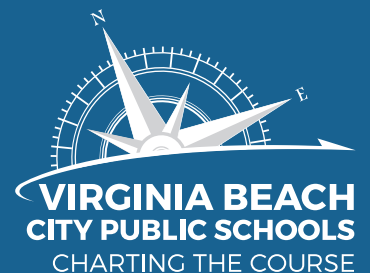


FOR THE  
FISCAL YEAR  
ENDED  
JUNE 30, 2025



# 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, 2025**

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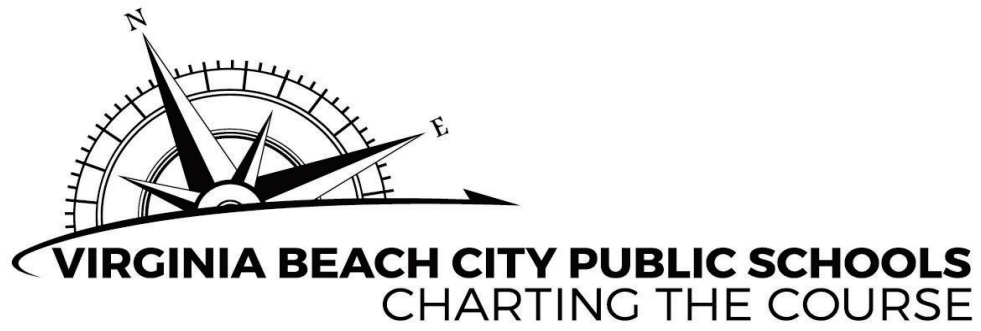
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**School Board of the City of Virginia Beach, Virginia  
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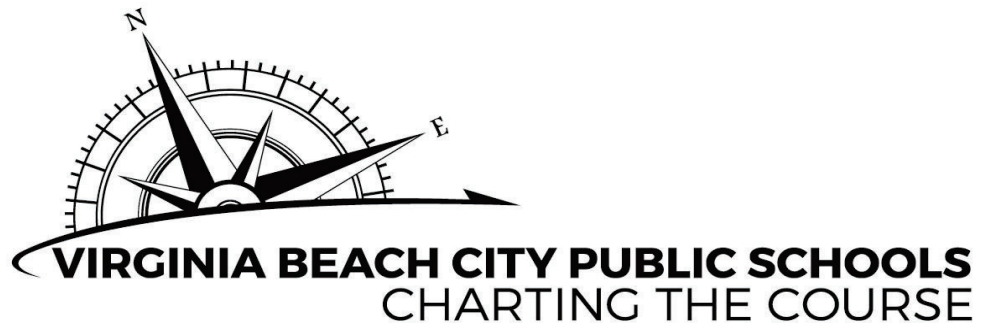
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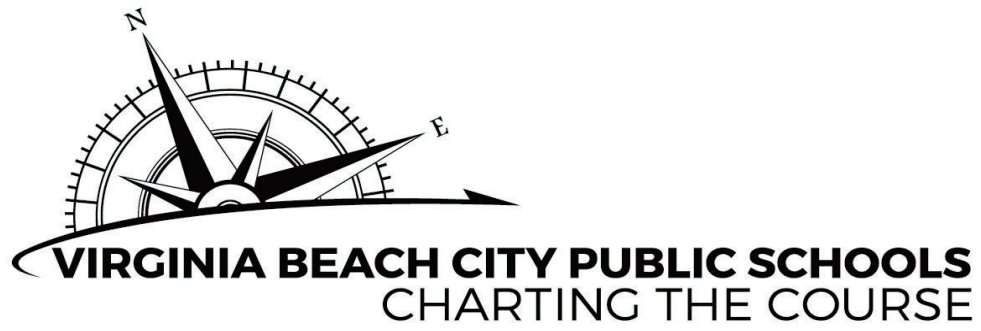
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# INTRODUCTORY SECTION



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# VIRGINIA BEACH CITY PUBLIC SCHOOLS

## CHARTING THE COURSE

December 12, 2025

The Honorable Members of the School Board  
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, 2025. 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 fairly present 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, 2025), and an Organizational Chart (June 30, 2025).

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

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

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

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

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

## THE REPORTING ENTITY AND ORGANIZATION

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

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

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

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

Leadership is provided by the School Board working in concert with the Superintendent. The School Board consists of eleven citizens directly elected to serve four-year overlapping terms. The City's Charter designates that the composition of the School Board consists of one member from among the residents of each of the ten districts elected, with one additional at-large member. 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: Superintendent/Chief of Staff; School Leadership; School Division Services (such as construction, facilities planning, food services, pupil transportation, distribution services, custodial services, maintenance, safe schools, and similar activities); Technology; Budget and Finance; Teaching and Learning; Human Resources; and Communications and Community Engagement.

### ECONOMIC CONDITION AND OUTLOOK

The School Board serves Virginia Beach, the largest city in the Commonwealth of Virginia with a population of more than 450,000 people, and oversees Virginia Beach City Public Schools (VBCPS), the fourth largest school system in Virginia, with an enrollment for fiscal year 2025 of nearly 64,000 students, projected student enrollment for fiscal year 2026 is 63,842 students and more than 11,000 employees. Situated on the coast of the Atlantic Ocean adjacent to Chesapeake Bay, Virginia Beach is 146 air miles from Washington, D.C.

