budget. Since the School Board and City have hundreds of projects in its Capital Improvement Program and the City has an annual limitation (without a referendum) on the amount of bonds that may be issued, allocations for capital projects represent funding by phases of a number of projects based upon their anticipated execution of contractual obligations. The appropriations for Capital Projects do not parallel the School Board's fiscal year. Upon approval by the School Board, the School Board's Capital Improvement Program appropriation requests are submitted to the City Council. The appropriations require one reading of the ordinance for approval after public hearings on the Capital Improvement Program. The accounting, encumbering, and controlling of the funds are based upon the project length of each individual project which may be over several years. Therefore, budgetary comparisons are not presented for Capital Projects in this report. Appropriations reallocated to new or existing capital projects require one reading of the ordinance by City Council for approval.

B. Budget Amendments

There was a supplemental budget amendment, other than for encumbrances, for \$9,506,640 for the General Fund during fiscal year 2022. The General Fund budget amendment was funded through an increase in revenue from the local government of \$5,786,000 for maintenance and repair projects including electronic perimeter access control doors; \$1,787,125 for technology upgrades; \$1,033,515 for interactive white board replacement and instructional supplies; and \$900,000 for startup costs for the lacrosse program.

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

C. Pension and Other Employee Benefits

Multiple year trend information for the VRS Teacher Retirement Plan, the VRS Political Subdivision Retirement Plan, Other Postemployment Benefit (OPEB) Trust Fund, VRS Teacher Employee Health Insurance Credit Program (HIC), VRS Political Subdivision Health Insurance Credit Program (HIC), VRS Group Life Insurance Program (GLI), VRS Teacher Employee Virginia Local Disability Program (VLDP), and VRS Political Subdivision Employee Virginia Local Disability Program (VLDP) is presented as required supplementary information. This information is intended to help users assess the funding status on a going concern basis, and the progress made in accumulating assets to pay benefits when due.

Additional information pertaining to the Pension and OPEB plans presented are located in note 8 of the Notes to the Basic Financial Statements.

D. VRS OPEB Plan Changes of Benefits and Funding Terms

There have been no actuarially material changes to the VRS benefit provisions since the prior actuarial valuation. A hybrid plan with changes to the defined benefit plan structure and a new defined contribution component was adopted in 2012. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits.

E. VRS OPEB Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates are determined every two years. The last determination of the actuarial contribution rates was as of June 30, 2019 payable for the fiscal years 2021 and 2022. For the non-Political Subdivision plans the amortization period of the unfunded liability less the deferred contribution begins at 30 years on June 30, 2013 and will decrease by one each year until reaching zero years. Each subsequent year, a new base will be added to the unfunded liability and will be amortized over a closed 20 year period. For the Political Subdivision plans the amortization period of the unfunded begins at 30 years on June 30, 2013 and will decrease by one each year until reaching zero years. Each subsequent year, a new base will be added to the unfunded liability and will be amortized over a closed 20 year period.

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

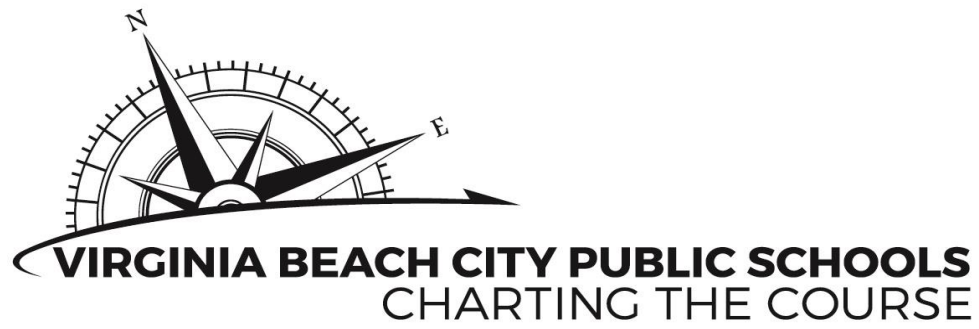
F. VRS OPEB Plan Changes of Assumptions

There have been no changes to the actuarial assumptions since the prior measurement date. The updated assumptions adopted based on the experience study for the period July 1, 2016 to June 30, 2020 were reflected for the June 30, 2020 measurement date.

The System is funded with fixed contribution rates for the state and with varying contributions for employees based on their job and personal elections. The Actuarially Determined Contributions in the *Schedule of Employer Contributions* are calculated as of the beginning of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine Contribution rates as of June 30, 2020 actuarial valuations:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years – 24 years
Asset valuation method	5-year moving average
Price Inflation	2.50 percent
Salary increases, including price Inflation	Teachers: 3.50 to 5.95 percent Political Subdivisions: General Employees: 3.50 to 5.35 percent
Long-term Rate of Return net of Investment expense, including Price inflation	6.75 percent
Healthcare Cost Trend Rate	N/A



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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted or dedicated to be expended for specified purposes. The School Board has the following Special Revenue Funds:

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

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

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

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

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

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
JUNE 30, 2022
with comparative totals for June 30, 2021

	School Textbooks	School Communication Towers/ Technology	School Vending Operations	School Equipment Replacement	School Activity	Totals	
						2022	2021
ASSETS							
Cash and Investments	\$ 5,509,053	\$ 4,464,769	\$ 169,815	\$ 738,165	\$ 4,983,205	\$ 15,865,007	\$ 17,650,122
Lease Receivable	-	2,824,391	-	-	-	2,824,391	-
Prepaid Items	1,691,640	-	-	-	-	1,691,640	-
TOTAL ASSETS	\$ 7,200,693	\$ 7,289,160	\$ 169,815	\$ 738,165	\$ 4,983,205	\$ 20,381,038	\$ 17,650,122
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
Liabilities:							
Vouchers and							
Accounts Payable	\$ -	\$ -	\$ -	\$ 38,214	\$ -	\$ 38,214	\$ 51,961
Deposits Payable	-	75,000	-	-	-	75,000	75,000
TOTAL LIABILITIES	\$ -	\$ 75,000	\$ -	\$ 38,214	\$ -	\$ 113,214	\$ 126,961
Deferred Inflows of							
of Resources - Leases	\$ -	\$ 2,801,912	\$ -	\$ -	\$ -	\$ 2,801,912	\$ -
Fund Balances:							
Nonspendable	\$ 1,691,640	\$ 22,479	\$ -	\$ -	\$ -	\$ 1,714,119	\$ -
Restricted	5,509,053	-	-	-	4,983,205	10,492,258	12,750,215
Committed	-	4,389,769	169,815	699,951	-	5,259,535	4,772,946
TOTAL FUND BALANCES	\$ 7,200,693	\$ 4,412,248	\$ 169,815	\$ 699,951	\$ 4,983,205	\$ 17,465,912	\$ 17,523,161
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 7,200,693	\$ 7,289,160	\$ 169,815	\$ 738,165	\$ 4,983,205	\$ 20,381,038	\$ 17,650,122

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
with comparative totals for the fiscal year ended June 30, 2021

	School Textbooks	School Communication Towers/ Technology	School Vending Operations	School Equipment Replacement	School Activity	Totals	
						2022	2021
REVENUES							
From Use of Money and Property	\$ 23,898	\$ 695,802	\$ 2,032	\$ 3,882	\$ 992	\$ 726,606	\$ 739,873
Charges for Services	-	-	122,436	-	-	122,436	70,263
Miscellaneous	29,905	-	-	-	6,051,600	6,081,505	2,504,245
From Commonwealth	4,043,646	-	-	-	-	4,043,646	4,035,589
Total Revenues	<u>\$ 4,097,449</u>	<u>\$ 695,802</u>	<u>\$ 124,468</u>	<u>\$ 3,882</u>	<u>\$ 6,052,592</u>	<u>\$ 10,974,193</u>	<u>\$ 7,349,970</u>
EXPENDITURES							
Current:							
Instruction	\$ 1,448,070	\$ -	\$ 58,660	\$ -	\$ 5,528,009	\$ 7,034,739	\$ 3,561,779
Technology	3,740,279	-	-	256,424	-	3,996,703	2,834,231
Total Expenditures	<u>\$ 5,188,349</u>	<u>\$ -</u>	<u>\$ 58,660</u>	<u>\$ 256,424</u>	<u>\$ 5,528,009</u>	<u>\$ 11,031,442</u>	<u>\$ 6,396,010</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES							
	<u>\$ (1,090,900)</u>	<u>\$ 695,802</u>	<u>\$ 65,808</u>	<u>\$ (252,542)</u>	<u>\$ 524,583</u>	<u>\$ (57,249)</u>	<u>\$ 953,960</u>
NET CHANGES IN FUND BALANCES							
	<u>\$ (1,090,900)</u>	<u>\$ 695,802</u>	<u>\$ 65,808</u>	<u>\$ (252,542)</u>	<u>\$ 524,583</u>	<u>\$ (57,249)</u>	<u>\$ 953,960</u>
FUND BALANCES - JULY 1	8,291,593	3,716,446	104,007	952,493	4,458,622	17,523,161	12,118,592
RESTATEMENT OF JULY 1 FUND BALANCE (Note 10)	-	-	-	-	-	-	4,450,609
FUND BALANCES - JUNE 30	<u>\$ 7,200,693</u>	<u>\$ 4,412,248</u>	<u>\$ 169,815</u>	<u>\$ 699,951</u>	<u>\$ 4,983,205</u>	<u>\$ 17,465,912</u>	<u>\$ 17,523,161</u>

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHOOL TEXTBOOKS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
with comparative actual amounts for the year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance	2021 Actual
REVENUES					
From Use of Money					
and Property	\$ 29,483	\$ 29,483	\$ 23,898	\$ (5,585)	\$ 45,011
Miscellaneous	27,000	27,000	29,905	2,905	2,982
From Commonwealth	4,109,308	4,109,308	4,043,646	(65,662)	4,035,589
Total Revenues	<u>\$ 4,165,791</u>	<u>\$ 4,165,791</u>	<u>\$ 4,097,449</u>	<u>\$ (68,342)</u>	<u>\$ 4,083,582</u>
EXPENDITURES					
Instruction					
Personnel Services	\$ 99,170	\$ 99,170	\$ 95,006	\$ 4,164	\$ 84,196
Fringe Benefits	37,597	37,597	34,792	2,805	33,173
Materials and Supplies	5,242,164	5,242,164	1,318,272	3,923,892	913,294
Total Instruction	<u>\$ 5,378,931</u>	<u>\$ 5,378,931</u>	<u>\$ 1,448,070</u>	<u>\$ 3,930,861</u>	<u>\$ 1,030,663</u>
Technology					
Purchased Services	\$ -	\$ -	\$ -	\$ -	\$ 191,390
Materials and Supplies	858,471	872,241	3,740,279	(2,868,038)	2,443,306
Total Technology	<u>\$ 858,471</u>	<u>\$ 872,241</u>	<u>\$ 3,740,279</u>	<u>\$ (2,868,038)</u>	<u>\$ 2,634,696</u>
Total Expenditures	<u>\$ 6,237,402</u>	<u>\$ 6,251,172</u>	<u>\$ 5,188,349</u>	<u>\$ 1,062,823</u>	<u>\$ 3,665,359</u>
EXCESS (DEFICIENCY) OF					
REVENUES OVER (UNDER)					
EXPENDITURES	<u>\$ (2,071,611)</u>	<u>\$ (2,085,381)</u>	<u>\$ (1,090,900)</u>	<u>\$ 994,481</u>	<u>\$ 418,223</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,071,611)</u>	<u>\$ (2,085,381)</u>	<u>\$ (1,090,900)</u>	<u>\$ 994,481</u>	<u>\$ 418,223</u>
FUND BALANCE - JULY 1	<u>8,291,593</u>	<u>8,291,593</u>	<u>8,291,593</u>	<u>-</u>	<u>7,873,370</u>
FUND BALANCE - JUNE 30	<u><u>\$ 6,219,982</u></u>	<u><u>\$ 6,206,212</u></u>	<u><u>\$ 7,200,693</u></u>	<u><u>\$ 994,481</u></u>	<u><u>\$ 8,291,593</u></u>

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHOOL COMMUNICATION TOWERS/TECHNOLOGY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
with comparative actual amounts for the year ended June 30, 2021

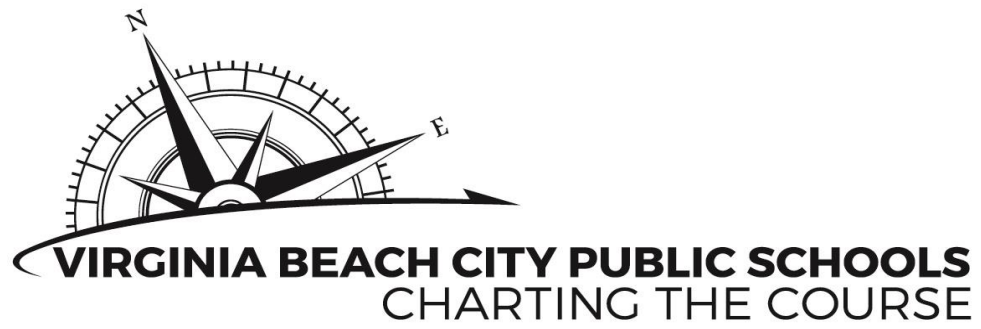
	Original Budget	Final Budget	Actual	Variance	2021 Actual
<u>REVENUES</u>					
From Use of Money and Property	\$ 516,000	\$ 516,000	\$ 695,802	\$ 179,802	\$ 677,578
<u>EXPENDITURES</u>					
<u>Technology</u>					
Materials and Supplies	\$ 800,000	\$ 800,000	\$ -	\$ 800,000	\$ -
Total Expenditures	\$ 800,000	\$ 800,000	\$ -	\$ 800,000	\$ -
<u>EXCESS (DEFICIENCY) OF</u>					
<u>REVENUES OVER (UNDER)</u>					
<u>EXPENDITURES</u>	\$ (284,000)	\$ (284,000)	\$ 695,802	\$ 979,802	\$ 677,578
<u>NET CHANGE IN FUND BALANCE</u>	\$ (284,000)	\$ (284,000)	\$ 695,802	\$ 979,802	\$ 677,578
<u>FUND BALANCE - JULY 1</u>	3,716,446	3,716,446	3,716,446	-	3,038,868
<u>FUND BALANCE - JUNE 30</u>	\$ 3,432,446	\$ 3,432,446	\$ 4,412,248	\$ 979,802	\$ 3,716,446

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHOOL VENDING OPERATIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
with comparative actual amounts for the year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance	2021 Actual
REVENUES					
From Use of Money and Property	\$ -	\$ -	\$ 2,032	\$ 2,032	\$ 7,972
Charges for Services	63,000	63,000	122,436	59,436	70,263
Total Revenues	<u>\$ 63,000</u>	<u>\$ 63,000</u>	<u>\$ 124,468</u>	<u>\$ 61,468</u>	<u>\$ 78,235</u>
EXPENDITURES					
Instruction					
Purchased Services	\$ 200	\$ 200	\$ -	\$ 200	\$ -
Other Charges	58,280	58,280	58,835	(555)	36,000
Materials and Supplies	10,520	10,520	(175)	10,695	-
Total Expenditures	<u>\$ 69,000</u>	<u>\$ 69,000</u>	<u>\$ 58,660</u>	<u>\$ 10,340</u>	<u>\$ 36,000</u>
EXCESS (DEFICIENCY) OF					
REVENUES OVER (UNDER)					
EXPENDITURES	<u>\$ (6,000)</u>	<u>\$ (6,000)</u>	<u>\$ 65,808</u>	<u>\$ 71,808</u>	<u>\$ 42,235</u>
NET CHANGE IN FUND BALANCE	<u>\$ (6,000)</u>	<u>\$ (6,000)</u>	<u>\$ 65,808</u>	<u>\$ 71,808</u>	<u>\$ 42,235</u>
FUND BALANCE - JULY 1	<u>104,007</u>	<u>104,007</u>	<u>104,007</u>	<u>-</u>	<u>61,772</u>
FUND BALANCE - JUNE 30	<u><u>\$ 98,007</u></u>	<u><u>\$ 98,007</u></u>	<u><u>\$ 169,815</u></u>	<u><u>\$ 71,808</u></u>	<u><u>\$ 104,007</u></u>

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHOOL EQUIPMENT REPLACEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
with comparative actual amounts for the year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance	2021 Actual
REVENUES					
From Use of Money and Property	\$ -	\$ -	\$ 3,882	\$ 3,882	\$ 7,446
EXPENDITURES					
Instruction					
Materials and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Technology					
Purchased Services	\$ -	\$ 45,566	\$ 3,348	\$ 42,218	\$ 40,398
Materials and Supplies	744,581	869,927	190,247	679,680	159,137
Capital Outlay	-	-	62,829	(62,829)	-
Total Technology	\$ 744,581	\$ 915,493	\$ 256,424	\$ 659,069	\$ 199,535
Total Expenditures	\$ 744,581	\$ 915,493	\$ 256,424	\$ 659,069	\$ 199,535
EXCESS (DEFICIENCY) OF					
REVENUES OVER (UNDER)					
EXPENDITURES	\$ (744,581)	\$ (915,493)	\$ (252,542)	\$ 662,951	\$ (192,089)
NET CHANGE IN FUND BALANCE	\$ (744,581)	\$ (915,493)	\$ (252,542)	\$ 662,951	\$ (192,089)
FUND BALANCE - JULY 1	952,493	952,493	952,493	-	1,144,582
FUND BALANCE - JUNE 30	\$ 207,912	\$ 37,000	\$ 699,951	\$ 662,951	\$ 952,493



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INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of goods and/or services provided by one department or agency to other departments or agencies of the governmental unit (and to other governmental units), on a cost reimbursement basis. The School Board has established Internal Service Funds for the following activities:

School Risk Management - provides insurance and the administration thereof for the School Board.

School Health Insurance - provides health insurance and the administration thereof for the School Board and City employees.

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022
with comparative totals for June 30, 2021

	School Risk Management	School Health Insurance	Totals	
			2022	2021
<u>ASSETS</u>				
Current Assets:				
Cash and Investments	\$ 15,859,624	\$ 85,805,862	\$ 101,665,486	\$ 108,747,435
Accounts Receivable	5,727	3,569,740	3,575,467	2,007,013
Prepaid Items	271,901	-	271,901	265,098
	<u>271,901</u>	<u>-</u>	<u>271,901</u>	<u>265,098</u>
TOTAL ASSETS	<u>\$ 16,137,252</u>	<u>\$ 89,375,602</u>	<u>\$ 105,512,854</u>	<u>\$ 111,019,546</u>
<u>LIABILITIES</u>				
Current Liabilities:				
Salaries Payable	\$ 1,109	\$ -	\$ 1,109	\$ 5,317
Vouchers and				
Accounts Payable	659,739	254,671	914,410	2,562,100
Unearned Revenues	-	8,291,591	8,291,591	8,264,712
Estimated Claims and				
Judgments (due within				
one year)	8,340,464	5,709,750	14,050,214	13,946,319
Total Current Liabilities	<u>\$ 9,001,312</u>	<u>\$ 14,256,012</u>	<u>\$ 23,257,324</u>	<u>\$ 24,778,448</u>
Noncurrent Liabilities:				
Estimated Claims and				
Judgments (due in more				
than one year)	2,780,155	1,903,250	4,683,405	4,648,773
	<u>2,780,155</u>	<u>1,903,250</u>	<u>4,683,405</u>	<u>4,648,773</u>
TOTAL LIABILITIES	<u>\$ 11,781,467</u>	<u>\$ 16,159,262</u>	<u>\$ 27,940,729</u>	<u>\$ 29,427,221</u>
<u>NET POSITION</u>				
Unrestricted	<u>\$ 4,355,785</u>	<u>\$ 73,216,340</u>	<u>\$ 77,572,125</u>	<u>\$ 81,592,325</u>
TOTAL NET POSITION	<u><u>\$ 4,355,785</u></u>	<u><u>\$ 73,216,340</u></u>	<u><u>\$ 77,572,125</u></u>	<u><u>\$ 81,592,325</u></u>

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022
with comparative totals for the year ended June 30, 2021

	School Risk Management	School Health Insurance	Totals	
			2022	2021
<u>OPERATING REVENUES</u>				
Charges for Services	\$ 6,805,724	\$ 153,694,833	\$ 160,500,557	\$ 158,826,426
Miscellaneous Revenue	639,688	4,842	644,530	373,292
Total Operating Revenues	<u>\$ 7,445,412</u>	<u>\$ 153,699,675</u>	<u>\$ 161,145,087</u>	<u>\$ 159,199,718</u>
<u>OPERATING EXPENSES</u>				
Personnel Services	\$ 390,727	\$ 518,733	\$ 909,460	\$ 808,784
Fringe Benefits	134,302	198,160	332,462	299,928
Purchased Services	2,023,983	1,567,881	3,591,864	1,717,498
Other Charges	8,353,507	152,385,651	160,739,158	155,340,631
Total Operating Expenses	<u>\$ 10,902,519</u>	<u>\$ 154,670,425</u>	<u>\$ 165,572,944</u>	<u>\$ 158,166,841</u>
<u>OPERATING INCOME (LOSS)</u>	<u>\$ (3,457,107)</u>	<u>\$ (970,750)</u>	<u>\$ (4,427,857)</u>	<u>\$ 1,032,877</u>
<u>NONOPERATING REVENUES</u>				
Interest Income	\$ 84,538	\$ 323,119	\$ 407,657	\$ 666,162
Total Nonoperating Revenues	<u>\$ 84,538</u>	<u>\$ 323,119</u>	<u>\$ 407,657</u>	<u>\$ 666,162</u>
<u>INCOME (LOSS) BEFORE TRANSFERS</u>	<u>\$ (3,372,569)</u>	<u>\$ (647,631)</u>	<u>\$ (4,020,200)</u>	<u>\$ 1,699,039</u>
<u>TRANSFERS IN</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000,000</u>
<u>CHANGES IN NET POSITION</u>	<u>\$ (3,372,569)</u>	<u>\$ (647,631)</u>	<u>\$ (4,020,200)</u>	<u>\$ 3,699,039</u>
<u>TOTAL NET POSITION - JULY 1</u>	<u>7,728,354</u>	<u>73,863,971</u>	<u>81,592,325</u>	<u>77,893,286</u>
<u>TOTAL NET POSITION - JUNE 30</u>	<u>\$ 4,355,785</u>	<u>\$ 73,216,340</u>	<u>\$ 77,572,125</u>	<u>\$ 81,592,325</u>

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
with comparative totals for the year ended June 30, 2021

	School Risk Management	School Health Insurance	Totals	
			2022	2021
<u>CASH FLOWS FROM OPERATING</u>				
<u>ACTIVITIES:</u>				
Receipts from Customers and Users	\$ 7,443,628	\$ 152,159,884	\$ 159,603,512	\$ 159,684,050
Payments to Vendors for Goods/Services	(8,990,332)	(156,856,656)	(165,846,988)	(156,207,835)
Payments to Employees for Services	(524,790)	(721,340)	(1,246,130)	(1,103,671)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (2,071,494)</u>	<u>\$ (5,418,112)</u>	<u>\$ (7,489,606)</u>	<u>\$ 2,372,544</u>
<u>CASH FLOWS FROM NONCAPITAL</u>				
<u>FINANCING ACTIVITIES:</u>				
Intragovernmental Receipts	-	-	-	2,000,000
<u>CASH FLOWS FROM INVESTING</u>				
<u>ACTIVITIES:</u>				
Interest Received on Investments	<u>84,538</u>	<u>323,119</u>	<u>407,657</u>	<u>666,162</u>
<u>NET INCREASE (DECREASE) IN</u>				
<u>CASH AND INVESTMENTS</u>				
	\$ (1,986,956)	\$ (5,094,993)	\$ (7,081,949)	\$ 5,038,706
<u>CASH AND INVESTMENTS,</u>				
<u>BEGINNING OF YEAR</u>				
	<u>17,846,580</u>	<u>90,900,855</u>	<u>108,747,435</u>	<u>103,708,729</u>
<u>CASH AND INVESTMENTS,</u>				
<u>END OF YEAR</u>				
	<u>\$ 15,859,624</u>	<u>\$ 85,805,862</u>	<u>\$ 101,665,486</u>	<u>\$ 108,747,435</u>
<u>RECONCILIATION OF OPERATING INCOME</u>				
<u>(LOSS) TO NET CASH PROVIDED BY</u>				
<u>(USED IN) OPERATING ACTIVITIES:</u>				
Operating Income (Loss)	<u>\$ (3,457,107)</u>	<u>\$ (970,750)</u>	<u>\$ (4,427,857)</u>	<u>\$ 1,032,877</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities				
(Increase) Decrease in Assets				
Accounts Receivable	\$ (1,785)	\$ (1,566,670)	\$ (1,568,455)	\$ 401,941
Prepaid Items	(6,803)	-	(6,803)	40,534
Increase (Decrease) in Liabilities				
Salaries Payable	239	(4,447)	(4,208)	5,041
Vouchers and Accounts Payable	330,435	(1,978,124)	(1,647,689)	(1,722,181)
Unearned Revenue	-	26,879	26,879	82,391
Estimated Claims and Judgments	1,063,527	(925,000)	138,527	2,531,941
Total Adjustments	<u>\$ 1,385,613</u>	<u>\$ (4,447,362)</u>	<u>\$ (3,061,749)</u>	<u>\$ 1,339,667</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (2,071,494)</u>	<u>\$ (5,418,112)</u>	<u>\$ (7,489,606)</u>	<u>\$ 2,372,544</u>

STATISTICAL SECTION

This part of the School Board of the City of Virginia Beach Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School Board's financial health. These tables are unaudited.

<u>Contents</u>	<u>Tables</u>
Financial Trends	1 – 10
These tables contain trend information to help the reader understand how the School Board's financial performance and well-being have changed over time.	
Operating Information	11 – 24
These tables contain service and infrastructure data to help the reader understand how the information in the School Board's financial report relates to the services the School Board provides and the activities it performs.	
Demographic and Economic Information	25 – 29
These tables offer demographic and economic indicators to help the reader understand the environment within which the School Board's financial activities take place.	
Revenue Capacity	30 – 33
These tables contain information to help the reader assess the factors affecting the City's ability to generate property taxes. Additional information can be found in the City of Virginia Beach Comprehensive Annual Financial Report.	
Debt Capacity	34 – 35
These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. Additional information can be found in the City of Virginia Beach Comprehensive Annual Financial Report.	

Sources: Unless otherwise noted, the information in these tables is derived from the Comprehensive Annual Financial Report for the relevant year.

Table 1

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
GOVERNMENT-WIDE NET POSITION BY COMPONENT
Last Ten Fiscal Years (unaudited)

	Fiscal Year			
	2013	2014	2015	2016
<u>NET POSITION (DEFICIT)</u>				
Investment in Capital Assets	\$ 503,613,147	\$ 492,959,880	\$ 501,205,889	\$ 503,106,097
Restricted for:				
Capital Projects	-	15,947,262	13,318,732	20,731,125
Grants	1,060,524	1,058,973	456,630	759,498
Cafeterias	3,825,795	4,556,868	4,469,528	7,029,421
Textbooks	16,044,853	16,247,585	11,688,657	8,447,356
School Activities	-	-	-	-
Unrestricted (Deficit)	<u>4,805,735</u>	<u>(703,842,498)</u>	<u>(692,029,291)</u>	<u>(658,386,368)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 529,350,054</u>	<u>\$ (173,071,930)</u>	<u>\$ (160,889,855)</u>	<u>\$ (118,312,871)</u>

Note: Governmental Accounting Standards Board Statement Number 68 "Accounting and Financial Reporting for Pensions" was implemented in fiscal year 2015. The July 1, 2014 Net Position amount was restated, as financial information for fiscal years prior to 2014 is not available.

Governmental Accounting Standards Board Statement Number 75 "Accounting and Financial Reporting for Postemployment Benefits other than Pensions" was implemented in fiscal year 2018. The July 1, 2017 Net Position amount was restated, as financial information for fiscal years prior to 2017 is not available.

Table 1

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
GOVERNMENT-WIDE NET POSITION BY COMPONENT
Last Ten Fiscal Years (unaudited)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 532,437,468	\$ 535,329,375	\$ 593,456,835	\$ 551,914,392	\$ 598,165,240	\$ 564,465,917
-	6,661,276	-	32,377,544	-	-
954,050	1,431,040	1,693,515	2,352,340	2,911,234	3,856,966
9,290,189	11,657,774	13,099,712	9,787,357	8,899,538	19,014,788
7,120,780	8,013,741	6,929,607	7,873,370	8,291,593	5,509,053
-	-	-	-	4,458,622	4,983,205
<u>(793,944,228)</u>	<u>(758,447,740)</u>	<u>(751,880,933)</u>	<u>(689,768,867)</u>	<u>(674,674,445)</u>	<u>(510,601,277)</u>
<u>\$ (244,141,741)</u>	<u>\$ (195,354,534)</u>	<u>\$ (136,701,264)</u>	<u>\$ (85,463,864)</u>	<u>\$ (51,948,218)</u>	<u>\$ 87,228,652</u>

Table 2

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
GOVERNMENT-WIDE CHANGES IN NET POSITION
Last Ten Fiscal Years (unaudited)

	Fiscal Year			
	2013	2014	2015	2016
Expenses:				
Governmental Activities:				
Instruction	\$ 577,046,558	\$ 587,975,312	\$ 573,574,157	\$ 568,912,291
Admin, Attendance, & Health	20,504,499	20,499,059	20,641,696	20,989,423
Pupil Transportation	34,224,798	33,585,459	33,364,815	30,739,249
Operations and Maintenance	89,634,735	88,060,958	88,194,131	86,966,670
Cafeterias	26,525,914	28,720,848	27,720,826	26,288,628
Technology	36,593,114	36,119,783	38,168,996	38,714,083
Total Expenses	<u>\$ 784,529,618</u>	<u>\$ 794,961,419</u>	<u>\$ 781,664,621</u>	<u>\$ 772,610,344</u>
Program Revenues:				
Governmental Activities:				
Charges for Services:				
Instruction	\$ 2,530,353	\$ 2,841,159	\$ 2,735,642	\$ 2,696,121
Admin, Attendance, & Health	-	-	-	-
Pupil Transportation	-	-	-	-
Operations and Maintenance	424,637	456,559	597,144	628,300
Cafeterias	12,195,744	12,047,776	10,591,205	11,266,046
Technology	829,946	620,441	625,937	485,887
Operating Grants and Contributions	134,612,328	143,414,642	141,961,728	142,463,184
Capital Grants and Contributions	-	-	-	-
Total Program Revenues	<u>\$ 150,593,008</u>	<u>\$ 159,380,577</u>	<u>\$ 156,511,656</u>	<u>\$ 157,539,538</u>
Net Expenses	<u>\$ (633,936,610)</u>	<u>\$ (635,580,842)</u>	<u>\$ (625,152,965)</u>	<u>\$ (615,070,806)</u>
General Revenues:				
Local Sources:				
Local Government	\$ 368,549,605	\$ 392,169,735	\$ 378,687,744	\$ 403,461,767
Miscellaneous	655,857	530,505	842,365	399,783
Federal and State Aid not Restricted to Specific Purposes:				
State Basic Aid	166,739,680	167,421,241	175,008,994	172,363,914
State Sales Tax	68,889,270	67,915,112	70,376,559	72,382,607
Federal Impact Aid	19,404,512	10,145,630	12,314,580	8,886,385
Interest Earnings	137,633	145,635	104,798	153,334
Total General Revenues	<u>\$ 624,376,557</u>	<u>\$ 638,327,858</u>	<u>\$ 637,335,040</u>	<u>\$ 657,647,790</u>
Change in Net Position	<u>\$ (9,560,053)</u>	<u>\$ 2,747,016</u>	<u>\$ 12,182,075</u>	<u>\$ 42,576,984</u>

Note: Governmental Accounting Standards Board Statement Number 68 "Accounting and Financial Reporting for Pensions" was implemented in fiscal year 2015. The Change in Net Position for fiscal year 2015 reflects this implementation (net of the allocation of pension expense to the various governmental activities), as financial information for fiscal years prior to 2015 is not available.

Governmental Accounting Standards Board Statement Number 75 "Accounting and Financial Reporting for Postemployment Benefits other than Pensions" was implemented in fiscal year 2018. The Change in Net Position for fiscal year 2018 reflects this implementation (net of the allocation of OPEB expense to the various governmental activities), as financial information for fiscal years prior to 2018 is not available.

Table 2

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
GOVERNMENT-WIDE CHANGES IN NET POSITION
Last Ten Fiscal Years (unaudited)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 556,632,508	\$ 606,761,992	\$ 566,224,421	\$ 703,745,203	\$ 614,301,579	\$ 662,288,101
22,840,163	22,901,450	23,307,229	24,107,377	39,059,615	37,088,876
32,950,076	35,690,694	37,344,627	36,973,229	38,763,178	45,739,040
91,477,591	91,293,238	95,683,167	92,626,699	105,015,813	109,185,578
27,285,112	27,773,627	28,573,857	29,492,968	29,494,063	36,566,426
43,036,289	45,753,930	47,195,554	47,543,325	54,919,511	61,418,845
<u>\$ 774,221,739</u>	<u>\$ 830,174,931</u>	<u>\$ 798,328,855</u>	<u>\$ 934,488,801</u>	<u>\$ 881,553,759</u>	<u>\$ 952,286,866</u>
\$ 1,814,028	\$ 2,062,220	\$ 1,983,371	\$ 1,540,097	\$ 1,320,810	\$ 2,724,249
-	-	-	-	-	3,880
-	-	214,355	634,957	422,965	1,059,715
452,171	499,341	432,731	281,549	167,000	241,643
10,911,183	10,620,849	10,406,240	7,371,901	632,945	1,491,699
1,240,136	1,142,166	1,498,880	1,593,780	864,394	1,028,278
146,611,635	164,134,388	164,873,615	173,532,323	201,162,593	266,759,796
-	-	-	-	-	-
<u>\$ 161,029,153</u>	<u>\$ 178,458,964</u>	<u>\$ 179,409,192</u>	<u>\$ 184,954,607</u>	<u>\$ 204,570,707</u>	<u>\$ 273,309,260</u>
<u>\$ (613,192,586)</u>	<u>\$ (651,715,967)</u>	<u>\$ (618,919,663)</u>	<u>\$ (749,534,194)</u>	<u>\$ (676,983,052)</u>	<u>\$ (678,977,606)</u>
\$ 369,406,287	\$ 437,309,444	\$ 402,681,270	\$ 528,069,094	\$ 416,765,494	\$ 520,622,167
450,772	649,331	5,784,893	1,005,987	3,141,506	7,015,951
178,909,703	178,412,666	178,656,354	176,893,073	183,758,757	177,729,756
73,084,563	74,264,875	76,320,888	79,610,836	87,120,778	98,227,243
11,264,563	9,452,678	13,180,576	13,724,963	14,948,341	14,339,468
245,828	414,180	948,952	1,467,641	313,213	219,891
<u>\$ 633,361,716</u>	<u>\$ 700,503,174</u>	<u>\$ 677,572,933</u>	<u>\$ 800,771,594</u>	<u>\$ 706,048,089</u>	<u>\$ 818,154,476</u>
<u>\$ 20,169,130</u>	<u>\$ 48,787,207</u>	<u>\$ 58,653,270</u>	<u>\$ 51,237,400</u>	<u>\$ 29,065,037</u>	<u>\$ 139,176,870</u>

Table 3

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
GOVERNMENT-WIDE EXPENSES BY FUNCTION
Last Ten Fiscal Years (unaudited)

Fiscal Year	Total Expenses	Instruction		Adminis- tration, Attendance & Health		Pupil Trans- portation		Operations and Maintenance		Cafeterias		Technology	
			%		%		%		%		%		%
2013	\$784,529,618	\$577,046,558	73.6	\$20,504,499	2.6	\$34,224,798	4.4	\$89,634,735	11.4	\$26,525,914	3.4	\$36,593,114	4.6
2014	794,961,419	587,975,312	74.0	20,499,059	2.6	33,585,459	4.2	88,060,958	11.1	28,720,848	3.6	36,119,783	4.5
2015	781,664,621	573,574,157	73.4	20,641,696	2.6	33,364,815	4.3	88,194,131	11.3	27,720,826	3.5	38,168,996	4.9
2016	772,610,344	568,912,291	73.6	20,989,423	2.7	30,739,249	4.0	86,966,670	11.3	26,288,628	3.4	38,714,083	5.0
2017	774,221,739	556,632,508	71.9	22,840,163	3.0	32,950,076	4.3	91,477,591	11.8	27,285,112	3.5	43,036,289	5.5
2018	830,174,931	606,761,992	73.1	22,901,450	2.8	35,690,694	4.3	91,293,238	11.0	27,773,627	3.3	45,753,930	5.5
2019	798,328,855	566,224,421	70.9	23,307,229	2.9	37,344,627	4.7	95,683,167	12.0	28,573,857	3.6	47,195,554	5.9
2020	934,488,801	703,745,203	75.3	24,107,377	2.6	36,973,229	4.0	92,626,699	9.9	29,492,968	3.2	47,543,325	5.0
2021	881,553,759	614,301,579	69.7	39,059,615	4.4	38,763,178	4.4	105,015,813	11.9	29,494,063	3.3	54,919,511	6.3
2022	952,286,866	662,288,101	69.5	37,088,876	3.9	45,739,040	4.8	109,185,578	11.5	36,566,426	3.8	61,418,845	6.5

Note: Governmental Accounting Standards Board Statement Number 68 "Accounting and Financial Reporting for Pensions" was implemented in fiscal year 2015. The Total Expenses for fiscal year 2015 reflects this implementation (net of the allocation of pension expense to the various governmental activities), as financial information for fiscal years prior to 2015 is not available.

Governmental Accounting Standards Board Statement Number 75 "Accounting and Financial Reporting for Postemployment Benefits other than Pensions" was implemented in fiscal year 2018. The Change in Net Position for fiscal year 2018 reflects this implementation (net of the allocation of OPEB expense to the various governmental activities), as financial information for fiscal years prior to 2018 is not available.