VBCPS operates 55 elementary schools, 14 middle schools, 12 high schools, and 6 auxiliary schools. The auxiliary schools include but are not limited to adult, career and technical education, and alternative settings. The average ages of elementary, middle and high school buildings are 41, 37, and 43 years respectively. Table 24 in the Statistical Section of this report provides various school building information, including the year that each school opened and any school modernization, replacement or other related school construction that occurred.

Virginia Beach, well known as a resort community, has a strong economy due in large part to its diversification. The city's economic base includes advanced manufacturing, information technology, professional services, biomedical, maritime, agriculture, offshore wind, the military and resort and convention trade.

The Virginia Beach Development Authority (VBDA) held 13 meetings between July 1, 2024, and June 30, 2025, including an annual retreat for strategic planning of future business and industry goals. A Business Expansion and Retention Roundtable was held in December with business and community leaders to gather input on workforce development, industrial land availability and zoning constraints. An annual holiday party provided the opportunity for attendees to engage in discussions about future projects and economic development initiatives.

#### Economic Development Investment Program:

The VBDA administered the city's Economic Development Investment Program (EDIP). Five cash grants totaling \$1,708,412 were awarded to Virginia Beach companies for growth needs, based

made during a specified period. The result was more than \$69 million new capital investment in our city. More than 400 jobs were created and almost 500 retained. Recipients included: Born Primitive, a veteran and woman owned activewear company; Atlantic Diving Supply, Inc., a leading military supplier and federal contractor; defense manufacturer ViDARR; Neptune SHIELD; Acoustical Sheetmetal.

In addition, LifeNet Health was awarded a \$250,000 rent offset incentive to become the new owner of a 5,706 square-foot space.

#### Façade Improvement Grant Program:

The Façade Improvement Grant (FIG) program provided matching grants to small, locally owned and operated businesses for exterior building improvements to enhance the overall economic vitality of the city. Twenty grants totaling \$111,127 were awarded, resulting in \$232,659 in private investment for façade improvements. Recipients included Beach Bully BBQ, JMT Sweets & More, The Vintage Cauldron, Rockafeller's Inc., Karma Longboards Corp., Robins Consulting, LLC, Driveway Motors, Inc., MMM Coffee, LLC, MNPN Lady's Boutique & More, Plaza Baker, LLC, Lakeshore Property 1, LLC, Lakeshore Property 1, LLC, JWFNS Hilltop, LLC, Atlantic Veterinary Center, Snip Atlantic, LLC, Esoteric, Atlantic Avenue Association, Animal Medical Center, Inc., Waffles & Co., A-Rea's Gourmet Catering, MPN Group, LLC.

#### Reallocated COVID funds:

Emergency COVID funds were reallocated in 2025 to historically underserved and marginalized small businesses in Virginia Beach as part of the EDIP Part F. Recipients included the following women, minority-owned, veteran and service-disabled veteran owned businesses: Security Scholars LLC, Greight Co. Limited, Bounce Hoppers, Vault Athletics & Fitness, Type A Virtual Solutions, Unique Skin & Beauty Bar, EauBleue Solutions, Elizabeth M. Borza, O.D. Inc., Brush it On Paint Co., First Class Beauty Suites, The Book Artist, LLC, Snapqube Corp., Open Door Media Solutions, Food Temptress Cookbook Store, Freedom Title & Escrow, FLY Enterprises, Inc., Executive Decisions.

#### International Incubator:

In 2025, VBDA welcomed seven new tenants to the international incubator. Office space was made available on a short-term basis to international companies establishing a presence in the US with intent to establish a long-term presence: Nose Corp. of America, Sirius Analysis, CASC, Gibb Group, ValTech, Ventus Energy, RVT Group.

#### VBDA Assets:

The new 70,000 square foot Dome in Atlantic Park opened May 4, 2025, hosting 24 shows through August. The venue features an indoor capacity of 3,500 and a total of 5,000 when incorporating the outdoor area. More than \$11,000 in revenue towards capital maintenance and almost \$6,000 in operating income was generated in May 2025. The park also offers more than 100,000 square feet of mixed-use retail space, including the Wave Park.

The Virginia Beach Amphitheater celebrated its 28th season in 2024, with 27 shows and more than 365,000 attendees. \$3.79 million was generated in rent and taxes. The VBDA committed more than \$744,000 to the amphitheater in FY 2024-25 to assist with capital improvements, including increased parking for patrons and additional HVAC units and stage lighting replacement to LEDs.

Virginia Beach National Golf Course generated more than \$321,000 of total income to the city. The VBDA funded capital repairs and maintenance to the facility with received management fees. More than \$533,000 was invested into the course by the VBDA for improvements including floor replacement, painting and roof renovations.

Ribbon Cuttings/Ground Breakings:

- July 2024: A leading global container shipping company - ZIM American Integrated Shipping Services- opened its new 70,760 square-foot U.S. headquarters in Virginia Beach.
- September 2024: Maxbyte Technologies launched its Industry 4.0 Centre of Excellence at the Virginia Beach Workforce Training Center within the Advance Technology Center at Tidewater Community College.
- February 2025: Globalinx Data Centers broke ground for an expansion that will double its capacity at its Corporate Landing facility.
- May 2025: ADS, Inc. broke ground on a 40,000 square-foot expansion of its Virginia Beach warehouse.
- July 2024/June 2025: Acoustical Sheetmetal Co. completed its Phase 2 expansion, adding 135,000 square feet to its facility in Innovation Park. This past June, the company announced Phase 3 to add an additional 250,000 square feet across 21 acres.