Table 4

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
GOVERNMENT-WIDE REVENUES
Last Ten Fiscal Years (unaudited)

Fiscal Year	Total Revenues	Program Revenues				General Revenues					
		Charges for Services*	%	Operating and Capital Grants and Contributions	%	Local Sources	%	Federal and State Aid**	%	Interest Earnings	%
2013	\$774,969,565	\$15,980,680	2.1	\$134,612,328	17.4	\$369,205,462	47.6	\$255,033,462	32.9	\$137,633	0.0
2014	797,708,435	15,965,935	2.0	143,414,642	18.0	392,700,240	49.2	245,481,983	30.8	145,635	0.0
2015	793,846,696	14,549,928	1.8	141,961,728	17.9	379,530,109	47.8	257,700,133	32.5	104,798	0.0
2016	815,187,328	15,076,354	1.8	142,463,184	17.5	403,861,550	49.5	253,632,906	31.1	153,334	0.1
2017	794,390,869	14,417,518	1.8	146,611,635	18.5	369,857,059	46.6	263,258,829	33.1	245,828	0.0
2018	878,962,138	14,324,576	1.6	164,134,388	18.7	437,958,775	49.8	262,130,219	29.8	414,180	0.1
2019	856,982,125	14,535,577	1.7	164,873,615	19.2	408,466,163	47.7	268,157,818	31.3	948,952	0.1
2020	985,726,201	11,422,284	1.2	173,532,323	17.6	529,075,081	53.7	270,228,872	27.4	1,467,641	0.1
2021	910,618,796	3,408,114	0.4	201,162,593	22.1	419,907,000	46.1	285,827,876	31.4	313,213	0.0
2022	1,091,463,736	6,549,464	0.6	266,759,796	24.4	527,638,118	48.3	290,296,467	26.6	219,891	0.1

* See Table 2 for Charges for Services categories

** Not restricted to specific programs

Table 5

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years (unaudited)

	Fiscal Year			
	2013	2014	2015	2016
General Fund:				
<i>Nonspendable</i>	\$ 511,177	\$ 761,330	\$ 1,095,915	\$ 844,003
<i>Assigned</i>	5,651,929	6,588,302	9,667,446	8,392,352
Total Fund Balance - General Fund	\$ 6,163,106	\$ 7,349,632	\$ 10,763,361	\$ 9,236,355
All Other Governmental Funds:				
<i>Nonspendable:</i>				
<i>Special Revenue Funds</i>	\$ 1,284,493	\$ 777,040	\$ 489,714	\$ 1,734,207
<i>Restricted:</i>				
<i>Special Revenue Funds</i>	20,777,535	21,863,426	16,614,815	16,236,275
<i>Capital Projects Funds</i>	-	15,947,262	13,318,732	20,731,125
<i>Committed:</i>				
<i>Special Revenue Funds</i>	4,837,677	4,527,805	4,177,903	4,295,854
<i>Capital Projects Funds</i>	6,839,100	3,298,600	437,953	528,628
<i>Unassigned:</i>				
<i>Capital Projects Funds</i>	(3,403,665)	-	-	-
Total Fund Balance - Other Governmental Funds	\$ 30,335,140	\$ 46,414,133	\$ 35,039,117	\$ 43,526,089

Table 5

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years (unaudited)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 1,078,381	\$ 645,312	\$ 661,659	\$ 614,133	\$ 396,015	\$ 1,424,158
8,735,155	7,873,059	11,144,533	14,496,327	37,001,173	27,613,231
<u>\$ 9,813,536</u>	<u>\$ 8,518,371</u>	<u>\$ 11,806,192</u>	<u>\$ 15,110,460</u>	<u>\$ 37,397,188</u>	<u>\$ 29,037,389</u>
\$ 638,339	\$ 633,098	\$ 614,895	\$ 789,416	\$ 803,943	\$ 2,689,353
17,365,019	21,102,555	21,722,834	20,013,067	24,560,987	33,364,012
-	6,661,276	-	32,377,544	-	-
4,029,283	3,791,806	3,919,462	4,245,222	4,772,946	5,259,535
-	5,204,160	-	8,332,161	14,827,424	106,654,155
<u>(2,469,152)</u>	<u>-</u>	<u>(32,003,760)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 19,563,489</u>	<u>\$ 37,392,895</u>	<u>\$ (5,746,569)</u>	<u>\$ 65,757,410</u>	<u>\$ 44,965,300</u>	<u>\$ 147,967,055</u>

Table 6

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years (unaudited)

	Fiscal Year			
	2013	2014	2015	2016
<u>REVENUES</u>				
From Use of Money and Property	\$ 898,066	\$ 990,556	\$ 1,112,326	\$ 1,187,026
Charges for Services	13,760,887	13,586,261	11,921,719	12,273,570
Miscellaneous	2,150,879	2,411,989	2,717,149	2,366,701
From Local Government	368,549,605	392,169,735	378,687,744	403,461,767
From Commonwealth	318,519,061	326,629,536	334,562,449	335,531,412
From Federal Government	70,800,124	61,914,947	64,845,309	60,351,137
Total Revenues	<u>\$ 774,678,622</u>	<u>\$ 797,703,024</u>	<u>\$ 793,846,696</u>	<u>\$ 815,171,613</u>
<u>EXPENDITURES</u>				
Current:				
Instruction	\$ 552,817,372	\$ 549,280,427	\$ 571,442,017	\$ 566,161,730
Admin, Attendance, & Health	20,158,024	20,265,565	21,039,188	21,867,909
Pupil Transportation	30,850,164	31,613,426	29,783,772	30,772,076
Operations and Maintenance	88,576,353	87,673,842	89,729,140	91,231,416
Cafeterias	26,139,487	28,369,866	28,051,308	27,118,359
Technology	36,174,823	35,732,637	35,714,932	37,060,489
Capital Outlay	38,405,769	27,507,153	26,047,626	34,015,383
Total Expenditures	<u>\$ 793,121,992</u>	<u>\$ 780,442,916</u>	<u>\$ 801,807,983</u>	<u>\$ 808,227,362</u>
<u>EXCESS (DEFICIENCY) OF</u>				
<u>REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>	<u>\$ (18,443,370)</u>	<u>\$ 17,260,108</u>	<u>\$ (7,961,287)</u>	<u>\$ 6,944,251</u>
<u>OTHER FINANCING SOURCES</u>				
<u>(USES)</u>				
Transfers In	\$ 3,059,471	\$ 3,185,724	\$ 3,146,753	\$ 3,213,930
Transfers Out	(3,059,471)	(3,185,724)	(3,146,753)	(3,213,930)
Sale of Capital Assets	290,943	5,411	-	15,715
Total Other Financing Sources (Uses), net	<u>\$ 290,943</u>	<u>\$ 5,411</u>	<u>\$ -</u>	<u>\$ 15,715</u>
<u>NET CHANGE IN</u>				
<u>FUND BALANCES</u>	<u>\$ (18,152,427)</u>	<u>\$ 17,265,519</u>	<u>\$ (7,961,287)</u>	<u>\$ 6,959,966</u>

Table 6

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years (unaudited)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 1,093,227	\$ 1,238,870	\$ 1,614,614	\$ 1,909,409	\$ 966,954	\$ 1,010,931
11,541,968	11,462,227	11,315,564	8,101,947	785,386	1,486,301
2,637,731	2,863,240	3,931,864	4,083,737	5,222,803	11,083,390
365,906,287	437,309,444	402,681,269	528,069,094	416,765,494	520,621,545
345,823,565	362,609,420	365,166,526	378,703,344	396,103,494	411,657,244
63,760,864	63,260,548	67,416,059	64,681,005	90,425,362	144,976,657
<u>\$ 790,763,642</u>	<u>\$ 878,743,749</u>	<u>\$ 852,125,896</u>	<u>\$ 985,548,536</u>	<u>\$ 910,269,493</u>	<u>\$ 1,090,836,068</u>
\$ 574,348,290	\$ 592,155,106	\$ 604,306,042	\$ 614,838,147	\$ 616,937,934	\$ 672,368,027
23,250,610	23,789,953	24,321,706	24,526,915	37,440,277	40,207,972
35,791,636	46,032,851	40,296,039	37,039,105	35,517,280	53,426,828
93,264,383	94,283,880	98,804,758	92,837,418	100,127,252	113,317,602
27,623,959	28,378,336	29,159,727	29,191,803	27,853,960	37,430,936
41,769,006	45,954,174	46,793,397	46,306,027	52,889,114	61,293,474
21,728,403	31,833,597	51,152,099	66,178,539	40,808,970	18,776,941
<u>\$ 817,776,287</u>	<u>\$ 862,427,897</u>	<u>\$ 894,833,768</u>	<u>\$ 910,917,954</u>	<u>\$ 911,574,787</u>	<u>\$ 996,821,780</u>
<u>\$ (27,012,645)</u>	<u>\$ 16,315,852</u>	<u>\$ (42,707,872)</u>	<u>\$ 74,630,582</u>	<u>\$ (1,305,294)</u>	<u>\$ 94,014,288</u>
\$ 3,323,272	\$ 3,653,090	\$ 3,798,609	\$ 4,001,247	\$ 3,994,446	\$ 4,869,945
(3,323,272)	(3,653,090)	(5,798,609)	(4,001,247)	(5,994,446)	(4,869,945)
<u>3,627,226</u>	<u>218,389</u>	<u>4,856,229</u>	<u>177,665</u>	<u>349,303</u>	<u>627,668</u>
<u>\$ 3,627,226</u>	<u>\$ 218,389</u>	<u>\$ 2,856,229</u>	<u>\$ 177,665</u>	<u>\$ (1,650,697)</u>	<u>\$ 627,668</u>
<u>\$ (23,385,419)</u>	<u>\$ 16,534,241</u>	<u>\$ (39,851,643)</u>	<u>\$ 74,808,247</u>	<u>\$ (2,955,991)</u>	<u>\$ 94,641,956</u>

Table 7

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES BY FUNCTION
 Last Ten Fiscal Years (unaudited)

Fiscal Year	Total Expenditures and Other Financing Uses	Instruction		Administration, Attendance, & Health		Pupil Transportation		Operations and Maintenance		Technology		Transfers	
			%		%		%		%		%		%
2013	\$675,262,669	\$506,336,353	75.0	\$20,158,024	3.0	\$30,850,164	4.6	\$85,225,055	12.6	\$29,633,602	4.4	\$3,059,471	0.4
2014	667,719,887	501,762,265	75.1	20,265,565	3.0	31,613,426	4.7	84,881,195	12.7	26,011,712	3.9	3,185,724	0.6
2015	687,695,797	521,306,637	75.8	21,039,188	3.1	29,783,772	4.3	85,027,241	12.4	27,392,206	4.0	3,146,753	0.4
2016	693,674,811	522,827,006	75.4	21,867,909	3.2	30,772,076	4.4	85,640,251	12.3	29,353,639	4.2	3,213,930	0.5
2017	710,946,618	531,207,956	74.7	23,250,610	3.3	35,791,636	5.0	85,737,273	12.1	31,635,871	4.4	3,323,272	0.5
2018	748,530,406	551,099,344	73.6	23,789,953	3.2	46,032,851	6.1	86,706,179	11.6	37,248,989	5.0	3,653,090	0.5
2019	757,385,699	561,124,557	74.1	24,321,706	3.2	40,296,039	5.3	88,042,622	11.6	37,802,166	5.0	5,798,609	0.8
2020	766,633,124	573,394,750	74.8	24,526,915	3.2	37,039,105	4.8	87,816,421	11.5	39,854,686	5.2	4,001,247	0.5
2021	771,310,406	570,086,492	73.9	35,037,931	4.5	35,476,247	4.6	87,876,518	11.4	36,838,772	4.8	5,994,446	0.8
2022	827,551,911	597,668,220	72.2	36,895,804	4.5	52,017,634	6.3	98,295,182	11.9	37,805,126	4.6	4,869,945	0.5

Note: This table represents financial data of the School Operating Fund.

Table 8

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
GENERAL FUND REVENUES BY SOURCE
Last Ten Fiscal Years (unaudited)

Fiscal Year	Total Revenues	City of Virginia Beach		Common-wealth of Virginia		State Sales Tax		Federal Government		Other Revenues	
			%		%		%		%		%
2013	\$669,441,604	\$337,975,782	50.5	\$238,513,521	35.6	\$68,889,270	10.3	\$20,486,105	3.1	\$3,576,926	0.5
2014	668,901,002	341,558,045	51.1	243,244,523	36.4	67,915,112	10.2	12,316,895	1.8	3,866,427	0.5
2015	691,109,526	352,191,199	51.0	250,173,015	36.2	70,376,559	10.2	14,290,941	2.1	4,077,812	0.5
2016	692,132,090	355,706,910	51.4	249,585,001	36.1	72,382,607	10.5	10,984,116	1.6	3,473,456	0.4
2017	711,396,573	361,314,303	50.8	260,283,753	36.6	73,084,563	10.3	13,464,377	1.9	3,249,577	0.4
2018	747,016,852	383,296,606	51.3	273,210,535	36.6	74,264,875	9.9	12,614,392	1.7	3,630,444	0.5
2019	760,448,528	388,810,269	51.1	274,756,360	36.1	76,320,888	10.0	15,961,332	2.1	4,599,679	0.7
2020	769,759,727	383,837,199	49.9	285,102,568	37.0	79,610,836	10.3	16,671,591	2.2	4,537,533	0.6
2021	793,249,279	389,560,485	49.1	295,922,939	37.3	87,120,778	11.0	18,243,225	2.3	2,401,852	0.3
2022	818,564,444	401,758,124	49.1	296,840,759	36.3	98,227,243	12.0	17,115,878	2.1	4,622,440	0.5

Note: This table represents financial data of the School Operating Fund.

Other Financial Data			
Fiscal Year	June 30 Reversion to City	June 30 Fund Balance	Debt Service
2013	\$18,831,522	\$6,163,106	\$44,747,986
2014	15,554,787	7,349,632	42,537,774
2015	12,316,533	10,763,361	44,986,273
2016	15,583,197	9,236,355	44,115,909
2017	17,063,890	9,813,536	45,704,383
2018	22,881,964	8,518,371	42,173,255
2019	26,824,198	11,806,192	41,768,217
2020	39,027,626	15,110,460	42,933,085
2021	25,708,678	37,397,188	45,227,006
2022	21,071,766	29,037,389	45,696,046

Note: The above Other Financial Data presents the amount of cash that was necessary to revert to the City to yield a fund balance equal to the outstanding encumbrances and prepaid items at June 30 of each fiscal year.

Table 9

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
PER PUPIL FINANCIAL SUPPORT FOR EXPENDITURES BY MAJOR REVENUE SOURCE
Last Ten Fiscal Years (unaudited)

Fiscal Year	Local Revenues		State Revenues		State Sales Tax Revenues	
	Per Pupil	Per Pupil	Per Pupil	Per Pupil	Per Pupil	Per Pupil
		<i>State Average</i>		<i>State Average</i>		<i>State Average</i>
2013	\$5,237	\$5,776	\$3,600	\$3,652	\$991	\$954
2014	5,277	5,823	3,705	3,676	978	959
2015	5,392	5,949	3,828	3,798	1,016	1,004
2016	5,450	6,084	3,835	3,813	1,051	1,036
2017	5,563	6,249	3,986	3,997	1,063	1,055
2018	5,848	6,462	4,219	4,166	1,079	1,052
2019	5,920	6,642	4,235	4,280	1,115	1,108
2020	5,813	6,770	4,387	4,438	1,161	1,165
2021	5,783	6,669	4,787	4,858	1,341	1,327
2022	-	-	-	-	-	-

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

Note: This table represents the per pupil cost of operations of the Virginia Beach City Public Schools broken down by source of support. The per pupil amount for the Total Expenditures for Operations is the total expenditures of the Local Educational Agency (LEA) minus the amount for the Facilities Function (e.g., Capital Improvement Program), Debt Service, Non LEA Programs, and Capital Outlay Additions to yield Total Expenditures for Operations. The Total Expenditures for Operations include regular day school, school food services, summer school, adult education, athletics, textbooks, and other educational functions.

The aforementioned methodology and computations were developed by the Commonwealth of Virginia Department of Education (DOE). The assumption taken by the DOE is that the LEA would spend all of its State money received, all of the Sales Tax money received, and all of its Federal money received, before spending any of the local appropriations and other local receipts. Therefore, the Total Expenditures for Operations is the sum of the State portion, the Sales Tax portion, and the Federal portion, with the local portion (City appropriations and other local receipts) being the remainder after the others have been deducted.

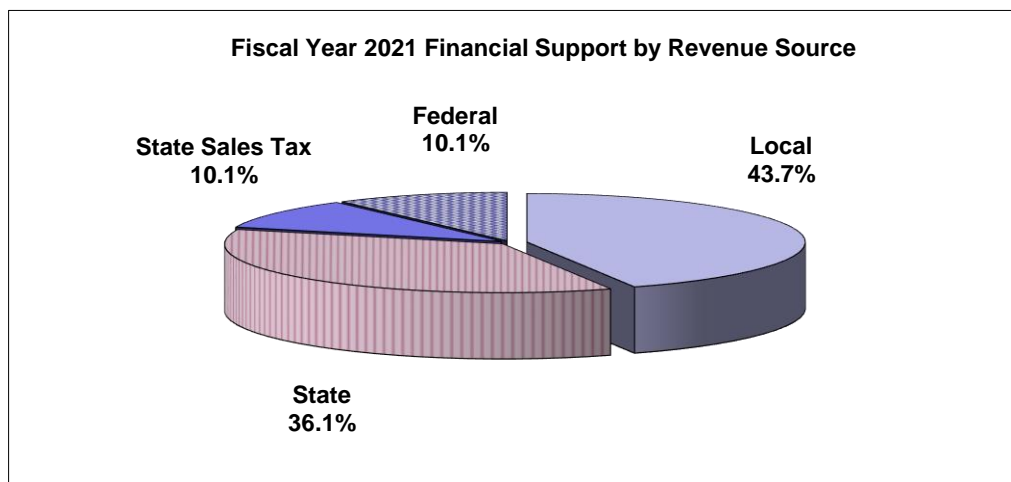
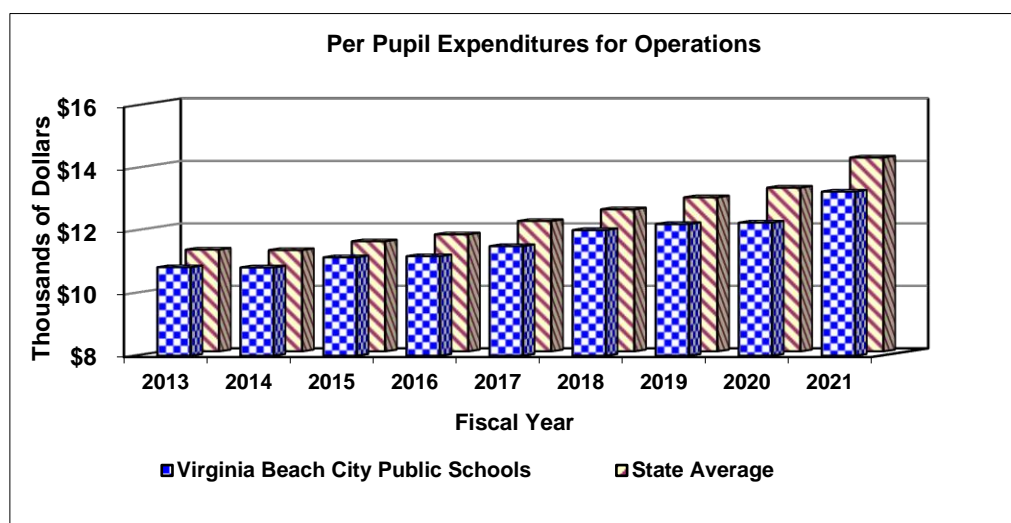
The State amount includes all the monies sent to the LEA by the DOE minus an amount sent by the DOE for the running of the Hospital, Clinics, and Detention Home project and an amount sent by the DOE for vocational equipment. The State Sales Tax is the 1 cent tax on goods and services allocated to a particular LEA (plus a 1/8 of one percent increase allocation). The Federal portion includes all federal funds sent to the LEA directly from the Federal Government or through the State to the LEA minus an amount for additional capital outlay paid for by Federal funds. The local funds portion is equal to the Total Expenditures for Operations minus the amounts for State funds, State Sales Tax, and Federal funds.

Source: Commonwealth of Virginia, Superintendent's Annual Report for Virginia

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
PER PUPIL FINANCIAL SUPPORT FOR EXPENDITURES BY MAJOR REVENUE SOURCE
Last Ten Fiscal Years (unaudited)

Fiscal Year	Federal Revenues		Total Expenditures for Operations		ADM for Determining Cost Per Pupil
	Per Pupil	Per Pupil State Average	Per Pupil	Per Pupil State Average	
2013	\$1,004	\$875	\$10,832	\$11,257	69,512
2014	865	784	10,825	11,242	69,441
2015	914	772	11,150	11,523	69,242
2016	849	812	11,185	11,745	68,880
2017	895	871	11,507	12,172	68,738
2018	876	867	12,022	12,548	68,808
2019	943	901	12,213	12,931	68,436
2020	899	867	12,260	13,241	68,588
2021	1,343	1,352	13,254	14,206	64,951
2022	-	-	-	-	-

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)



SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
COMPOSITE INDEX OF LOCAL ABILITY-TO-PAY COSTS OF STANDARDS OF QUALITY
Last Ten Fiscal Years (unaudited)

Fiscal Year	Indicators of Ability Base Year	Local Composite Index	Local Share of SOQ Factor
2013	2009	.4110	.4500
2014	2009	.4110	.4500
2015	2011	.4034	.4500
2016	2011	.4034	.4500
2017	2013	.3925	.4500
2018	2013	.3925	.4500
2019	2015	.4046	.4500
2020	2015	.4046	.4500
2021	2017	.4082	.4500
2022	2017	.4082	.4500

Note: The components used in the formula for calculating the school divisions' composite index (used to distribute basic aid, standards of quality, and various other state payments) are:

True Value of Real Property
Adjusted Gross Income
Taxable Retail Sales
March 31 ADM (year after base year)
Total Population

The Local Share of Standards of Quality (SOQ) Factor is multiplied by the original calculated local composite index of each school division. This factor provides the apportioned cost of the SOQ between the State and school divisions of average ability to pay as established by the Appropriations Act.

Source: Commonwealth of Virginia, Superintendent's Annual Report for Virginia

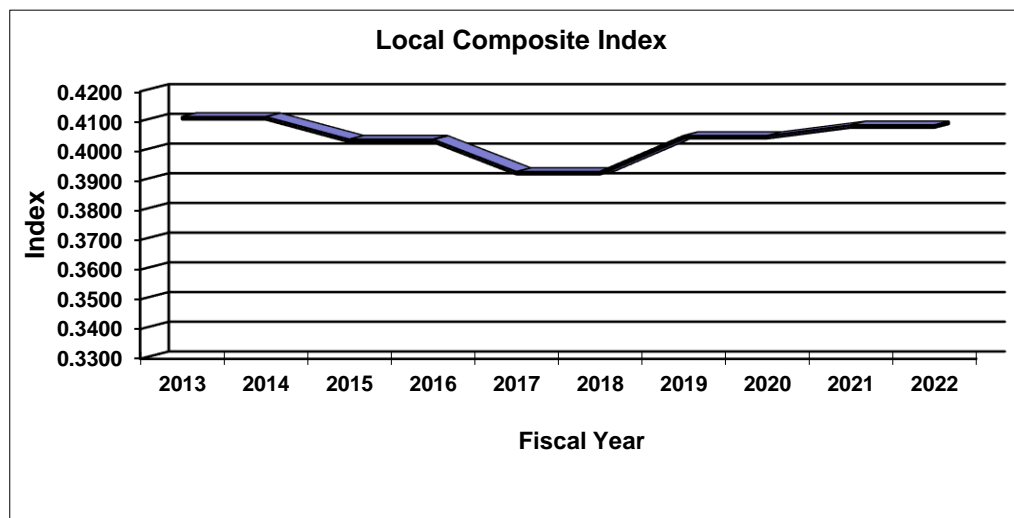


Table 11

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
STUDENTS PROMOTED
 Last Ten Fiscal Years (unaudited)

Fiscal Year	End-of-Year Membership	Number Promoted	Percent Promoted	Percent Promoted <i>State Average</i>
2013	69,105	67,847	98.2%	98.1%
2014	69,385	68,160	98.2%	98.1%
2015	68,934	67,914	98.5%	98.2%
2016	68,568	67,616	98.6%	98.2%
2017	67,868	66,983	98.7%	98.3%
2018	67,620	66,775	98.8%	98.4%
2019	67,181	66,349	98.8%	98.4%
2020	67,262	66,309	98.6%	98.5%
2021	64,289	63,561	98.9%	98.9%
2022	64,120	62,962	98.2%	97.9%

Note: This table represents the number of pupils promoted as a percentage of end of the year membership. Beginning in fiscal year 2014, the calculation was updated which employs the Virginia Department of Education longitudinal database. This calculation counts the students in the current fiscal year's fall enrollment that were in the same grade for the previous fiscal year's fall enrollment, instead of the students who were identified as retained by the school division on the last day of school. The data is reported to the Commonwealth of Virginia Department of Education by the school divisions.

Source: Commonwealth of Virginia, Superintendent's Annual Report for Virginia

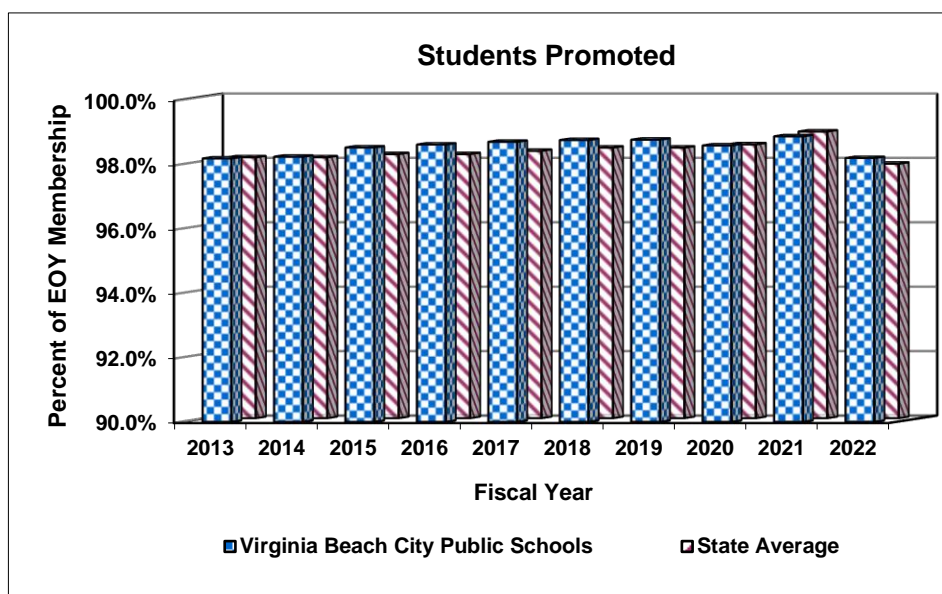


Table 12

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
STUDENT ATTENDANCE
Last Ten Fiscal Years (unaudited)

Fiscal Year	Number of Days Taught	Average Daily Membership			Average Daily Attendance		
		Elementary	Secondary	Total	Elementary	Secondary	Total
2013	183	42,481	26,509	68,990	40,767	25,164	65,931
2014	183	42,405	26,513	68,918	40,743	25,063	65,806
2015	183	42,122	26,564	68,686	40,512	25,224	65,736
2016	183	41,909	26,335	68,244	40,180	24,877	65,057
2017	180	41,430	26,072	67,502	39,617	24,625	64,242
2018	176	41,331	26,062	67,393	39,587	24,770	64,357
2019	177	41,157	25,787	66,944	39,344	24,419	63,763
2020	121	41,224	25,948	67,172	39,281	24,544	63,825
2021	183	38,313	25,334	63,647	36,700	24,179	60,879
2022	179	38,416	25,493	63,909	36,136	23,614	59,750

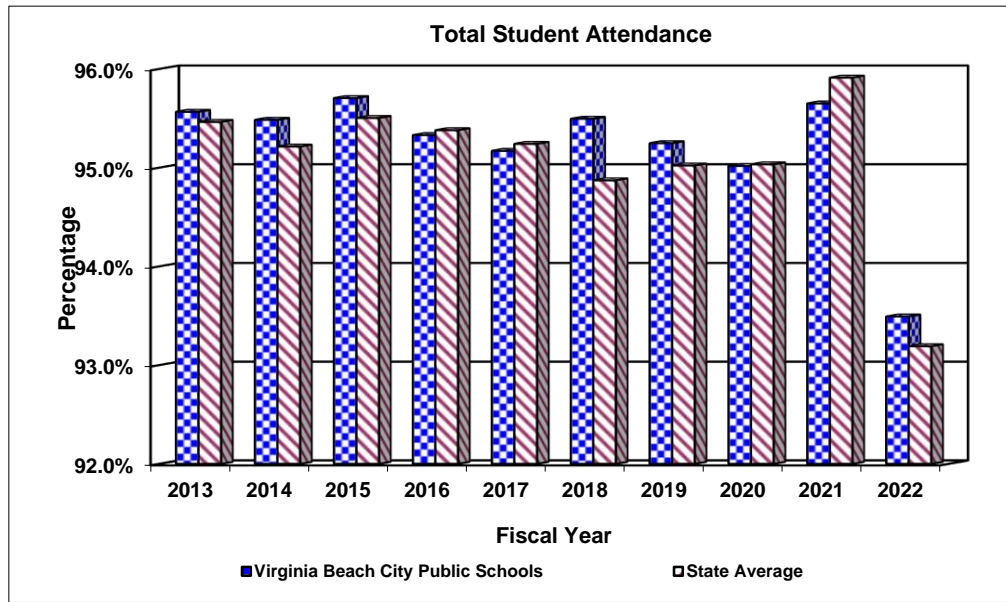
Note: This table represents the average daily membership and the average daily attendance along with the percentage of attendance to membership. Average Daily Membership (ADM) is the average number of students belonging each day in a school system for the period of report. ADM is determined by dividing the sum of the days present and absent of all students when school is in session during a given period by the number of days school is in session during this period.

Due to COVID-19 in fiscal year 2020, schools were closed in March of 2020 and moved to all virtual learning resulting in a decrease in number of days taught.

Source: Commonwealth of Virginia, Superintendent's Annual Report for Virginia

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
STUDENT ATTENDANCE
Last Ten Fiscal Years (unaudited)

Fiscal Year	Student Attendance Percent			Student Attendance Percent <i>State Average</i>		
	Elementary	Secondary	Local Average	Elementary	Secondary	State Average
2013	96.0%	94.9%	95.6%	96.1%	94.4%	95.5%
2014	96.1%	94.5%	95.5%	95.7%	94.4%	95.2%
2015	96.2%	95.0%	95.7%	96.1%	94.6%	95.5%
2016	95.9%	94.5%	95.3%	95.9%	94.5%	95.4%
2017	95.6%	94.4%	95.2%	95.8%	94.4%	95.2%
2018	95.8%	95.0%	95.5%	95.4%	94.0%	94.9%
2019	95.6%	94.7%	95.2%	95.5%	94.2%	95.0%
2020	95.3%	94.6%	95.0%	95.4%	94.4%	95.0%
2021	95.8%	95.4%	95.7%	95.9%	95.9%	95.9%
2022	94.1%	92.6%	93.5%	93.8%	92.3%	93.2%



SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
STUDENT DROPOUTS
 Last Ten Fiscal Years (unaudited)

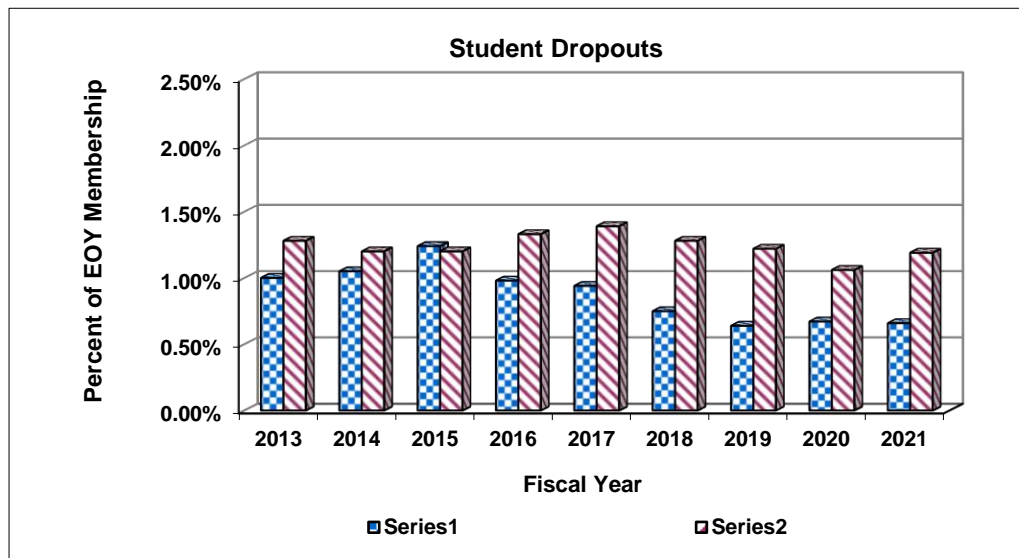
Fiscal Year	September 30 Membership (Grades 7-12)	Number of Dropouts	Percent	Percent <i>State Average</i>
2013	32,223	322	1.00%	1.28%
2014	32,213	337	1.05%	1.20%
2015	32,056	396	1.24%	1.20%
2016	31,839	313	0.98%	1.33%
2017	31,614	296	0.94%	1.39%
2018	31,630	237	0.75%	1.28%
2019	31,443	201	0.64%	1.22%
2020	31,298	210	0.67%	1.06%
2021	30,973	204	0.66%	1.19%
2022	-	-	-	-

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

Note: This table represents a percentage of dropouts compared to membership in grades 7-12 and ungraded pupils ages 12 and older as reported to the Commonwealth of Virginia Department of Education by the school divisions. Dropouts are defined as pupils who withdraw from school for reasons other than promotion, transfer, death, or graduation, and do not enter another school during the school year. Also included are pupils who are in attendance on the last day of the school year who fail to return to school by October 31 of the following school year.

The dropout percentage is calculated as the number of dropouts divided by the membership on September 30th of that school year. A dropout is an individual in grades 7-12 or ungraded (UG) (due to not successfully completing the Literacy Testing Program (LTP)) who was enrolled in school at some time during the previous school year and was not enrolled on October 1 of the current school year, or was not enrolled following exclusionary conditions: transfer to another public school district, private school, or state- or district-approved education program, temporary school-recognized absence due to suspension, illness, or death.

Source: Commonwealth of Virginia, Superintendent's Annual Report for Virginia



SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHOLASTIC APTITUDE TEST (SAT) - MEAN SCORES
Last Ten Fiscal Years (unaudited)

	Mathematics - Mean Scores			Evidence-Based Reading and Writing (ERW) - Mean Scores **			Writing - Mean Scores *		
Fiscal Year	Virginia Beach	Virginia	National***	Virginia Beach	Virginia	National ***	Virginia Beach	Virginia	National
2013	509	514	514	505	516	496	487	498	488
2014	505	515	513	508	518	497	483	497	487
2015	504	516	511	507	518	495	484	499	484
2016	511	517	508	514	520	494	490	498	482
2017*	534	541	527	557	561	533	-	-	-
2018	545	547	520	563	563	529	-	-	-
2019	542	548	515	561	564	524	-	-	-
2020	539	546	523	562	564	528	-	-	-
2021	551	566	528	573	582	533	-	-	-
2022	537	550	521	568	569	529	-	-	-

Source: The College Board and the Department of Research, Evaluation, and Assessment (SAT I: Reasoning Test)

* In January 2016 the format of the SAT changed from a 3-section (Mathematics, Critical Reading, and Writing) to a 2-section (Mathematics and Evidence-based Reading and Writing (ERW)). The data for 2017 graduates was based on the newer 2-section format only and isn't comparable to previous years.

** Evidence-Based Reading and Writing (ERW) replaced Critical Reading in 2017. Stats prior to 2017 are for Critical Reading and Stats for 2017 and after are for ERW.

*** 2020 National Scores for Math and Evidence-Based Reading and Writing (ERW) are calculated on the Total Group, which includes all test takers regardless of school type. Prior years were calculated for public schools only. This was due to COVID-19.

Table 15

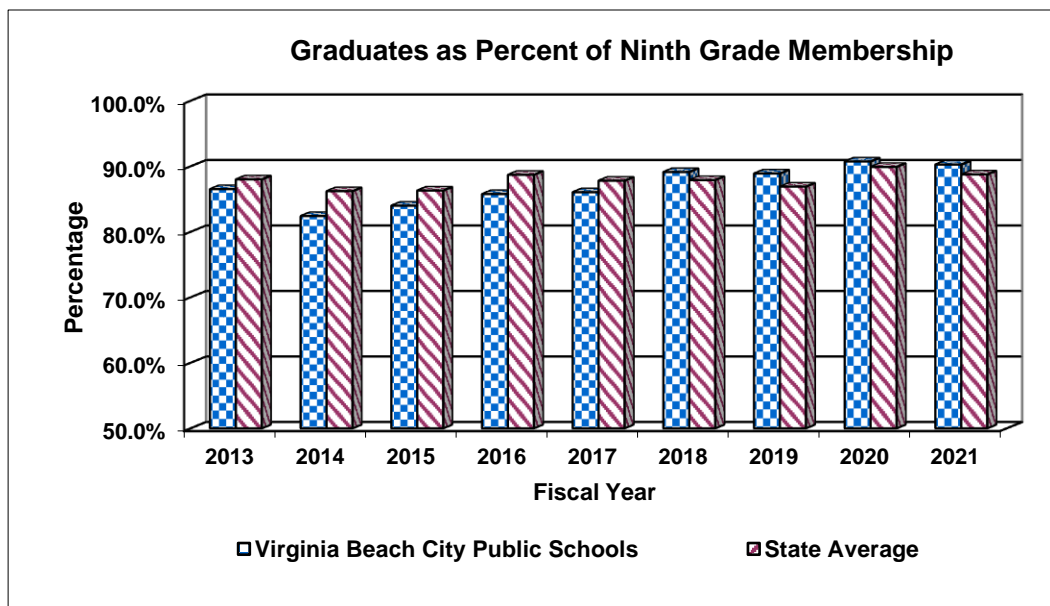
SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
GRADUATES AS PERCENT OF NINTH GRADE MEMBERSHIP FOUR YEARS EARLIER
Last Ten Fiscal Years (unaudited)

Fiscal Year	Membership Ninth Grade Four Years Earlier	Standard Diploma	Advanced Studies Diploma	Modified/ Special/Other Diploma	Certificate of Program Completion/ GAD/GED/ ISAEP	Total Graduates and Completers	Percentage	Percentage State Average
2013	5,815	1,815	2,863	166	187	5,031	86.5%	88.0%
2014	6,079	1,852	2,830	194	133	5,009	82.4%	86.2%
2015	5,939	1,806	2,903	186	93	4,988	84.0%	86.3%
2016	5,815	1,831	2,857	186	113	4,987	85.8%	88.7%
2017	5,825	1,793	2,947	181	91	5,012	86.0%	87.8%
2018	5,887	1,884	3,066	203	94	5,247	89.1%	87.9%
2019	5,718	1,870	2,880	236	97	5,083	88.9%	86.9%
2020	5,528	1,899	2,875	191	51	5,016	90.7%	89.9%
2021	5,507	1,933	2,849	170	19	4,971	90.3%	88.8%
2022	-	-	-	-	-	-	-	-

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

Note: This table represents the number of graduates (includes the following summer) as a percentage of ninth grade membership four years earlier and the type of diploma awarded. No adjustments have been made to reflect the mobility of the population. This data is reported to the Commonwealth of Virginia Department of Education by the school divisions.

Source: Commonwealth of Virginia, Superintendent's Annual Report for Virginia



SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
GRADUATES CONTINUING EDUCATION
 Last Ten Fiscal Years (unaudited)

Fiscal Year	Attending Two-year Colleges Percent	Attending Two-year Colleges State Average	Attending Four-year Colleges Percent	Attending Four-year Colleges State Average	Other Continuing Education Percent	Other Continuing Education State Average	Total Continuing Education Percent	Total Continuing Education State Average
2013	27.8%	31.4%	54.5%	47.2%	3.6%	4.1%	85.9%	82.7%
2014	29.2%	31.2%	52.8%	47.3%	4.1%	4.2%	86.1%	82.7%
2015	30.2%	30.5%	51.0%	48.6%	4.5%	4.0%	85.7%	83.1%
2016	33.3%	29.8%	48.4%	48.4%	4.7%	4.1%	86.4%	82.3%
2017	27.6%	28.7%	55.6%	49.4%	4.1%	4.0%	87.3%	82.1%
2018	27.0%	28.7%	55.8%	49.2%	4.2%	4.2%	87.0%	82.1%
2019	25.0%	26.8%	53.9%	48.8%	4.5%	4.5%	83.4%	80.1%
2020	26.2%	25.2%	55.3%	47.8%	4.4%	4.5%	86.0%	77.5%
2021	25.7%	22.8%	56.2%	47.9%	4.4%	4.8%	86.3%	75.5%
2022	-	-	-	-	-	-	-	-

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

Note: This table represents the percentage of graduates (includes the following summer) that pursued continuing education and the type of education pursued. Data is reported to the Commonwealth of Virginia Department of Education by the school divisions.