Goals and Objectives:

VBDA goals and objectives for FY 2025-26 include continued outreach and marketing initiatives to target key industries in the areas of defense and aerospace, technology and innovation, renewable energy, advanced manufacturing, uncrewed systems and professional services.

Focus will also be on small business and entrepreneurship, expansion of Innovation Park expansion, the FIG grant and the expanded Atlantic Ave. FIG Program.

The VBDA plans to work with the Department of Housing and Neighborhood Preservation to administer the newly created Attainable Workforce Housing Performance Grant Program on behalf of City Council. City Council-approved grants for attainable housing development in Virginia Beach will be reviewed and disbursed.

## MAJOR INITIATIVES

Virginia Beach City Public Schools (VBCPS) is committed to providing the best possible learning experience to meet the needs of each student on their path to becoming Future Ready.

VBCPS has continued to maintain record levels with respect to the on-time graduation (OTG) rate, with a preliminary rate of 96.9% for the 2025 cohort year, and a low dropout rate of 2.2%. Another indicator of the remarkable success is the Virginia Department of Education (VDOE) pass rates from the Standards of Learning Assessments for 2024-25. The data shows VBCPS exceeded the state level of performance in all subject areas and outperformed all local divisions in reading, writing, science, and history. The division also outperformed six of seven other comparable divisions with over 20,000 students in Virginia in reading, writing, math, science, and history. As of the writing of this forecast, the VDOE has again delayed the release of school division and school ratings under the new School Performance and Support Framework. However, we are confident that when released, the new ratings will further support and distinguish VBCPS among the top school divisions in the Commonwealth.

Ensuring all learners access high-quality Tier 1 instruction remains a strategic priority for VBCPS. The division is fully compliant with the Virginia Literacy Act requirements for K-8 core curriculum and will continue to strengthen instructional delivery by leveraging Virginia Language and Literacy Screening System (VALLSS) data and investing in the review, selection, and procurement of approved high-quality instructional materials. These resources support supplemental instruction and intervention in grades K-8 and provide student-specific, evidence-based literacy instruction.

The Virginia Language and Literacy Screening System (VALLSS) is a state-mandated assessment that helps schools identify students who may be at risk for reading difficulties and provide timely support.

- Grades K-3: VALLSS screens all students to monitor foundational reading and language development.
- Grades 4-8: Beginning with the Virginia Literacy Act, VALLSS has been expanded to continue monitoring reading growth and ensure students receive targeted intervention if difficulties persist.

This expansion ensures that schools can provide ongoing support beyond the early grades, giving students every opportunity to build strong literacy skills for future success.

To support the adoption and implementation of the updated Mathematics Standards of Learning (2023), VBCPS will complete a K-5 textbook adoption during the current fiscal year. This initiative includes both the acquisition of high-quality instructional materials and comprehensive professional development designed to reinforce Tier 1 instructional practices and ensure compliance with all VDOE requirements.

VBCPS remains committed to preparing every student to be future-ready. Artificial intelligence (AI) is one of the emerging technologies shaping education, and students are learning that while AI can support their thinking, it cannot replace it. Within digital literacy and digital citizenship, we emphasize using AI safely, ethically, and purposefully. Currently, the use of AI by students is

only allowed at the high school level under the supervision of an instructor. Employees may use AI to help them become more efficient and effective in their respective roles.

Academic and Career Planning (ACP) is mapped from elementary school through graduation. This highlights the intentionality of VBCPS in ensuring our students can become more aware of careers and how their educational choices shape opportunities throughout their K-12 journey. In elementary schools, teachers expose students to career paths through virtual exploration and learning experiences that further a student's imagination about future possibilities. Middle school teachers deliver ACP lessons to highlight careers, supporting choices for courses and available pathways across career clusters for secondary students. High school programs delve deeper into specific pathways and VBCPS believes that providing work-based learning experiences paired with these courses is vital to prepare all students. The Office of Career and Technical Education (CTE) FIELD-X program for work-based learning supports entrepreneurship, school-based enterprise, and internships for all high school students looking for a field experience is one such example.

Students enrolled in CTE electives also participate in the industry credential program, where they build their resume by collecting stackable credentials demonstrating the professional skills acquired in their high school CTE classes. Since the industry credential program began in 2002, over 182,265 industry credentials have been earned by VBCPS students. Each year, students have access to over 131 different credentials that link to career fields free of charge. During the 2024-25 school year, high school students earned a total of 14,540 industry credentials. To further ensure that students have a strong start, VBCPS continues to support robust CTE dual-enrollment offerings. These include Accounting, Aviation Maintenance, Business Management, Emergency Medical Services, Virginia Teachers for Tomorrow, Early Childhood Education, Medical Assisting, Welding, Veterinary Assisting, and Hotel Management.

Advancement Via Individual Determination (AVID) is a schoolwide approach that promotes access to the skills and experiences students need to be future-ready. Through professional learning focused on writing, inquiry, collaboration, organization, and reading (WICOR), teachers implement Tier 1, research-based practices to support all learners.

VBCPS is deeply committed to student success and recognizes families as essential partners in that journey. A key strategy in strengthening this partnership has been the expansion of the Family Outreach Representative (FOR) program. These professionals serve as trusted guides, helping families navigate the educational system with clarity and confidence. FORs provide direct support across the division through resource navigation and culturally responsive engagement. Since the program's growth, they've facilitated access to critical services including food assistance, mental health support, and academic resources, while hosting outreach events that connect families to what they need most. Their work fosters authentic communication, promotes inclusive practices, and equips both families and staff with tools to support student achievement. This collaborative approach strengthens school communities and drives improved outcomes.