Source: Commonwealth of Virginia, Superintendent's Annual Report for Virginia

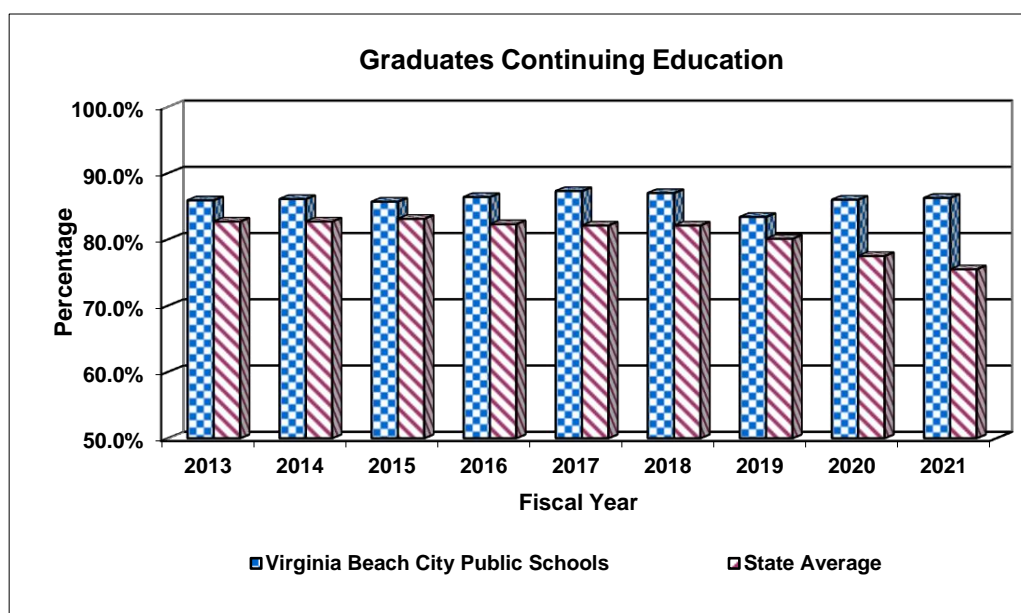


Table 17

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
RATIO OF STUDENTS TO TEACHING/INSTRUCTIONAL PERSONNEL
Last Ten Fiscal Years (unaudited)

Fiscal Year	Elementary				Secondary		
	Elementary		Student/ Teacher Ratio	Elementary Student/ Teacher Ratio	Secondary		Secondary Student/ Teacher Ratio
	Teaching Positions	End-of- Year Membership K-7			Secondary Teaching Positions	End-of- Year Membership 8-12	
2013	2,814	42,217	15.0	13.3	1,976	26,082	13.2
2014	2,714	42,156	15.5	13.2	1,924	26,088	13.6
2015	2,789	41,896	15.0	13.2	1,942	26,141	13.5
2016	2,897	41,668	14.4	13.1	2,003	25,926	12.9
2017	2,910	41,191	14.2	13.1	1,997	25,684	12.9
2018	2,963	41,106	13.9	13.1	1,988	25,700	12.9
2019	3,019	40,904	13.6	13.0	1,874	25,411	13.6
2020	2,998	40,952	13.7	13.0	1,862	25,565	13.7
2021	2,995	38,053	12.7	12.2	1,856	24,990	13.5
2022	-	-	-	-	-	-	-

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

Note: This table represents student teacher ratios based on End-of-Year Average Daily Membership to full-time equivalent teaching positions, excluding special education teachers, principals, assistant principals, guidance counselors, and librarians.

Source: Commonwealth of Virginia, Superintendent's Annual Report for Virginia

Table 17

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
RATIO OF STUDENTS TO TEACHING/INSTRUCTIONAL PERSONNEL
Last Ten Fiscal Years (unaudited)

Fiscal Year	Secondary Student/Teacher Ratio <i>State Average</i>	Total Student/Teacher Ratio	Total Student/Teacher Ratio <i>State Average</i>
2013	12.2	14.26	12.84
2014	12.4	14.71	12.90
2015	12.5	14.38	12.97
2016	12.5	13.79	12.83
2017	12.3	13.63	12.78
2018	12.4	13.49	12.80
2019	12.5	13.55	12.81
2020	12.7	13.69	12.85
2021	12.5	12.99	12.30
2022	-	-	-

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

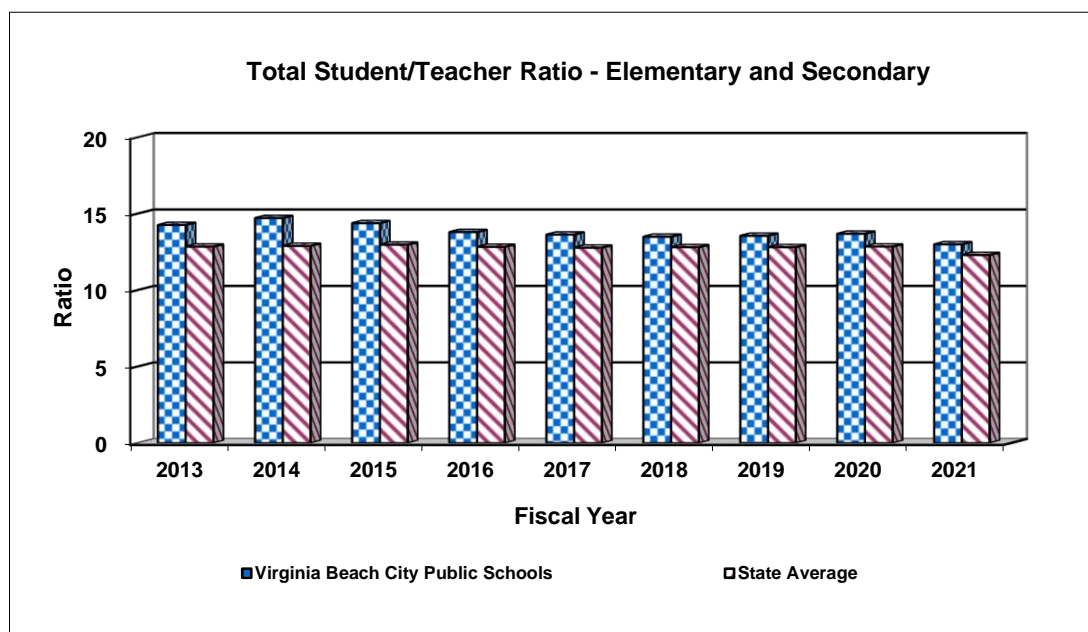


Table 18

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
PERSONNEL POSITIONS
Last Ten Fiscal Years (unaudited)

	Fiscal Year			
	2013	2014	2015	2016
<u>Full-Time Staff</u>				
Office/Admin/Managers	43	43	44	47
Principals	87	87	86	87
Assistant Principals	147	153	152	157
Elementary Classroom Teachers	2,068	2,108	2,059	2,096
Secondary Classroom Teachers	2,353	2,359	2,304	2,298
Other Classroom Teachers	316	318	302	297
Guidance	175	174	171	176
Psychological	75	75	77	76
Librarians/AV	106	106	105	106
Supervisory	83	90	84	86
Other Professionals	371	378	371	380
Teacher Aides	1,121	1,113	1,100	1,127
Technicians	111	111	197	203
Clerical/Secretarial	578	596	534	530
Service Workers	1,072	1,058	1,058	1,061
Skilled Crafts	234	234	229	232
Total Full-Time Staff	<u>8,940</u>	<u>9,003</u>	<u>8,873</u>	<u>8,959</u>
<u>Part-Time Staff</u>				
Professional/Instructional	170	153	138	142
Other	1,073	1,095	1,079	1,050
Total Part-Time Staff	<u>1,243</u>	<u>1,248</u>	<u>1,217</u>	<u>1,192</u>

Source: Department of Human Resources (EEO-5 Report)

Table 18

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
PERSONNEL POSITIONS
Last Ten Fiscal Years (unaudited)

Fiscal Year					
2017	2018	2019	2020	2021	2022
47	45	46	45	46	45
87	87	86	87	88	87
156	158	158	161	167	176
2,073	2,113	2,146	2,186	2,162	2,117
2,301	2,340	2,325	2,350	2,322	2,255
358	361	350	302	317	310
179	188	199	197	209	220
85	85	101	105	109	108
106	106	106	103	105	105
93	93	97	96	95	94
379	381	386	385	401	404
1,160	1,188	1,236	1,243	1,243	1,258
197	210	207	210	212	203
527	524	525	521	523	526
1,060	1,042	1,031	981	1,002	1,025
227	220	228	235	230	231
<u>9,035</u>	<u>9,141</u>	<u>9,227</u>	<u>9,207</u>	<u>9,231</u>	<u>9,164</u>
135	120	114	107	101	102
<u>1,030</u>	<u>997</u>	<u>1,047</u>	<u>989</u>	<u>924</u>	<u>925</u>
<u>1,165</u>	<u>1,117</u>	<u>1,161</u>	<u>1,096</u>	<u>1,025</u>	<u>1,027</u>

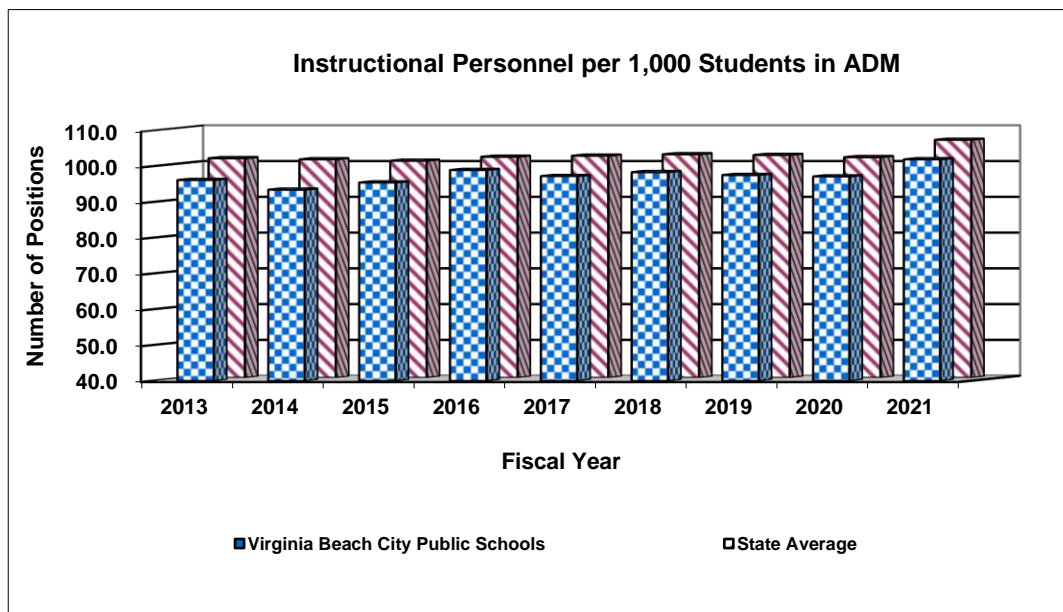
SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
INSTRUCTIONAL PERSONNEL POSITIONS PER 1,000 STUDENTS IN ADM
Last Ten Fiscal Years (unaudited)

Fiscal Year	Number of Instructional Personnel Positions (End of Year)	Student Average Daily Membership (End of Year)	Instructional Personnel Per 1,000 Students	Instructional Personnel Per 1,000 Students <i>State Average</i>
2013	6,622	68,857	96.2	101.4
2014	6,433	68,806	93.5	101.1
2015	6,551	68,614	95.5	100.7
2016	6,758	68,265	99.0	101.8
2017	6,627	68,137	97.3	102.1
2018	6,716	68,271	98.4	102.5
2019	6,628	67,893	97.6	102.3
2020	6,614	68,037	97.2	101.7
2021	6,573	64,457	102.0	106.6
2022	-	-	-	-

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

Note: The number of Instructional Personnel includes all teachers, teacher assistants, guidance counselors, librarians, principals, assistant principals, and divisionwide instructors based on positions reported by the school division. Divisionwide positions include Summer School, Adult Education, Pre-Kindergarten, and other non-regular day and non-LEA instructional positions. The Student Average Daily Membership is the end-of-year unadjusted average daily membership as reported to the Commonwealth of Virginia Department of Education by the school divisions (includes Pre-K through Post-graduate).

Source: Commonwealth of Virginia, Superintendent's Annual Report for Virginia



SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
INSTRUCTIONAL PERSONNEL SALARIES
 Last Ten Fiscal Years (unaudited)

Fiscal Year	Minimum Salary	Maximum Salary	Average Salary	State Average
2013	39,369	66,904	54,839	52,942
2014	40,624	69,835	56,018	53,767
2015	41,916	71,930	56,096	54,486
2016	43,559	75,294	54,342	54,910
2017	44,796	77,809	54,541	56,362
2018*	45,759	69,703	55,147	57,261
2019	47,017	70,646	56,766	59,301
2020	47,017	69,496	58,242	61,457
2021	49,256	72,126	59,779	61,595
2022*	51,965	90,473	-	-

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

Note: Instructional Personnel includes teachers, guidance counselors, librarians, and technology instructors.

* The Instructional Pay Scale ended at 37+ years in 2013, ended at 30+ years in 2018, and ends at 43+ years in 2022.

Source: Department of Human Resources and Commonwealth of Virginia, Superintendent's Annual Report for Virginia

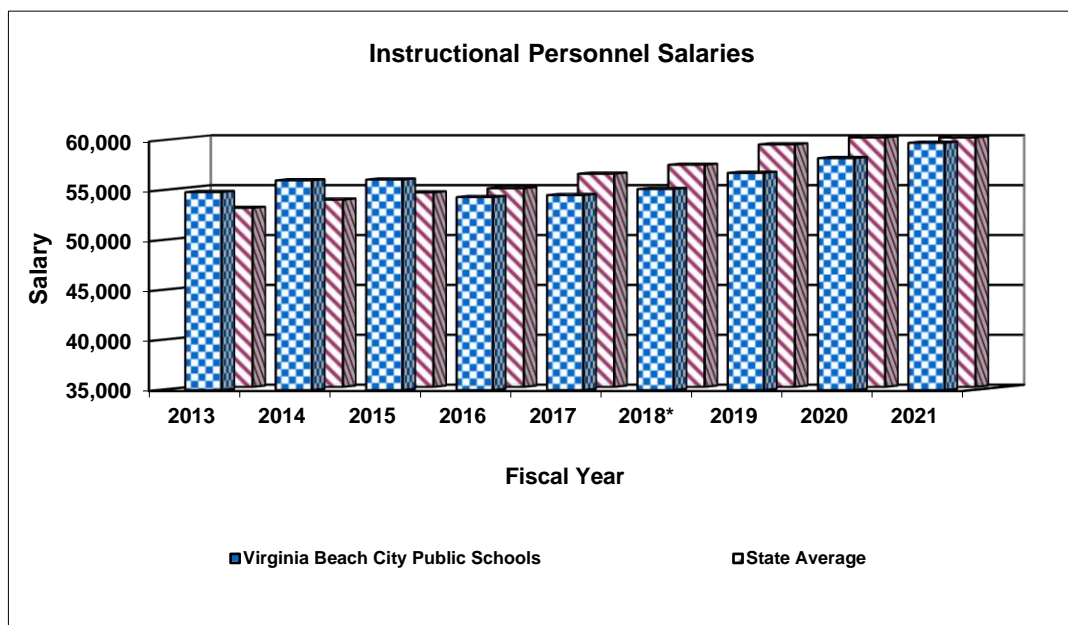


Table 21

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
TEACHERS INFORMATION
Last Ten Fiscal Years (unaudited)

Fiscal Year	Number of Teachers				Average Teacher Age				Bachelors			
	Elem	Middle	High	Other	Elem	Middle	High	Other	Elem	Middle	High	Other
2013	2,448	1,171	1,450	278	44.2	45.3	45.7	46.5	1,114	534	705	127
2014	2,398	1,138	1,414	299	44.2	45.0	45.6	46.3	1,061	524	692	133
2015	2,395	1,170	1,409	310	43.9	45.1	45.4	46.0	1,047	531	685	134
2016	2,334	1,140	1,354	305	43.8	44.9	45.5	45.5	1,015	528	650	133
2017	2,351	1,148	1,345	318	43.4	44.2	45.4	45.4	1,029	522	635	124
2018	2,328	1,152	1,350	320	43.3	44.0	45.5	45.9	1,017	528	639	121
2019	2,354	1,166	1,381	322	42.9	43.9	44.9	45.8	999	537	634	101
2020	2,397	1,149	1,385	312	42.7	43.7	45.3	45.3	1,010	530	622	98
2021	2,313	1,094	1,284	317	42.2	43.6	45.0	45.4	1,016	531	610	98
2022	2,288	1,083	1,273	319	42.1	43.2	45.0	45.4	1,045	529	609	100

Source: Department of Human Resources

Table 21

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
TEACHERS INFORMATION
Last Ten Fiscal Years (unaudited)

Fiscal Year	Masters				Certificate Advance Studies				Doctorate			
	Elem	Middle	High	Other	Elem	Middle	High	Other	Elem	Middle	High	Other
2013	1,211	568	660	135	112	64	62	15	11	5	23	1
2014	1,211	565	648	149	116	54	59	15	10	2	19	2
2015	1,230	570	647	157	109	62	59	16	9	7	18	3
2016	1,203	551	631	151	107	53	53	17	9	8	20	4
2017	1,205	566	631	172	105	52	58	17	12	8	21	5
2018	1,194	557	636	173	104	58	52	19	13	9	23	7
2019	1,207	552	657	178	115	61	59	20	14	10	24	6
2020	1,242	546	656	173	110	54	75	19	15	12	21	6
2021	1,159	500	576	183	100	38	59	15	12	14	20	6
2022	1,138	499	580	184	85	37	56	16	12	13	18	6

Table 22

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHOOL CAFETERIAS INFORMATION
Last Ten Fiscal Years (unaudited)

	Fiscal Year			
	2013	2014	2015	2016
Student Enrollment (October)				
in Meal Programs:				
Reduced	5,269	5,193	5,496	5,407
Free	17,531	20,307	21,022	20,534
Lunch Meals:				
Full	2,570,509	2,308,524	2,404,313	2,321,870
Reduced	655,024	648,134	684,986	697,649
Free	2,516,178	2,831,723	2,803,646	2,893,495
Breakfast Meals:				
Full	505,281	482,588	508,932	545,907
Reduced	251,116	250,159	274,032	305,573
Free	1,397,768	1,584,832	1,556,228	1,745,450
Lunch Price:				
Full:				
Elementary	\$2.30	\$2.40	\$2.50	\$2.75
Middle	\$2.30	\$2.40	\$2.50	\$2.75
High	\$2.30	\$2.40	\$2.50	\$2.75
Adult	\$3.75	\$3.75	\$3.75	\$3.75
Reduced	\$0.40	\$0.40	\$0.40	\$0.40
Seamless Summer Option (SSO)				
Breakfast Meals				
Lunch Meals				
Summer Food Service Program (SFSP)				
Breakfast Meals	-	-	-	1,866
Lunch Meals	-	-	-	2,163
Child and Adult Care Food Program (CACFP)				
Supper Meals	-	-	-	-

Note: Due to the COVID-19 pandemic federal waivers, meals were provided at no cost to all VBCPS students as follows:

2021 - Meals administered via SFSP and CACFP Federal programs

2022 - Meals administered via SSO Federal program for all sites and via SFSP and CACFP federal programs for eligible/approved sites

* NSLP numbers reflect June 2022 academic summer program meals. Student portion of paid and reduced meals were covered by ESSER II grant funding

Source: The Department of Administrative Support Services/Food Services

Table 22

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHOOL CAFETERIAS INFORMATION
Last Ten Fiscal Years (unaudited)

Fiscal Year					
2017	2018	2019	2020	2021	2022
5,281	5,047	5,328	5,675	4,529	3,947
20,374	22,134	22,005	21,513	24,619	25,043
2,319,592	2,166,088	2,055,684	1,437,723	-	412 *
649,776	601,089	615,137	433,869	-	76 *
2,816,749	2,891,490	2,820,115	1,876,434	-	659 *
610,096	673,682	699,278	495,568	-	97 *
291,426	311,455	343,302	240,098	-	28 *
1,762,591	1,958,080	1,939,371	1,295,018	-	232 *
\$2.75	\$2.75	\$2.85	\$2.85	\$2.85	\$2.85
\$2.75	\$2.75	\$2.85	\$2.85	\$2.85	\$2.85
\$2.75	\$2.75	\$2.85	\$2.85	\$2.85	\$2.85
\$3.75	\$3.75	\$3.85	\$3.85	\$3.85	\$3.85
\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
					3,277,062
					6,434,922
21,455	37,358	30,537	579,517	2,562,848	96,842
17,316	22,853	25,666	583,590	3,265,709	121,526
104,699	113,801	109,188	192,558	1,006,353	70,738

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
CAPITAL ASSETS INFORMATION BY GOVERNMENTAL ACTIVITIES
Last Ten Fiscal Years (unaudited)**

	Fiscal Year			
	2013	2014	2015	2016
<u>Instruction:</u>				
Elementary Schools	55	55	55	55
Middle Schools *	13	13	14	14
High Schools	11	11	11	11
Auxiliary Schools/Centers **	7	7	7	7
Public Charter School	-	1	1	1
Portables	239	221	209	149
<u>Operations and Maintenance:</u>				
Vehicles	274	276	276	272
<u>Pupil Transportation:</u>				
Buses	761	786	785	791
Other Vehicles	42	53	57	60

Source: School Board Capital Assets Inventory Records

* Note: In FY15 Bayside Middle School took the 6th graders out of that location and put them into the Bayside Middle 6th Grade Campus, creating another Middle School. FY15 number for Middle Schools has been adjusted.

** Note: In FY17 Old Donation Center and Kemps Landing Magnet were combined into one Auxiliary Center and renamed Old Donation School to house Grades 2-8 Gifted Students.

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
CAPITAL ASSETS INFORMATION BY GOVERNMENTAL ACTIVITIES
Last Ten Fiscal Years (unaudited)

Fiscal Year					
2017	2018	2019	2020	2021	2022
55	55	55	55	55	55
14	14	14	14	14	14
11	11	11	11	11	11
6	6	6	6	6	6
1	1	1	1	1	1
132	114	114	57	57	54
291	291	308	321	325	342
802	817	809	805	790	821
39	51	51	53	45	39

Table 24

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHOOL BUILDINGS INFORMATION
Last Ten Fiscal Years (unaudited)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Elementary Schools</u>										
Alanton Elementary (Opened Sept 1966; Addition Sept 1995; Sept 2006)										
Square Feet	74,049	74,049	74,049	74,049	74,049	74,049	74,049	74,049	74,049	74,049
Program Capacity	699	681	681	764	702	702	693	698	720	666
Enrollment	599	642	659	662	650	608	636	647	662	593
Arrowhead Elementary (Opened Sept 1964; Replaced Sept 2003)										
Square Feet	79,480	79,480	79,480	79,480	79,480	79,480	79,480	79,480	79,480	79,480
Program Capacity	525	547	547	597	486	486	491	487	541	524
Enrollment	473	497	490	451	447	435	463	466	530	519
Bayside Elementary (Opened Sept 1941; Replaced Dec 2000)										
Square Feet	77,428	77,428	77,428	77,428	77,428	77,428	77,428	77,428	77,428	77,428
Program Capacity	587	547	547	599	585	527	509	515	540	509
Enrollment	468	501	534	518	472	471	461	502	491	484
Birdneck Elementary (Opened Sept 1986)										
Square Feet	137,250	137,250	137,250	137,250	137,250	137,250	137,250	137,250	137,250	137,250
Program Capacity	757	818	818	732	787	755	696	741	818	784
Enrollment	668	665	631	634	568	539	540	519	622	623
Brookwood Elementary (Opened Sept 1967; Replaced Sept 2007)										
Square Feet	80,065	80,065	80,065	80,065	80,065	80,065	80,065	80,065	80,065	80,065
Program Capacity	661	626	631	586	617	590	590	556	619	563
Enrollment	715	701	746	720	641	644	625	580	562	557
Centerville Elementary (Opened Sept 1984)										
Square Feet	67,082	67,082	67,082	67,082	67,082	67,082	67,082	67,082	67,082	67,082
Program Capacity	660	639	678	602	669	650	633	652	607	581
Enrollment	714	720	704	739	732	713	667	699	662	617
Christopher Farms Elementary (Opened Sept 1997)										
Square Feet	78,740	78,740	78,740	78,740	78,740	78,740	78,740	78,740	78,740	78,740
Program Capacity	737	724	724	701	738	738	729	680	695	669
Enrollment	663	678	642	636	677	687	658	657	608	651
College Park Elementary (Opened Sept 1973; Gym Added Sept 1982; Replaced Sept 2011)										
Square Feet	94,861	94,861	94,861	94,861	94,861	94,861	94,861	94,861	94,861	94,861
Program Capacity	431	438	438	500	506	506	506	506	538	530
Enrollment	392	428	471	502	469	489	497	492	488	495
W. T. Cooke Elementary (Opened Sept 1913; Replaced Sept 1962; Gym Added Sept 1991; Replaced Sept 1999)										
Square Feet	92,256	92,256	92,256	92,256	92,256	92,256	92,256	92,256	92,256	92,256
Program Capacity	581	536	536	673	570	545	540	540	552	553
Enrollment	545	586	558	501	513	510	504	488	482	523
Corporate Landing Elementary (Opened Sept 1993)										
Square Feet	96,620	96,620	96,620	96,620	96,620	96,620	96,620	96,620	96,620	96,620
Program Capacity	655	642	642	598	585	590	558	549	576	550
Enrollment	545	523	452	437	426	411	416	412	442	413
Creeds Elementary (Opened Sept 1939; Gym Added Sept 1949; Modernized Sept 1969; Modernized Sept 2001)										
Square Feet	69,285	69,285	69,285	69,285	69,285	69,285	69,285	69,285	69,285	69,285
Program Capacity	360	360	360	395	432	387	410	410	387	374
Enrollment	296	297	301	315	306	306	329	327	278	305

Table 24

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
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	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
John B. Dey Elementary (Opened Sept 1956; Addition Sept 1959; Gym Addition Sept 1978; Addition Sept 1995; Gym Demolition and Modernization Addition July 2019)										
Square Feet	76,641	76,641	76,641	76,641	76,641	76,641	76,641	107,210	107,210	107,210
Program Capacity	860	860	860	756	815	815	815	828	797	797
Enrollment	842	868	826	834	815	812	783	778	731	741
Diamond Springs Elementary (Opened Sept 2007)										
Square Feet	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000
Program Capacity	550	519	519	537	581	527	515	508	596	542
Enrollment	562	558	566	587	535	522	487	490	570	524
Fairfield Elementary (Opened Sept 1976)										
Square Feet	58,280	58,280	58,280	58,280	58,280	58,280	58,280	58,280	58,280	58,280
Program Capacity	503	526	526	561	558	594	594	581	612	559
Enrollment	474	506	520	513	517	548	547	578	489	510
Glenwood Elementary (Opened Sept 1990)										
Square Feet	139,600	139,600	139,600	139,600	139,600	139,600	139,600	139,600	139,600	139,600
Program Capacity	993	1,001	1,001	945	1,053	1,004	891	972	1,122	1,073
Enrollment	880	877	884	898	896	920	937	919	1,017	989
Green Run Elementary (Opened Sept 1976; Addition Sept 2005)										
Square Feet	58,275	58,275	58,275	58,275	58,275	58,275	58,275	58,275	58,275	58,275
Program Capacity	412	420	420	446	432	392	392	375	413	412
Enrollment	448	491	427	403	397	359	347	354	333	314
Hermitage Elementary (Opened Nov 1964; Addition Sept 1974; Gym Added Sept 1995; Replaced Mar 2005)										
Square Feet	94,018	94,018	94,018	94,018	94,018	94,018	94,018	94,018	94,018	94,018
Program Capacity	633	640	640	641	698	698	693	662	661	612
Enrollment	641	656	635	645	678	651	638	619	529	488
Holland Elementary (Opened Sept 1967; Addition Sept 1995)										
Square Feet	73,956	73,956	73,956	73,956	73,956	73,956	73,956	73,956	73,956	73,956
Program Capacity	526	503	503	558	596	635	635	581	602	547
Enrollment	536	532	536	524	523	581	556	547	535	458
Indian Lakes Elementary (Opened Sept 1979)										
Square Feet	66,816	66,816	66,816	66,816	66,816	66,816	66,816	66,816	66,816	66,816
Program Capacity	569	526	526	546	563	644	621	657	622	595
Enrollment	537	527	534	539	577	571	599	599	561	549
Kempsville Elementary (Opened Sept 1961; Addition Sept 1963; Gym Added Sept 1990; Modernized Sept 2003)										
Square Feet	78,146	78,146	78,146	78,146	78,146	78,146	78,146	78,146	78,146	78,146
Program Capacity	563	586	586	513	482	486	509	464	558	522
Enrollment	490	455	472	454	429	428	440	427	441	436
Kempsville Meadows Elementary (Opened Sept 1959; Gym Added Sept 1990; Replaced Sept 2002)										
Square Feet	77,239	77,239	77,239	77,239	77,239	77,239	77,239	77,239	77,239	77,239
Program Capacity	518	512	512	509	527	527	459	485	480	503
Enrollment	504	470	528	506	488	471	438	452	479	468
Kings Grant Elementary (Opened Sept 1960; Replaced Sept 1969; Addition Sept 1995)										
Square Feet	72,043	72,043	72,043	72,043	72,043	72,043	72,043	72,043	72,043	72,043
Program Capacity	666	648	648	666	716	617	591	596	564	569
Enrollment	596	598	632	641	608	566	545	561	483	503

Table 24

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	Fiscal Year									
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Kingston Elementary (Opened Sept 1965; Gym Added Sept 1989; Addition Sept 1997)										
Square Feet	65,223	65,223	65,223	65,223	65,223	65,223	65,223	65,223	65,223	65,223
Program Capacity	591	641	641	624	648	648	608	563	526	549
Enrollment	572	574	551	531	517	520	538	530	383	490
Landstown Elementary (Opened Sept 1993)										
Square Feet	81,634	81,634	81,634	81,634	81,634	81,634	81,634	81,634	81,634	81,634
Program Capacity	854	868	868	816	797	774	837	824	739	695
Enrollment	804	788	751	760	736	756	767	813	810	707
Linkhorn Park Elementary (Opened Sept 1955; Addition Sept 1967; Replaced Sept 1998; former bldg. used for administrative offices)										
Square Feet	76,285	76,285	76,285	76,285	76,285	76,285	76,285	76,285	76,285	76,285
Program Capacity	719	728	728	689	682	662	662	576	575	598
Enrollment	772	753	732	685	634	607	530	551	525	506
Luxford Elementary (Opened Sept 1961; Gym Added Sept 1990; Replaced Sept 2002; former bldg. used for instructional purposes)										
Square Feet	82,242	82,242	82,242	82,242	82,242	82,242	82,242	82,242	82,242	82,242
Program Capacity	495	506	506	567	548	548	548	544	547	516
Enrollment	497	524	531	537	516	514	492	490	491	456
Lynnhaven Elementary (Opened Sept 1963; Addition Sept 1968; Gym Added Sept 1990; Modernized Nov 2004)										
Square Feet	80,670	80,670	80,670	80,670	80,670	80,670	80,670	80,670	80,670	80,670
Program Capacity	494	494	494	489	403	426	426	401	419	391
Enrollment	446	471	441	407	405	370	369	375	383	358
Malibu Elementary (Opened Sept 1962; Addition Sept 1968; Gym Added Sept 1989; Replaced Nov 2003)										
Square Feet	73,182	73,182	73,182	73,182	73,182	73,182	73,182	73,182	73,182	73,182
Program Capacity	437	437	437	414	396	419	423	423	424	386
Enrollment	353	366	380	374	375	369	375	330	369	353
New Castle Elementary (Opened Sept 1999)										
Square Feet	87,060	87,060	87,060	87,060	87,060	87,060	87,060	87,060	87,060	87,060
Program Capacity	831	853	853	824	869	869	801	779	801	729
Enrollment	802	771	796	763	784	777	735	789	711	693
Newtown Road Elementary (Opened Sept 1970; Addition Sept 1988; Replaced Sept 2007)										
Square Feet	88,711	88,711	88,711	88,711	88,711	88,711	88,711	88,711	88,711	88,711
Program Capacity	436	482	482	497	514	483	483	511	468	445
Enrollment	460	517	524	511	554	509	514	461	423	425
North Landing Elementary (Opened Mar 1975; Gym Added Sept 1990)										
Square Feet	60,280	60,280	60,280	60,280	60,280	60,280	60,280	60,280	60,280	60,280
Program Capacity	483	455	455	443	423	491	536	500	481	482
Enrollment	507	482	462	464	448	456	441	459	439	449
Ocean Lakes Elementary (Opened Sept 1989)										
Square Feet	69,917	69,917	69,917	69,917	69,917	69,917	69,917	69,917	69,917	69,917
Program Capacity	658	649	649	626	657	680	626	626	633	670
Enrollment	574	568	552	533	538	526	555	564	572	575
Old Donation Center (Opened Sept. 1974; Addition Sept. 1995; Relocated to former Princess Anne MS Bldg with Kemps Landing Sept 2014; Relocated to new Building on Honeygrove Rd, Apr. 2017)										
Square Feet	59,827	59,827	57,774	57,774	57,774	52,881	52,881	52,881	52,881	52,881
Program Capacity	393	393	495	512	378	485	491	477	546	551
Enrollment	506	495	503	482	459	461	495	519	516	516

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	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Parkway Elementary (Opened Sept 1987)										
Square Feet	67,840	67,840	67,840	67,840	67,840	67,840	67,840	67,840	67,840	67,840
Program Capacity	476	514	514	473	467	466	460	465	507	470
Enrollment	507	561	527	475	426	438	428	419	464	459
Pembroke Elementary (Opened Dec 1962; Addition Sept 1968; Addition Sept 1988; Modernized May 2005)										
Square Feet	108,773	108,773	108,773	108,773	108,773	108,773	108,773	108,773	108,773	108,773
Program Capacity	626	617	617	534	567	612	648	621	690	614
Enrollment	514	486	476	477	494	497	494	474	560	500
Pembroke Meadows Elementary (Opened Sept 1969; Modernized Oct 2006)										
Square Feet	75,926	75,926	75,926	75,926	75,926	75,926	75,926	75,926	75,926	75,926
Program Capacity	473	430	430	539	495	473	509	504	542	525
Enrollment	433	447	453	434	443	479	513	505	489	479
Point O'View Elementary (Opened Sept 1969; Addition Sept 1999)										
Square Feet	75,219	75,219	75,219	75,219	75,219	75,219	75,219	75,219	75,219	75,219
Program Capacity	628	772	772	765	680	707	693	693	630	686
Enrollment	584	631	666	717	670	702	717	736	689	743
Princess Anne Elementary (Opened Sept 1956; Addition Sept 1969; Gym Added Sept 1990; Addition Sept 1996)										
Square Feet	77,953	77,953	77,953	77,953	77,953	77,953	77,953	77,953	77,953	77,953
Program Capacity	585	586	586	563	612	657	657	707	734	734
Enrollment	498	502	519	531	569	573	621	658	610	635
Providence Elementary (Opened Sept 1981)										
Square Feet	61,831	61,831	61,831	61,831	61,831	61,831	61,831	61,831	61,831	61,831
Program Capacity	572	617	617	648	576	608	576	576	614	606
Enrollment	559	585	559	551	552	550	539	561	521	529
Red Mill Elementary (Opened Sept 1989; Addition Sept 2006)										
Square Feet	69,788	69,788	69,788	69,788	69,788	69,788	69,788	69,788	69,788	69,788
Program Capacity	663	694	694	734	734	747	725	689	653	631
Enrollment	653	676	676	679	662	624	637	624	563	590
Rosemont Elementary (Opened Sept 1981)										
Square Feet	63,667	63,667	63,667	63,667	63,667	63,667	63,667	63,667	63,667	63,667
Program Capacity	423	423	423	433	458	438	458	441	469	482
Enrollment	380	403	414	409	411	397	394	375	432	425
Rosemont Forest Elementary (Opened Jan 1987)										
Square Feet	69,788	69,788	69,788	69,788	69,788	69,788	69,788	69,788	69,788	69,788
Program Capacity	606	583	583	562	635	635	635	545	559	605
Enrollment	540	513	509	523	502	495	519	508	456	529
Salem Elementary (Opened Sept 1988)										
Square Feet	66,890	66,890	66,890	66,890	66,890	66,890	66,890	66,890	66,890	66,890
Program Capacity	559	559	559	514	491	491	509	545	551	574
Enrollment	431	453	467	435	463	470	472	471	468	529
Seatack Elementary (Opened Mar 1952; Addition Sept 1955; Addition Sept 1959; Gym Added Sept 1968; Replaced Mar 2000)										
Square Feet	74,375	74,375	74,375	74,375	74,375	74,375	74,375	74,375	74,375	74,375
Program Capacity	447	410	410	425	382	436	436	432	445	419
Enrollment	388	381	387	383	398	391	356	446	383	366

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	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Shelton Park Elementary (Opened Sept 1954; Addition Sept 1961; Gym Added Sept 1977; Modernized Jan 2001)										
Square Feet	81,576	81,576	81,576	81,576	81,576	81,576	81,576	81,576	81,576	81,576
Program Capacity	437	410	410	428	414	482	468	437	497	505
Enrollment	369	399	373	372	355	349	356	360	398	420
Strawbridge Elementary (Opened Sept 1991)										
Square Feet	84,948	84,948	84,948	84,948	84,948	84,948	84,948	84,948	84,948	84,948
Program Capacity	782	716	716	692	734	743	765	788	765	635
Enrollment	691	697	678	694	665	666	652	672	558	586
Tallwood Elementary (Opened Sept 1989; Addition Jan 2006)										
Square Feet	69,988	69,988	69,988	69,988	69,988	69,988	69,988	69,988	69,988	69,988
Program Capacity	620	620	620	590	657	657	644	644	639	603
Enrollment	593	546	527	558	565	581	592	607	585	562
Thalia Elementary (Opened Sept 1956; Addition Sept 1963; Gym Added Sept 1989; Modernized Sept 2001)										
Square Feet	91,550	91,550	91,550	91,550	91,550	91,550	91,550	91,550	91,550	91,550
Program Capacity	771	779	779	728	662	617	576	536	602	549
Enrollment	637	595	585	625	611	604	579	562	551	559
Thoroughgood Elementary (Opened Sept 1958; Gym Added Sept 1990; Modernized Sept 1995; Demolished Sept 2018; Portables used in FY19,FY20; New Building opened Sept 2020)										
Square Feet	66,259	66,259	66,259	66,259	66,259	66,259	40,032	40,032	91,913	91,913
Program Capacity	646	613	713	627	666	648	680	747	706	707
Enrollment	698	710	734	708	700	677	618	681	551	723
Three Oaks Elementary (Opened Sept 2005)										
Square Feet	92,210	92,210	92,210	92,210	92,210	92,210	92,210	92,210	92,210	92,210
Program Capacity	811	842	842	716	761	810	810	752	718	687
Enrollment	798	768	746	759	733	729	735	695	635	648
Trantwood Elementary (Opened Sept 1963; Addition Sept 1969; Gym Added Sept 1990; Modernized Sept 2003)										
Square Feet	81,040	81,040	81,040	81,040	81,040	81,040	81,040	81,040	81,040	81,040
Program Capacity	555	556	556	533	545	576	594	572	554	573
Enrollment	493	504	487	461	466	477	458	471	447	503
White Oaks Elementary (Opened Sept 1978)										
Square Feet	77,333	77,333	77,333	77,333	77,333	77,333	77,333	77,333	77,333	77,333
Program Capacity	705	648	648	688	626	617	621	639	684	667
Enrollment	670	683	673	651	608	563	600	603	647	628
Bettie F. Williams Elementary (Opened Sept 1961; Addition Sept 1963; Gym Added Sept 1990; Addition Sept 1995)										
Square Feet	77,656	77,656	77,656	77,656	77,656	77,656	77,656	77,656	77,656	77,656
Program Capacity	518	518	518	487	531	531	531	572	580	527
Enrollment	404	431	418	463	476	476	525	466	493	430
Windsor Oaks Elementary (Opened Jul 1968; Replaced Sept 2009)										
Square Feet	88,340	88,340	88,340	88,340	88,340	88,340	88,340	88,340	88,340	88,340
Program Capacity	690	601	601	591	630	576	554	554	567	491
Enrollment	617	600	583	559	582	593	590	580	527	498
Windsor Woods Elementary (Opened Sept 1966; Gym Added Sept 1990; Replaced Sept 2007)										
Square Feet	84,265	84,265	84,265	84,265	84,265	84,265	84,265	84,265	84,265	84,265
Program Capacity	437	463	463	433	473	473	437	396	441	412
Enrollment	376	362	385	357	343	332	342	353	401	439