To further support multilingual families, VBCPS launched the Language Ambassadors initiative, engaging volunteers to bridge communication gaps and create a more welcoming environment.

The division has also deepened its community partnerships, unlocking access to internships, mentorships, and enrichment opportunities. At the Back-to-School Care Fair, we estimated approximately 7,000 attendees, representing over 4,000 families that received essential services from backpacks and haircuts to health screenings and vaccinations. Additionally, the Family Connection webinar series has delivered timely, relevant content on digital learning, mental health, and college readiness. To ensure consistent and family-centered engagement, the Office of Family and Community Engagement (FACE) is developing a Digital Resource Guide for school leaders. Together, these efforts reflect VBCPS's unwavering commitment to building strong, informed, and inclusive family-school partnerships that empower students to thrive academically, socially, and emotionally.

The 2024-25 school year marked a pivotal transition for VBCPS. While the division's work during the year was guided by the strategic plan Compass to 2025, significant effort was also devoted to shaping the next chapter in its strategic journey. Compass to 2025, with its six division-wide goals, provided a strong foundation for student success, emphasizing high expectations, innovation, and continuous improvement. Building on this progress, VBCPS engaged students, staff, families, and community members throughout 2024-25 in a collaborative process to design a new strategic framework.

That work culminated in the School Board's adoption of Compass to 2030, which now serves as the division's strategic framework. Compass to 2030 builds on the strengths of its predecessor while setting a clear course for preparing every student to thrive in a rapidly changing world.

Key priorities of the equity plan include:

- Employee compensation and competitiveness.
- Employee and retiree healthcare costs.
- Declining enrollment.
- Unfunded state and federal mandates.
- Rising cost of operating expenses and services (e.g., fuel and utilities).
- Changes with the Virginia Retirement System.
- Increasing debt service.
- Maintenance of facilities and future capital improvement program needs.
- Uncertainty surrounding future federal K-12 education funding and potential reforms.
- Global and national economic conditions.

VBCPS remains committed to ensuring that each student experiences engaging instruction, meaningful relationships, and the supports needed to develop the knowledge, skills, and habits 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% 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% 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, 2024. 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, 2024. ASBO sponsors this Certificate of Excellence in Financial Reporting program to foster excellence in the preparation and issuance of school system annual financial reports. This prestigious international certificate award is the highest form of recognition in school financial reporting and is valid for a period of one year only. We believe that our current ACFR conforms also to the ASBO program requirements, and we are submitting it to the ASBO to determine the School Board's eligibility for another certificate award.

## ACKNOWLEDGMENTS

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

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

Respectfully Submitted,



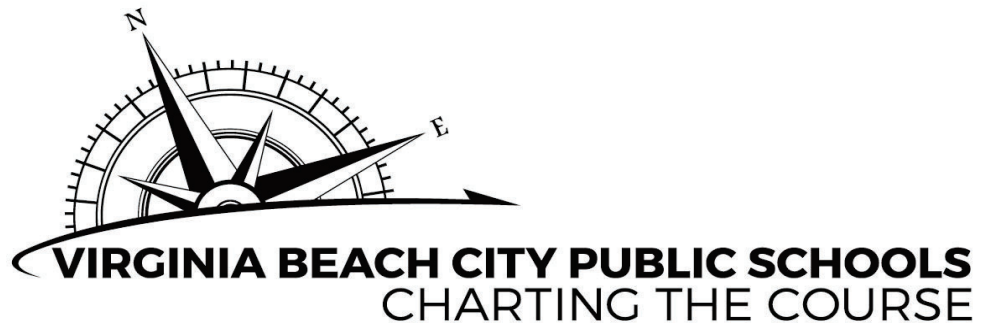
Donald E. Robertson Jr., Ph.D.  
Superintendent



Crystal M. Pate, MPA, CPA  
Chief Financial Officer



Daniel G. Hopkins, CPA  
Director of Business Services



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**SCHOOL BOARD  
OF THE  
CITY OF VIRGINIA BEACH, VIRGINIA  
June 30, 2025**