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Woodstock Elementary (Opened Sept 1957; Addition Sept 1962; Gym Added Sept 1977; Replaced Nov 2002)										
Square Feet	82,707	82,707	82,707	82,707	82,707	82,707	82,707	82,707	82,707	82,707
Program Capacity	687	687	687	752	765	671	689	675	684	657
Enrollment	676	736	718	688	699	677	702	693	690	652
<u>Middle Schools</u>										
Bayside Middle (Opened Sept 1969; Addition Sept 2004)										
Square Feet	180,134	180,134	180,134	180,134	180,134	180,134	180,134	180,134	180,134	180,134
Program Capacity	1,176	1,112	892	960	918	918	929	979	893	857
Enrollment	996	992	657	649	659	672	722	745	770	745
Bayside 6th (Opened Sept 2014; Formerly Kemps Landing Magnet; 6th grade previously housed at Bayside Middle)										
Square Feet	-	-	56,516	56,516	56,516	56,516	56,516	56,516	56,516	56,516
Program Capacity	-	-	504	500	346	445	434	454	390	359
Enrollment	-	-	351	375	348	437	394	433	403	345
Brandon Middle (Opened Aug 1978)										
Square Feet	190,586	190,586	190,586	190,586	190,586	190,586	190,586	190,586	190,586	190,586
Program Capacity	1,328	1,308	1,232	1,286	1,247	1,283	1,292	1,225	1,135	1,167
Enrollment	1,237	1,189	1,130	1,155	1,214	1,205	1,234	1,167	1,087	1,077
Corporate Landing Middle (Opened Sept 1997)										
Square Feet	235,093	235,093	235,093	235,093	235,093	235,093	235,093	235,093	235,093	235,093
Program Capacity	1,436	1,408	1,432	1,538	1,620	1,625	1,517	1,322	1,319	1,219
Enrollment	1,307	1,294	1,285	1,268	1,237	1,224	1,208	1,170	1,134	1,083
Great Neck Middle (Opened Sept 1961; Addition Sept 1963; Replaced Jan 2012)										
Square Feet	219,370	219,370	219,370	219,370	219,370	219,370	219,370	219,370	219,370	219,370
Program Capacity	1,360	1,360	1,360	1,460	1,373	1,384	1,386	1,330	1,194	1,226
Enrollment	1,085	1,097	1,147	1,161	1,175	1,177	1,140	1,106	1,066	1,072
Independence Middle (Opened Sept 1974; Addition Sept 1996)										
Square Feet	137,656	137,656	137,656	137,656	137,656	137,656	137,656	137,656	137,656	137,656
Program Capacity	1,332	1,276	1,312	1,370	1,215	1,148	1,247	1,181	1,240	1,293
Enrollment	1,244	1,289	1,280	1,269	1,192	1,217	1,274	1,281	1,236	1,174
Kemps Landing Magnet (Opened Sept. 1974; Addition Sept. 1995; Relocated to former Princess Anne Middle School Sept. 2014; Relocated to new Bldg on Honeygrove Rd. Apr. 2017)										
Square Feet	54,516	54,516	80,939	80,939	80,939	82,711	82,711	82,711	82,711	82,711
Program Capacity	600	672	672	666	567	675	750	807	868	831
Enrollment	594	595	595	627	688	720	760	772	811	790
Kempsville Middle (Opened Sept 1969)										
Square Feet	136,287	136,287	136,287	136,287	136,287	136,287	136,287	136,287	136,287	136,287
Program Capacity	828	828	828	868	797	869	896	842	798	847
Enrollment	841	834	789	805	820	802	770	765	781	783
Landstown Middle (Opened Sept 1992)										
Square Feet	201,000	201,000	201,000	201,000	201,000	201,000	201,000	201,000	201,000	201,000
Program Capacity	1,692	1,628	1,552	1,634	1,499	1,571	1,481	1,436	1,377	1,424
Enrollment	1,482	1,516	1,485	1,464	1,452	1,423	1,412	1,428	1,344	1,338

Table 24

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHOOL BUILDINGS INFORMATION
Last Ten Fiscal Years (unaudited)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Larkspur Middle (Opened Nov 1994)										
Square Feet	247,264	247,264	247,264	247,264	247,264	247,264	247,264	247,264	247,264	247,264
Program Capacity	1,684	1,684	1,776	1,910	1,763	1,763	1,710	1,680	1,647	1,694
Enrollment	1,584	1,632	1,620	1,520	1,544	1,523	1,557	1,599	1,563	1,555
Lynnhaven Middle (Opened Sept 1974; Addition Sept 1995)										
Square Feet	140,099	140,099	140,099	140,099	140,099	140,099	140,099	140,099	140,099	140,099
Program Capacity	1,138	1,092	1,160	1,250	1,071	1,250	1,259	1,250	1,062	1,049
Enrollment	1,060	962	866	863	896	912	898	956	957	974
Plaza Middle (Opened Sept 1969)										
Square Feet	157,869	157,869	157,869	157,869	157,869	157,869	157,869	157,869	157,869	157,869
Program Capacity	1,172	1,172	1,165	1,129	1,053	1,179	1,197	1,059	1,068	1,076
Enrollment	1,083	1,095	1,066	1,083	1,062	1,090	1,088	1,035	1,013	1,020
Princess Anne Middle (Opened Sept 1962; Addition Sept 1967; Modernization Sept 1990; Addition Sept 1996; Relocated to former Floyd E. Kellam HS Bldg on Holland Road April 2014, New Building Opened Sept 2021)										
Square Feet	135,592	135,592	222,571	222,571	222,571	222,571	222,571	222,571	222,571	222,571
Program Capacity	1,456	1,474	1,563	1,671	1,449	1,584	1,503	1,378	1,315	1,363
Enrollment	1,414	1,467	1,459	1,479	1,460	1,505	1,441	1,382	1,289	1,335
Salem Middle (Opened Sept 1988)										
Square Feet	217,500	217,500	217,500	217,500	217,500	217,500	217,500	217,500	217,500	217,500
Program Capacity	1,072	1,044	1,016	1,070	1,031	1,031	1,040	1,064	1,092	1,023
Enrollment	1,026	1,009	1,034	1,044	1,041	1,023	1,058	1,076	1,120	1,124
Virginia Beach Middle (Opened Sept 1952; Addition Sept 1964; Gym Added Sept 1977; Modernized Sept 1993; Replaced Mar 2010)										
Square Feet	189,730	189,730	189,730	189,730	189,730	189,730	189,730	189,730	189,730	189,730
Program Capacity	968	968	968	1,040	923	954	896	817	758	671
Enrollment	899	917	873	839	835	865	801	739	647	609
High Schools										
Bayside High (Opened Sept 1964; Addition Sept 1967; Modernized Sept 1990; Addition Sept 1995)										
Square Feet	200,816	200,816	200,816	200,816	200,816	200,816	200,816	200,816	200,816	200,816
Program Capacity	1,895	1,895	1,905	1,912	1,827	1,827	1,859	2,056	2,061	1,985
Enrollment	1,803	1,801	1,824	1,825	1,799	1,868	1,842	1,852	1,871	1,882
Frank W. Cox High (Opened Sept 1961; Replaced Sept 1983)										
Square Feet	236,744	236,744	236,744	236,744	236,744	236,744	236,744	236,744	236,744	236,744
Program Capacity	1,937	1,937	1,939	1,946	1,955	1,955	1,911	1,986	1,963	1,875
Enrollment	1,947	1,894	1,858	1,889	1,784	1,816	1,783	1,746	1,772	1,697
First Colonial High (Opened Sept 1966; Addition Sept 1968; Addition Sept 1996)										
Square Feet	178,266	178,266	178,266	178,266	178,266	178,266	178,266	178,266	178,266	178,266
Program Capacity	1,808	1,818	1,810	1,813	1,919	1,811	1,883	1,874	1,614	1,621
Enrollment	1,908	1,993	2,004	1,923	1,873	1,804	1,828	1,807	1,766	1,725
Green Run High (Opened Sept 1979; Green Run Collegiate Public Charter School opened in Sept 2013 using part of this building.)										
Square Feet	235,721	225,221	225,221	225,221	225,221	225,221	225,221	225,221	225,221	225,221
Program Capacity	1,927	1,510	1,546	1,556	1,663	1,526	1,512	1,522	1,486	1,313
Enrollment	1,636	1,566	1,276	1,528	1,425	1,398	1,331	1,317	1,349	1,436

Table 24

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
SCHOOL BUILDINGS INFORMATION
Last Ten Fiscal Years (unaudited)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Floyd E. Kellam High (Opened New Building on West Neck Road Jan 2014)										
Square Feet	222,571	336,410	349,350	349,350	349,350	349,350	349,350	349,350	349,350	349,350
Program Capacity	1,961	2,000	1,861	1,867	1,857	1,857	1,868	1,868	2,120	2,093
Enrollment	1,833	1,838	1,986	2,029	2,021	2,038	1,959	1,944	1,934	1,893
Kempsville High (Opened Sept 1966; Addition Sept 1968; Modernized Sept 1991; Addition Sept 1995)										
Square Feet	202,665	202,665	202,665	202,665	202,665	202,665	202,665	202,665	202,665	202,665
Program Capacity	2,009	1,985	1,971	1,985	1,908	1,969	2,056	2,092	2,060	2,026
Enrollment	1,648	1,559	1,522	1,465	1,549	1,632	1,671	1,743	1,786	1,894
Landstown High (Opened Sept 2001; Addition Jan 2007)										
Square Feet	308,924	308,924	308,924	308,924	308,924	308,924	308,924	308,924	308,924	308,924
Program Capacity	2,332	2,332	2,368	2,385	2,543	2,594	2,569	2,512	2,031	2,354
Enrollment	2,196	2,195	2,195	2,208	2,183	2,139	2,163	2,162	2,177	2,185
Ocean Lakes High (Opened Sept 1994; Addition Jan 2007)										
Square Feet	330,525	330,525	330,525	330,525	330,525	330,525	330,525	330,525	330,525	330,525
Program Capacity	2,501	2,501	2,570	2,586	2,705	2,731	2,668	2,642	2,353	2,348
Enrollment	2,211	2,177	2,157	2,126	2,102	2,074	2,040	2,011	1,964	1,962
Princess Anne High (Opened Aug 1954; Modernized Sept 1987; Modernized (due to major fire damage) Jan 1997)										
Square Feet	228,860	228,860	228,860	228,860	228,860	228,860	228,860	228,860	228,860	228,860
Program Capacity	1,652	1,675	1,704	1,737	1,945	1,917	1,880	1,835	1,585	1,599
Enrollment	1,850	1,822	1,780	1,800	1,833	1,779	1,751	1,732	1,740	1,708
Salem High (Opened Sept 1989)										
Square Feet	260,889	260,889	260,889	260,889	260,889	260,889	260,889	260,889	260,889	260,889
Program Capacity	1,932	1,932	1,930	1,938	1,850	1,850	1,833	2,047	1,850	1,843
Enrollment	1,782	1,774	1,766	1,726	1,677	1,702	1,705	1,711	1,726	1,661
Tallwood High (Opened Sept 1992)										
Square Feet	294,457	294,457	294,457	294,457	294,457	294,457	294,457	294,457	294,457	294,457
Program Capacity	2,237	2,237	2,219	2,233	2,168	2,352	2,376	2,392	2,151	2,116
Enrollment	1,950	1,931	1,942	1,956	1,938	1,946	1,839	1,853	1,901	1,827
Renaissance Academy - Middle/High Campuses (Opened Dec 2009)										
Square Feet	284,968	284,968	284,968	284,968	284,968	284,968	284,968	284,968	284,968	284,968
Program Capacity	1,232	1,226	1,236	1,197	1,191	1,231	1,231	1,119	1,157	1,158
Enrollment	616	556	510	438	429	379	428	399	322	287
Green Run Collegiate Public Charter School (Opened Sept 2013; located at Green Run High School)										
Square Feet	-	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Program Capacity	-	400	400	400	400	400	400	400	400	400
Enrollment	-	123	221	282	364	337	360	371	395	400

Note: Program Capacity is the maximum capacity of the school building for a particular school year and particular student population, taking into account the number of first seats in the building (without counting portables currently on site).

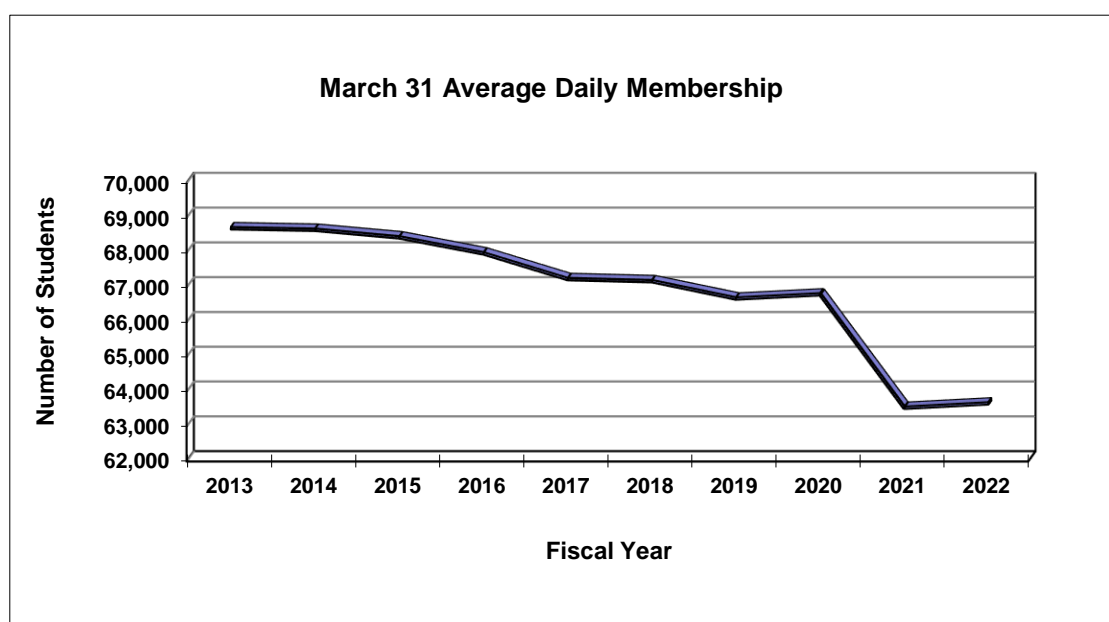
Source: The Department of School Division Services

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
STUDENT MEMBERSHIP
 Last Ten Fiscal Years (unaudited)

Fiscal Year	September 30 Membership	March 31 Average Daily Membership	End-of-Year Membership	Average Daily End-of-Year Membership
2013	68,138	68,614	68,511	68,990
2014	69,385	68,569	68,403	68,918
2015	68,934	68,351	68,188	68,686
2016	68,568	67,890	67,719	68,244
2017	67,868	67,152	67,059	67,502
2018	67,621	67,091	67,052	67,393
2019	67,181	66,593	66,599	66,944
2020	67,262	66,714	66,996	67,172
2021	64,289	63,452	63,056	63,647
2022	64,120	63,579	63,640	63,909

Note: This table represents membership data reported to the Commonwealth of Virginia Department of Education at different points during the year. The September 30 Membership is the sum of pupils present and absent on September 30 or the school day closest to September 30 (however, excludes pre-kindergarten pupils). The March 31 Average Daily Membership is the average daily membership for the first seven months of the school year. The End-of-Year Membership is the sum of the pupils present and absent on the last day of the school year. The Average Daily End-of-Year Membership is the average daily membership for the school year.

Source: Commonwealth of Virginia, Superintendent's Annual Report for Virginia

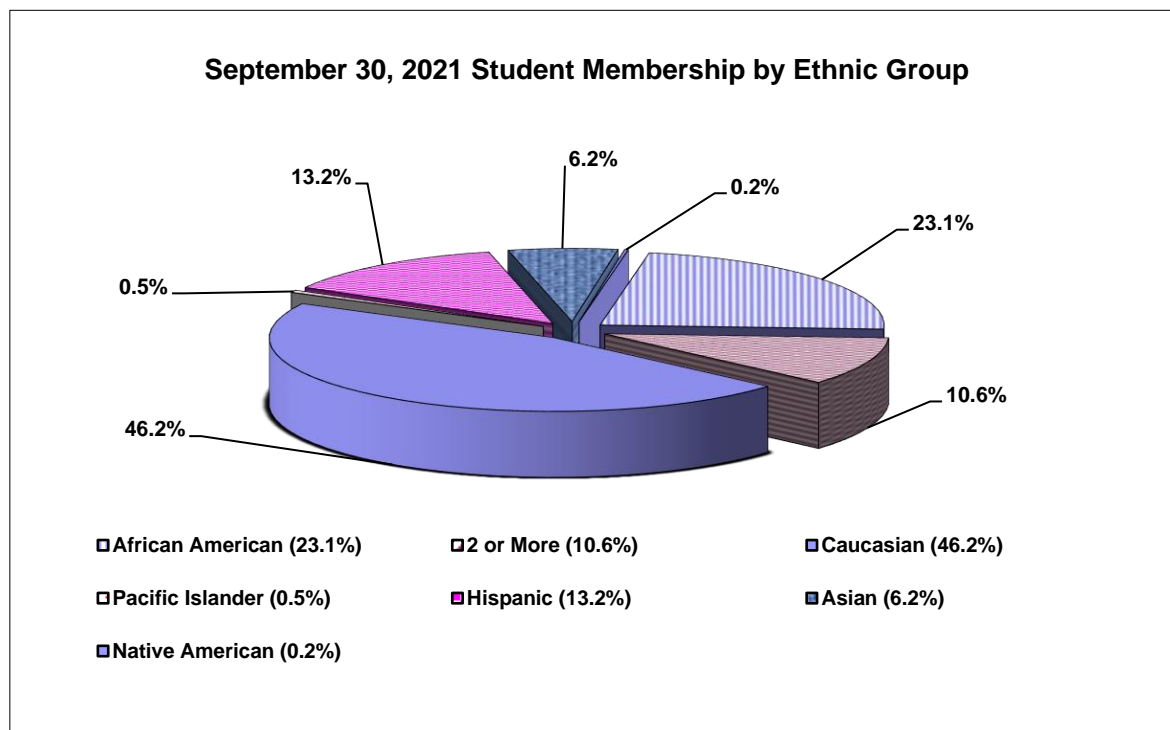


SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
STUDENT MEMBERSHIP BY ETHNIC GROUP
Last Ten Fiscal Years (unaudited)

Fiscal Year	African American	%	Caucasian	%	Hispanic	%	Asian	%	Pacific Islander	%	Native American	%	Unspecified or 2 or More	%
2013	16,898	24.0	36,439	51.8	6,961	9.9	3,911	5.6	337	0.5	216	0.3	5,530	7.9
2014	16,990	24.1	36,000	51.0	7,251	10.3	3,998	5.7	328	0.5	237	0.3	5,752	8.1
2015	16,886	24.1	35,428	50.5	7,389	10.5	3,947	5.6	331	0.5	203	0.3	5,937	8.5
2016	16,666	23.9	34,866	50.0	7,599	10.9	4,005	5.7	342	0.5	167	0.2	6,132	8.8
2017	16,543	23.9	34,144	49.4	7,664	11.1	4,051	5.9	340	0.5	157	0.2	6,186	9.0
2018	16,398	23.8	33,647	48.8	7,819	11.3	4,164	6.0	348	0.5	158	0.2	6,448	9.4
2019	16,146	23.5	33,083	48.2	8,035	11.7	4,153	6.1	346	0.5	160	0.2	6,701	9.8
2020	15,835	23.0	32,749	47.7	8,552	12.4	4,211	6.1	344	0.5	152	0.2	6,863	10.1
2021	15,412	23.5	30,284	46.2	8,445	12.9	4,150	6.3	333	0.5	152	0.2	6,836	10.4
2022	15,137	23.1	30,232	46.2	8,637	13.2	4,030	6.2	332	0.5	152	0.2	6,978	10.6

Note: This table is based on the September 30 student membership (includes pre-kindergarten pupils).