**Kathleen Brown**  
Chair  
District 10

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



**Sharon Felton**  
At-Large



**Kimberly A. Melnyk**  
District 2



**Michael Callan**  
District 6



**David Culpepper**  
District 8



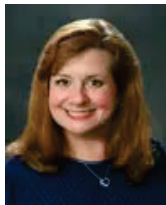
**Matt Cummings**  
District 7



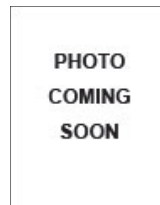
**Mark Bohenstiel**  
District 3



**Dr. Alveta J. Green**  
District 4



**Melinda Rogers**  
District 5



**Rose Dwyer**  
District 1



**Donald E. Robertson Jr., Ph.D.**  
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, 2024

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

**The School Board of the City of Virginia Beach**  
for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2024.

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



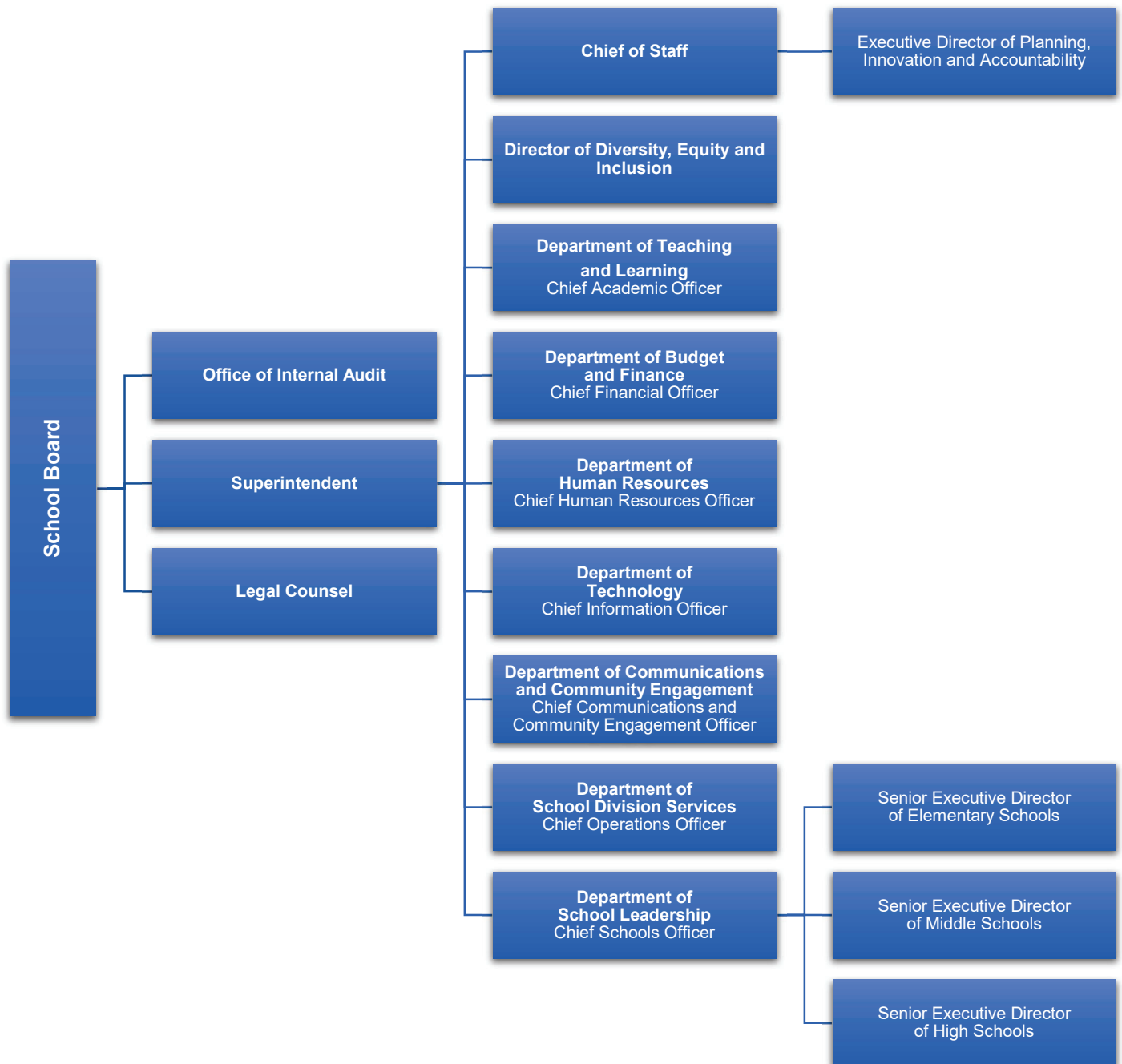
A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte  
President

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

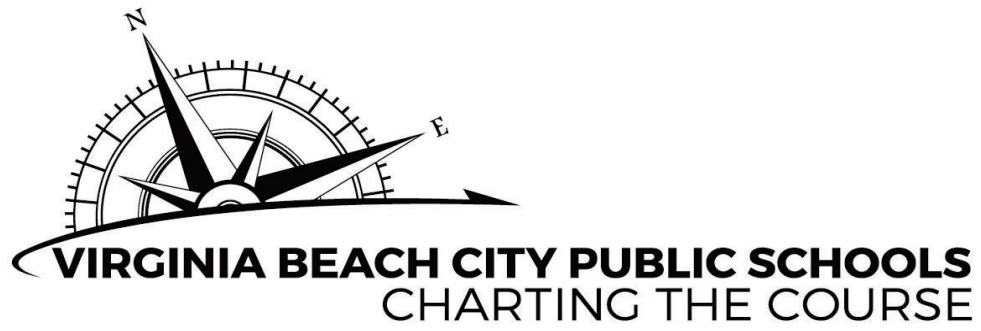
James M. Rowan, CAE, SFO  
CEO/Executive Director

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**Organizational Chart**  
**June 30, 2025**



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# FINANCIAL SECTION



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## Report of Independent Auditor

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

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board of the City of Virginia Beach, Virginia (the "School Board"), a component unit of the City of Virginia Beach, Virginia, as of and for the year ended June 30, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and 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 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 and *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 and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The Other Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

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

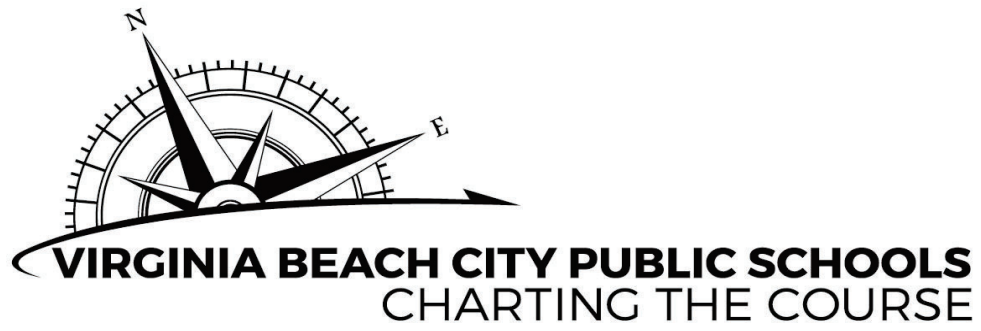
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2025, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

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

Virginia Beach, Virginia  
December 12, 2025



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**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

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Management's discussion and analysis (MD&A) provides a narrative overview and analysis of the financial activities of the School Board of the City of Virginia Beach, Virginia (the School Board) as of and for the fiscal year ended June 30, 2025. 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**

The School Board implemented the provisions of Government Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. The adoption of this statement has resulted in a restatement of the Statement of Net Position for fiscal year 2024 which resulted in a reduction to the beginning net position of \$72.5 million.

On a government-wide basis for governmental activities, the assets and deferred outflows of the School Board exceeded its liabilities and deferred inflows by \$256,145,257 (net position) at June 30, 2025. Of this amount, \$658,207,863 is investment in capital assets, \$34,553,569 is restricted for grants, cafeterias, textbooks, school activities, and net OPEB Asset, and (\$436,616,175) is an unrestricted deficit. The deficit is due to net pension liability and net OPEB liability in the amounts \$462,420,828 and \$144,267,445 respectively.

On a government-wide basis for governmental activities, the School Board's revenues of \$1,102,652,491 exceeded expenses of \$1,057,532,955 by \$45,119,536.

The School Board's Governmental funds reported total fund balances of \$163,951,104 at June 30, 2025. Of this amount, \$1,659,992 is nonspendable (i.e., inventories and prepaid items), \$34,228,645 is restricted (e.g. federal and state grantor agencies, cafeterias, textbook adoptions, school activities), \$118,344,883 is committed (e.g., capital projects contracts, communication towers/technology, vending, equipment replacement, school allocations), and \$9,717,584 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 2025 to the City of Virginia Beach, Virginia (City) in the amount of \$38,094,580 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 Fiscal Year 2025 will be increased by \$7,464,613 due to certain City revenue streams coming in over budget for Fiscal Year 2025. The net reversion of \$45,559,193 is designated for use in Fiscal Year 2026 in the following manner; \$44,359,193 will be re-appropriated to the CIP fund and \$1,200,000 appropriated for the demolition of building previously housing Bayside 6<sup>th</sup> Grade on Jericho Road.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2025**

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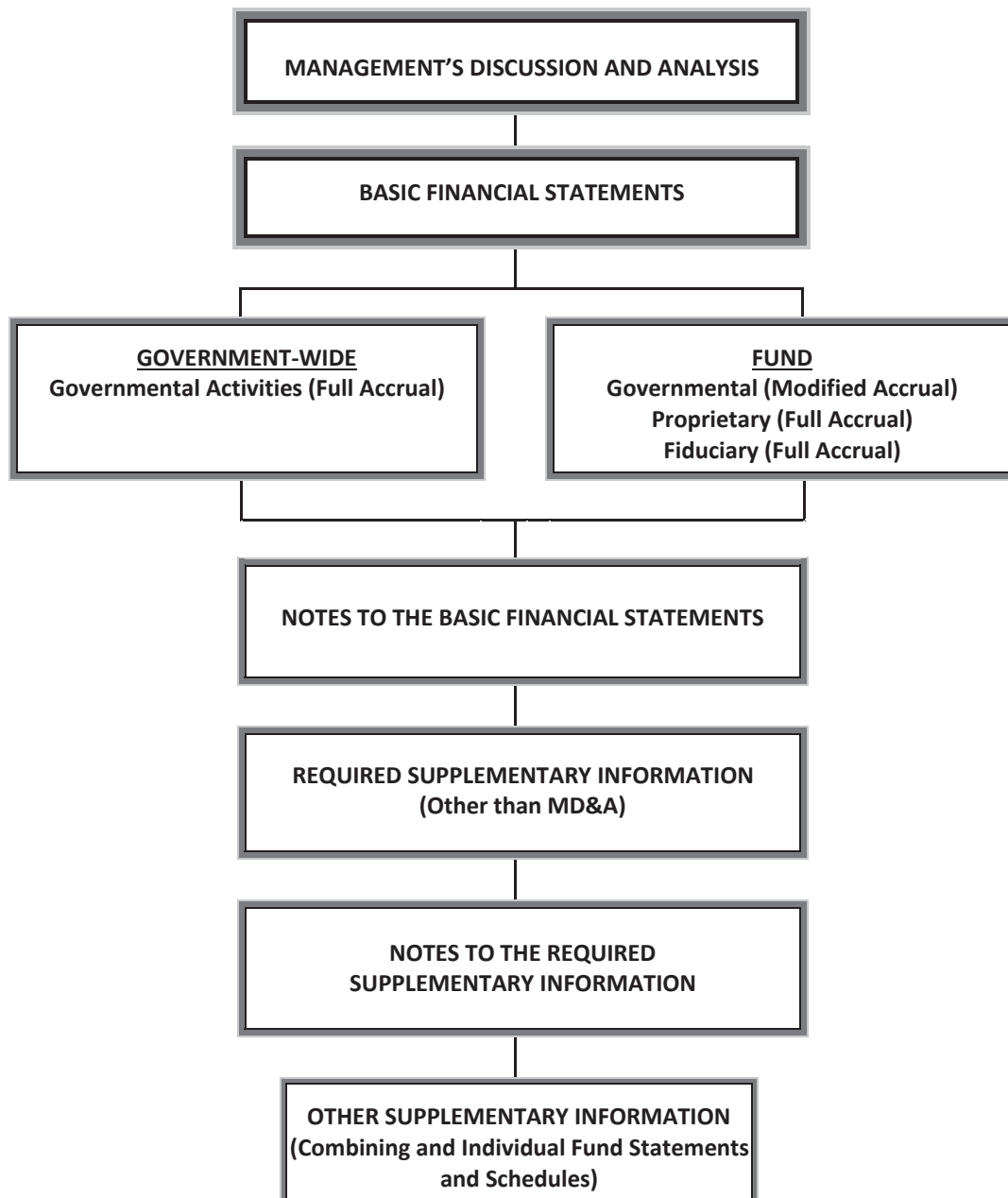
**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2025**