Source: Departments of Technology and School Administration



SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
CITY OF VIRGINIA BEACH, VIRGINIA - MISCELLANEOUS STATISTICAL DATA
JUNE 30, 2022 (unaudited)

Date of Incorporation	January 1, 1963
Form of Government	Council - Manager
Area - Square Miles	310
Land	259
Water	51
Culture and Recreation:	
Developed District Parks	6
Developed Community Parks	12
Developed Neighborhood Parks	176
Natural Parks	6
Other Park Areas	89
Acres in Developed Parks	3,924
Golf Courses (City Owned)	5
Recreation Centers	7
Population:	
Census 1970	172,106
Census 1980	262,199
Census 1990	393,069
Census 2000	425,257
Census 2010	437,994
Census 2020	459,470
Current Estimate	459,479

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
CITY OF VIRGINIA BEACH, VIRGINIA - PRINCIPAL EMPLOYERS
Current Fiscal Year and Nine Years Ago (unaudited)

	Approximate Number of Employees	Percent of Total City Employment	Rank	Approximate Number of Employees	Percent of Total City Employment	Rank
	2022			2013		
City of Virginia Beach / Schools	17,999	7.90 %	1	17,804	7.54 %	1
Naval Air Station Oceana/Dam Neck	10,227	4.49	2	7,427	3.15	2
Joint Expeditionary Base Little Creek/Ft. Story	5,020	2.20	3	4,688	1.99	4
Sentara Healthcare	4,900	2.15	4	5,189	2.20	3
GEICO General Insurance company	3,600	1.58	5	2,300	0.97	8
Lynnhaven Mall	2,600	1.14	6	2,600	1.10	6
Gold Key/PHR Hotels and Resorts*	2,365	1.04	7	-	-	
STIHL Inc	2,113	0.93	8	2,067	0.88	9
Amerigroup (Anthem)	1,850	0.81	9	1,850	0.78	10
Navy Exchange Service Command	1,550	0.68	10	2,450	1.04	7
Farm Fresh	-	-		4,000	1.70	5
Totals	<u>52,224</u>	<u>22.92 %</u>		<u>50,375</u>	<u>21.35 %</u>	

Source: City of Virginia Beach - Department of Finance, Department of Economic Development and Department of Budget and Management Services

*Note: Information is not available for 2013

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
CITY OF VIRGINIA BEACH, VIRGINIA - DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years (unaudited)

Fiscal Year	Population*	Personal Income ** (thousands)	Per Capita Personal Income**	Median Age	Number of City Employees	Education Level in Years of Formal Schooling	Local Unemployment Rate
2013	449,628	\$21,445,280	\$47,599	35.0	7,477	13.9	5.6%
2014	451,672	22,525,869	49,773	35.7	7,669	13.9	5.5%
2015	453,500	23,587,639	51,853	35.9	7,560	14.0	4.4%
2016	453,628	24,289,218	53,196	35.9	7,370	13.9	3.8%
2017	454,448	25,080,703	54,964	36.4	7,087	13.9	3.8%
2018	453,410	25,175,706	55,065	36.4	7,255	13.9	2.8%
2019	452,643	26,065,921	56,876	36.4	7,332	13.9	2.7%
2020	454,209	27,593,887	60,069	36.9	7,410	14.0	8.2%
2021	459,470	29,264,545	63,942	36.6	7,388	14.2	4.2%
2022	458,028	-	-	37.1	7,419	14.2	3.7%

* Weldon Cooper Center for Public Service ; except for 2020 which is a projection.

** Figures updated to reflect the latest data released by the Bureau of Economic Analysis on November 16, 2022

- Not Available

Source: City of Virginia Beach - Department of Finance and Department of Economic Development

The following sources were used by the City in compiling the above information:

Weldon Cooper Center for Public Service
 Virginia Employment Commission
 Bureau of Economic Analysis
 United States Census Bureau

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
CITY OF VIRGINIA BEACH, VIRGINIA - PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO (unaudited)

	Real Property Assessed Value	Percent of Total Real Property Assessed Value	Rank		Real Property Assessed Value	Percent of Total Real Property Assessed Value	Rank
	2022				2013		
Armada Hoffer	\$ 526,447,000	0.81 %	1	\$	265,210,900	0.53 %	5
Dominion Energy, Inc. *	495,451,119	0.76	2		297,479,257	0.60	2
Ramon W. Breeden, Jr.	413,047,600	0.64	3		285,676,836	0.57	4
A.D. & L.E. Fleder & J. M. & R.J. Caplan	351,758,700	0.54	4		214,499,400	0.43	6
E. C. & A. F. Ruffin & B. L. Thompson	308,242,600	0.47	5		357,776,300	0.72	1
Lynnhaven Mall LLC	248,525,800	0.38	6		297,101,900	0.60	3
Pembroke Square Associates	196,121,600	0.30	7		165,488,300	0.33	8
Watergate Treehouse Assoc. LP	169,863,900	0.26	8		95,439,100	0.19	15
Virginia Natural Gas, Inc	168,968,033	0.26	9		80,805,811	0.16	18
Cheryl P. McLeskey	154,935,300	0.24	10		137,250,200	0.28	9
Totals	<u>\$ 3,033,361,652</u>	<u>4.66 %</u>			<u>\$ 2,196,728,004</u>	<u>4.41 %</u>	

* Formerly Virginia Electric & Power Company

Source: City of Virginia Beach - Department of Finance, Office of Real Estate Assessor, and Commissioner of the Revenue

Table 31

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
CITY OF VIRGINIA BEACH, VIRGINIA - ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years (unaudited)

Fiscal Year	Real Property Assessed Value		Personal Property Assessed Value		Public Service Assessed Value	Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial	Residential	Commercial				
2012	\$ 42,582,797,354	\$ 7,925,225,472	\$ 3,225,216,284	\$ 1,079,909,616	\$ 938,327,087	\$ 55,751,475,813	\$ 55,751,475,813	100.0%
2013	40,815,993,416	8,036,001,242	3,306,948,272	942,744,260	929,843,170	54,031,530,360	54,031,530,360	100.0%
2014	40,590,297,065	8,147,317,125	3,362,985,338	971,033,585	889,050,800	53,960,683,913	53,960,683,913	100.0%
2015	42,110,642,755	8,466,636,425	3,446,918,395	1,122,915,183	875,496,571	56,022,609,329	56,022,609,329	100.0%
2016	43,302,214,028	8,714,160,476	3,552,544,174	1,029,515,444	895,479,945	57,493,914,067	57,493,914,067	100.0%
2017	45,017,777,981	8,822,768,056	3,612,948,282	1,079,435,074	945,094,380	59,478,023,773	59,478,023,773	100.0%
2018	46,426,321,920	9,094,379,313	3,662,270,285	1,124,495,564	983,607,868	61,291,074,950	61,291,074,950	100.0%
2019	47,819,472,210	9,479,885,409	4,465,618,146	1,181,448,770	1,020,179,772	63,966,604,307	63,966,604,307	100.0%
2020	49,373,623,875	9,975,795,660	4,570,825,950	1,410,040,850	1,046,921,797	66,377,208,132	66,377,208,132	100.0%
2021	51,177,172,399	10,254,365,192	5,151,658,034	744,898,436	1,111,754,367	68,439,848,428	68,439,848,428	100.0%

Source: City of Virginia Beach - Department of Finance, Office of Real Estate Assessor, Commissioner of the Revenue, and City Adopted Resource Management Plan

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
CITY OF VIRGINIA BEACH, VIRGINIA - PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years (unaudited)

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$536,618,666	\$516,542,429	96.3%	\$16,456,038	\$532,998,467	99.3%
2014	527,036,431	509,339,982	96.6%	16,193,709	525,533,691	99.7%
2015	558,420,893	537,056,367	96.2%	18,365,505	555,421,872	99.5%
2016	613,105,892	589,411,524	96.1%	18,629,325	608,040,849	99.2%
2017	634,993,466	609,085,906	95.9%	19,983,532	629,069,438	99.1%
2018	662,272,634	636,789,707	96.2%	22,187,597	658,977,304	99.5%
2019	688,073,333	638,348,095	92.8%	23,473,695	661,821,790	96.2%
2020	722,621,429	631,762,062	87.4%	66,091,985	697,854,047	96.6%
2021	783,423,955	687,116,605	87.7%	46,812,549	733,929,154	93.7%
2022	788,255,076	707,907,083	89.8%	-	707,907,083	89.8%

Note: Collections in subsequent years represent delinquent accounts collected during the course of any fiscal year subsequent to the fiscal year of the tax levy.

Source: City of Virginia Beach - Department of Finance, Office of Real Estate Assessor and Commissioner of the Revenue.

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
CITY OF VIRGINIA BEACH, VIRGINIA - REVENUE RATES FOR REAL ESTATE AND PERSONAL PROPERTY
Last Ten Fiscal Years (unaudited)

Fiscal Year	Base Real Property Tax Rate	Additional Real Property Tax Rate Sandbridge SSD	Additional Real Property Tax Rate Town Center SSD	Additional Real Property Tax Rate Old Donation SSD	Additional Real Property Tax Rate Bayville Creek SSD	Additional Real Property Tax Rate Shadowlawn SSD	Personal Property Tax Rate
2013	\$ 0.9500	\$ 0.0600	\$ 0.4500	\$ 0.1840	\$ 0.3630	-	\$ 3.7000
2014	0.9300	0.0600	0.4500	0.1840	0.3630	\$ 0.1594	3.7000
2015	0.9300	0.0600	0.4500	0.1840	0.3630	0.1594	4.0000
2016	0.9900	0.0600	0.4500	0.1840	0.3630	0.1594	4.0000
2017	0.9900	0.0600	0.4500	0.1840	0.3630	0.1594	4.0000
2018	1.0025	0.0600	0.4500	0.1840	0.5690	0.1594	4.0000
2019	1.0025	0.0600	0.4500	0.1840	0.4720	0.1594	4.0000
2020	1.0175	0.0400	0.4500	0.1840	0.4720	0.1594	4.0000
2021	1.0175	0.0400	0.4500	0.1840	0.4720	0.1594	4.0000
2022	0.9900	0.0400	0.4500	0.1840	0.4720	0.1594	4.0000

Fiscal Year	Base Real Property Tax Rate	Additional Real Property Tax Rate Chesapeake SSD	Additional Real Property Tax Rate Harbor Point SSD	Additional Real Property Tax Rate Gills Cove SSD	Additional Real Property Tax Rate Hurds Cove SSD	Additional Real Property Tax Rate Shilling Point
2013	\$ 0.9500	-	-	-	-	-
2014	0.9300	-	-	-	-	-
2015	0.9300	\$ 0.2913	\$ 0.0790	\$ 0.0630	-	-
2016	0.9900	0.2913	0.0790	0.0630	\$ 0.4380	-
2017	0.9900	0.2913	0.0790	0.0630	0.4380	-
2018	1.0025	0.2913	0.0790	0.0630	0.4380	-
2019	1.0025	0.2913	0.1200	0.0630	0.4380	-
2020	1.0175	0.2913	0.1200	0.0630	0.4380	\$ 0.4040
2021	1.0175	0.2913	0.1200	0.0630	0.4380	0.4040
2022	0.9900	0.2913	0.1200	0.0630	0.4380	0.4040

Notes: (1) The City is the only entity with local taxing authority within its boundaries.
(2) Real Property Tax Rate is applied to real estate such as land and buildings.
(3) Personal Property Tax Rate is applied to Personal Property such as automobiles and equipment
(4) The tax bases are mutually exclusive

Source: City of Virginia Beach - Department of Finance/City Adopted Resource Management Plan

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
CITY OF VIRGINIA BEACH, VIRGINIA - RATIOS OF OUTSTANDING GENERAL BONDED DEBT BY TYPE
Last Ten Fiscal Years (unaudited)

Fiscal Year*	General Obligation Bonds	State Literary Fund Loans	Appropriation Backed Debt**	Total	Percentage of Estimated Actual Full Value of Property	General Bonded Debt Per Capita***
2013	\$ 686,766,362	\$ 4,125,000	\$ 362,131,112	\$ 1,053,022,474	1.9%	\$ 2,162
2014	720,118,515	3,500,000	383,138,178	1,106,756,693	2.1%	2,256
2015	716,612,342	2,875,000	405,353,486	1,124,840,828	2.0%	2,258
2016	721,310,401	2,250,000	373,133,427	1,096,693,828	1.9%	2,195
2017	655,854,925	1,875,000	360,528,148	1,018,258,073	1.7%	2,040
2018	664,558,868	1,500,000	360,314,441	1,026,373,309	1.7%	2,056
2019	600,663,013	1,125,000	321,622,445	923,410,458	1.4%	1,856
2020	649,974,113	750,000	467,510,392	1,118,234,505	1.7%	2,174
2021	585,872,515	375,000	429,128,906	1,015,376,421	1.5%	1,975
2022	634,010,034	-	378,137,659	1,012,147,693	1.4%	1,971

Source: City of Virginia Beach - Department of Finance

*Fiscal Years 2013-2022 have been adjusted to reflect the related unamortized premium.

**Appropriation Backed Debt includes all Governmental Public Facility Revenue Bonds, Capital Leases, COPs, Williams Farm, and Business Type Virginia Beach Development Authority Debt.

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
CITY OF VIRGINIA BEACH, VIRGINIA - LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years (unaudited)

	Fiscal Year			
	2013	2014	2015	2016
Debt Limit	\$ 4,978,183,783	\$ 4,962,666,499	\$ 5,145,277,575	\$ 5,291,185,445
Total Net Debt Applicable to Limit	685,988,698	712,384,323	697,079,775	697,520,721
Legal Debt Margin	\$ 4,292,195,085	\$ 4,250,282,176	\$ 4,448,197,800	\$ 4,593,664,724
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	13.78%	14.35%	13.55%	13.18%

Source: City of Virginia Beach - Department of Finance, Office of the Real Estate Assessor, Virginia State Corporation Commission, Public Service Corporations Report and Personal Property Assessment.

Note: Total net debt applicable to the limit is tax-supported debt, which includes General Obligation Bonds, State Literary Fund debt for Public Schools, and Agricultural Reserve Program installment purchase agreements. Under State law, the City's outstanding general obligation debt should not exceed 10% of total assessed property value. In addition, the City has established financial affordability indicators to restrict debt as follows:

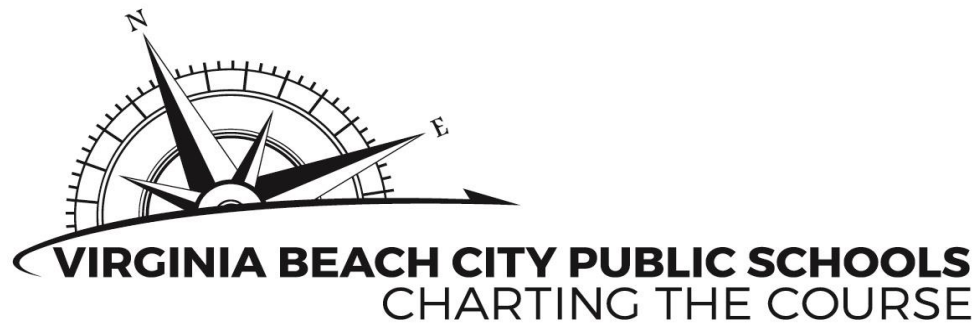
- The total annual debt service for general government supported debt will not exceed 10% of general government expenditures (excluding interfund transfers).
- The City's overall net debt will not exceed 3.5% of the estimated full value of taxable real property.
- The City's overall net debt per capita will not exceed \$3,000.
- The City's overall net debt per capita shall not exceed 6.5% of per capita personal income.

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA
CITY OF VIRGINIA BEACH, VIRGINIA - LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years (unaudited)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 5,478,360,985	\$ 5,650,206,962	\$ 5,831,703,750	\$ 6,039,301,442	\$ 6,253,886,891	\$ 6,494,389,030
641,749,326	646,061,132	590,409,579	629,730,209	575,052,122	613,872,302
\$ 4,836,611,659	\$ 5,004,145,830	\$ 5,241,294,171	\$ 5,409,571,233	\$ 5,678,834,769	\$ 5,880,516,728
11.71%	11.43%	10.12%	10.43%	9.20%	9.45%

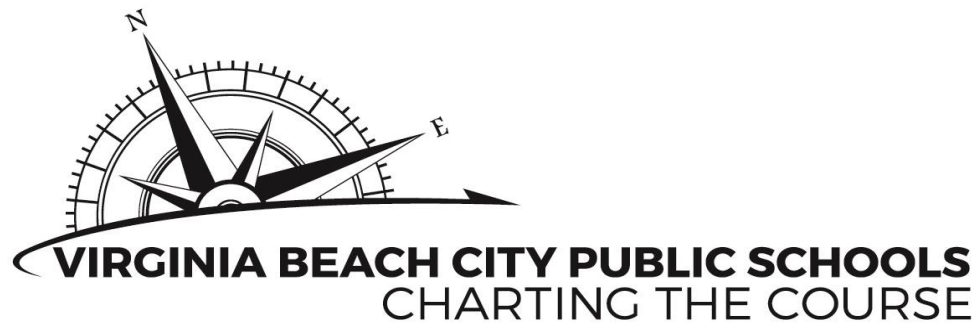
Legal Debt Margin Calculation For Fiscal Year
2021 Assessed Value of Real Property (Taxable):

Regular	\$ 63,816,499,892
Public Service (excluding vehicle assessments)	1,127,390,416
Total Assessed Value of Real Property	<u>\$ 64,943,890,308</u>
Debt Limit (10% of Total Assessed Value)	\$ 6,494,389,030
Total Net Debt applicable to limit	613,872,302
Legal Debt Margin	<u>\$ 5,880,516,728</u>



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COMPLIANCE SECTION



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**Report of Independent Auditor on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia (the “Specifications”), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board of the City of Virginia Beach, Virginia (the “School Board”), a component unit of the City of Virginia Beach, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School Board’s basic financial statements, and have issued our report thereon dated December 14, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the Specifications.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Virginia Beach, Virginia
December 14, 2022

Aaron C. Spence, Ed.D., Superintendent
Virginia Beach City Public Schools
2512 George Mason Drive, Virginia Beach, VA 23456-0038

Produced by the Department of Communications and Community Engagement for the Department of Budget and Finance.
For further information, please call (757) 263-1033.

Notice of Non-Discrimination Policy

Virginia Beach City Public Schools does not discriminate on the basis of race, color, religion, national origin, sex, sexual orientation/gender identity, pregnancy, childbirth or related medical condition, disability, marital status, age, genetic information or military status in its programs and activities, employment, or enrollment and provides equal access to the Boy Scouts and other designated youth groups. School Board policies and regulations (including but not limited to, [Policies 2-33](#), [4-4](#), [5-7](#), [5-19](#), [5-20](#), [5-44](#), [6-7](#), [6-33](#), [7-48](#), [7-49](#), [7-57](#) and Regulations [2-33.1](#), [4-4.1](#), [4-4.2](#), [4-4.3](#), [5-7.1](#), [5-44.1](#), [7-11.1](#) and [7-57.1](#)) provide equal access to courses, programs, enrollment, counseling services, physical education and athletic, vocational education, instructional materials, extracurricular activities, and employment.

Title IX Notice: Complaints or concerns regarding discrimination on the basis of sex or sexual harassment should be addressed to the Title IX Coordinator, at the VBCPS Office of Student Leadership, 641 Carriage Hill Road, Suite 200, Virginia Beach, 23452, (757) 263-2020, Mary.Gonzalez@vbschools.com (student complaints) or the VBCPS Department of School Leadership, 2512 George Mason Drive, Municipal Center, Building 6, Virginia Beach, Virginia, 23456, (757) 263-1088, Robert.Wnukowski@vbschools.com (employee complaints). Additional information regarding Virginia Beach City Public Schools' policies regarding discrimination on the basis of sex and sexual harassment, as well as the procedures for filing a formal complaint and related grievance processes, can be found in School Board Policy 5-44 and School Board Regulations 5-44.1 (students), School Board Policy 4-4 and School Board Regulation 4-4.3 (employees) and on the School Division's website at Diversity, Equity and Inclusion/Title IX. Concerns about the application of [Section 504 of the Rehabilitation Act](#) should be addressed to the Section 504 Coordinator/Executive Director of Student Support Services at (757) 263-1980, 2512 George Mason Drive, Virginia Beach, Virginia, 23456 or the Section 504 Coordinator at the student's school. For students who are eligible or suspected of being eligible for special education or related services under IDEA, please contact the Office of Programs for Exceptional Children at (757) 263-2400, Plaza Annex/Family and Community Engagement Center, 641 Carriage Hill Road, Suite 200, Virginia Beach, VA 23452.

The School Division is committed to providing educational environments that are free of discrimination, harassment, and bullying. Students, staff, parents/legal guardians who have concerns about discrimination, harassment, or bullying should contact the school administration at their school. Promptly reporting concerns will allow the school to take appropriate actions to investigate and resolve issues. School Board Policy [5-7](#) addresses non-discrimination and anti-harassment, Policy [5-44](#) addresses sexual harassment and discrimination based on sex or gender. Policy [5-36](#) and its supporting regulations address other forms of harassment.

Alternative formats of this publication which may include taped, Braille, or large print materials are available upon request for individuals with disabilities. Call or write Daniel Hopkins, Director of Business Services, Virginia Beach City Public Schools, 2512 George Mason Drive, P.O. Box 6038, Virginia Beach, Virginia 23456-0038. Telephone (757) 263-1033, fax (757) 263-1739, (757) 263-1240 (TDD) or e-mail him at Daniel.Hopkins2@vbschools.com.

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November 2022