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**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

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

The government-wide financial statements distinguish functions related to governmental activities (principally supported by taxes and intergovernmental revenues) and business-type activities (intended to recover all or a significant portion of costs through user fees and charges). The School Board reports on 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 in 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, 2025**

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

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

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

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

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

**Proprietary Funds**

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

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

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

**Fiduciary Fund**

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

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

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

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

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

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

**Other Information**

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

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**NET POSITION**

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$256,145,257 (net position) at June 30, 2025, as illustrated in the Summary of Net Position (with comparative amounts at June 30, 2024), as follows:

| <b>Summary of Net Position</b> |                  |                  |                 |
|--------------------------------|------------------|------------------|-----------------|
|                                | <b>2025</b>      | <b>2024</b>      | <b>Variance</b> |
| Current and Other Assets       | \$ 378,303,237   | \$ 414,903,032   | \$ (36,599,795) |
| Capital Assets, net            | 666,940,953      | 638,893,881      | 28,047,072      |
| Total Assets                   | \$ 1,045,244,190 | \$ 1,053,796,913 | \$ (8,552,723)  |
| Deferred Outflows              | \$ 216,028,387   | \$ 195,281,830   | \$ 20,746,557   |
| Current Liabilities            | \$ 182,300,426   | \$ 183,756,718   | \$ (1,456,292)  |
| Net Pension Liability          | 462,420,828      | 484,716,006      | (22,295,178)    |
| Net OPEB Liability             | 144,267,445      | 152,262,481      | (7,995,036)     |
| Other Noncurrent Liabilities   | 99,893,641       | 38,498,180       | 61,395,461      |
| Total Liabilities              | \$ 888,882,340   | \$ 859,233,385   | \$ 29,648,955   |
| Deferred Inflows               | \$ 116,244,980   | \$ 106,346,634   | \$ 9,898,346    |
| Net Position:                  |                  |                  |                 |
| Net Invested in Capital Assets | \$ 658,207,863   | \$ 630,341,593   | \$ 27,866,270   |
| Restricted for:                |                  |                  |                 |
| Grants                         | 5,480,640        | 4,795,611        | 685,029         |
| Cafeterias                     | 12,070,827       | 17,074,952       | (5,004,125)     |
| Textbooks                      | 10,902,881       | 7,793,847        | 3,109,034       |
| School Activities              | 5,774,297        | 5,515,712        | 258,585         |
| Net Pension/OPEB Asset         | 324,924          | 74,288           | 250,636         |
| Unrestricted (Deficit)         | (436,616,175)    | (382,097,279)    | (54,518,896)    |
| Total Net Position (Deficit)   | \$ 256,145,257   | \$ 283,498,724   | \$ (27,353,467) |

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

An additional portion of the School Board's net position represents resources that are subject to external restrictions on their use. The \$436,616,175 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, 2025 the net pension liability is \$462,420,828 and the net OPEB liability is \$144,267,445.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

**CHANGES IN NET POSITION**

The School Board's revenues of \$1,102,652,491 exceeded expenses of \$1,057,532,955 by \$45,119,536 for Fiscal Year 2025. Beginning Net Position was reduced by \$72,473,003 for Fiscal Year 2025 as a result of implementing GASB Statement No. 101, Compensated Absences. Changes in Net Position (with comparative amounts for the year ended June 30, 2024), is illustrated as follows:

| <b>Change in Net Position</b>    |                         |                         |                        |
|----------------------------------|-------------------------|-------------------------|------------------------|
|                                  | <b>2025</b>             | <b>2024</b>             | <b>Variance</b>        |
| <b><u>Revenues</u></b>           |                         |                         |                        |
| Program Revenues:                |                         |                         |                        |
| Charges for Services             | \$ 14,240,821           | \$ 14,112,785           | \$ 128,036             |
| Operating Grants                 | 266,190,416             | 291,860,087             | (25,669,671)           |
| General Revenues:                |                         |                         |                        |
| Local Government                 | 466,036,878             | 484,102,134             | (18,065,256)           |
| State Basic Aid                  | 231,430,357             | 204,051,071             | 27,379,286             |
| State Sales Tax                  | 91,643,485              | 90,678,103              | 965,382                |
| Federal Impact Aid               | 14,616,783              | 19,680,896              | (5,064,113)            |
| Interest Earnings                | 3,717,772               | 2,021,944               | 1,695,828              |
| Miscellaneous                    | 7,653,791               | 9,421,827               | (1,768,036)            |
| Sale of Capital Assets           | 7,122,188               | 283,637                 | 6,838,551              |
| Total Revenues                   | <u>\$ 1,102,652,491</u> | <u>\$ 1,116,212,484</u> | <u>\$ (13,559,993)</u> |
| <b><u>Expenses</u></b>           |                         |                         |                        |
| Instruction                      | \$ 726,222,904          | \$ 695,976,251          | \$ 30,246,653          |
| Admin, Attendance, & Health      | 45,616,715              | 42,118,861              | 3,497,854              |
| Pupil Transportation             | 56,742,646              | 52,727,075              | 4,015,571              |
| Operations and Maintenance       | 129,895,020             | 136,709,778             | (6,814,758)            |
| Cafeterias                       | 42,623,348              | 42,107,415              | 515,933                |
| Technology                       | 56,432,322              | 50,471,278              | 5,961,044              |
| Total Expenses                   | <u>\$ 1,057,532,955</u> | <u>\$ 1,020,110,658</u> | <u>\$ 37,422,297</u>   |
| Change in Net Position           | 45,119,536              | 96,101,826              | (50,982,290)           |
| Net Position (Deficit) - July 1  | <u>283,498,724</u>      | <u>187,396,898</u>      | <u>96,101,826</u>      |
| Restatement of July 1            |                         |                         |                        |
| Net Position (Note 1P)           | (72,473,003)            |                         | (72,473,003)           |
| Net Position (Deficit) - June 30 | <u>\$ 256,145,257</u>   | <u>283,498,724</u>      | <u>(27,353,467)</u>    |

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

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Total revenue decreased by \$13,559,993 (-1.2%). This is a net result of:

- An decrease in local government revenue source of \$18,065,256 mainly due to the City not selling bonds for capital projects; and
- Increase in State Basic Aid revenue of \$27,379,286; and
- Increase in Sale of Capital Assets (land) of \$6,838,551; and
- Decrease in Operating Grants of \$25,669,671 due spend down of American Rescue Plan Act (ARPA ESSER III) funds.

Total expenses increased by \$37,422,297 (3.7%). This is a net result of:

- An increase in Instruction of \$30,246,653 due to a 4% average increase in salaries, and an increase in pension expenses and the net book value increase of the school buildings transferred back to the schools from the City under the “tenancy in common” (Note 4B); and
- Increase in Admin, Attendance and Health of \$3,497,854 due to a 4% average increase in salaries; and
- Increase in Pupil Transportation expenses of \$4,015,571 due to increase in pension expenses and purchase of capital equipment; and
- Decrease in Operations and Maintenance of \$6,814,758 due to fewer building improvements; and
- Increase in Technology of \$5,961,044 due to purchase of computers funded by technology 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 2025 and 2024. 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).

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| <b>Total and Net Cost of Governmental Activities</b> |                           |                         |                           |                         |
|------------------------------------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
|                                                      | Total Cost of<br>Services | Net Cost of<br>Services | Total Cost of<br>Services | Net Cost of<br>Services |
|                                                      | 2025                      | 2025                    | 2024                      | 2024                    |
| <u>Expenses</u>                                      |                           |                         |                           |                         |
| Instruction                                          | \$726,222,904             | \$510,225,367           | \$695,976,251             | \$480,696,747           |
| Admin, Attendance, & Health                          | 45,616,715                | 40,746,362              | 42,118,861                | 11,755,864              |
| Pupil Transportation                                 | 56,742,646                | 56,112,817              | 52,727,075                | 51,673,913              |
| Operations and Maintenance                           | 129,895,020               | 125,535,444             | 136,709,778               | 128,101,482             |
| Cafeterias                                           | 42,623,348                | 4,080,795               | 42,107,415                | 4,289,886               |
| Technology                                           | 56,432,322                | 40,400,933              | 50,471,278                | 37,619,894              |
| Total Expenses                                       | <u>\$1,057,532,955</u>    | <u>\$777,101,718</u>    | <u>\$1,020,110,658</u>    | <u>\$714,137,786</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, 2025, the School Board’s governmental funds reported combined fund balances of \$163,951,104 a decrease of \$6,056,823 in comparison with the prior fiscal year balance. Of the total amount of the combined fund balances, \$1,659,992 is nonspendable (i.e., inventories and prepaid items), \$34,228,645 is restricted (e.g., federal and state grantor agencies, cafeterias, textbook adoptions, school activities), \$118,344,883 is committed (e.g., capital projects, communication towers/technology, vending, equipment replacement), and \$9,717,584 is assigned (e.g., instructional technology, athletics, instruction, administration, attendance, and health, pupil transportation, operations and maintenance, technology). The fund balance decreased 3.6% due to a reduction of General Fund carry-forward encumbrances and a decrease in School Cafeterias Fund, where they are expanding the scratch cooking initiative with additional personnel and equipment.

**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,

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2025**

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2025, the fund balance of the General Fund was \$10,710,412. Of this amount, \$992,828 is nonspendable (i.e., prepaid items) and \$9,717,584 is assigned (e.g., instructional technology, athletics, instruction, administration, attendance, and health, pupil transportation, operations and maintenance, technology). The General Fund balance decreased \$1,662,288 due to a decrease in encumbrances that were previously carried from Fiscal Year 2024.

**General Fund Budget Amendment**

| <u>Amount</u> | <u>Purpose</u>                                                                                                                                                                                                                                     |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$ 16,152,511 | There was a supplemental budget amendment, other than for encumbrances, during Fiscal Year 2025. The General Fund budget amendment to provide 3% compensation increase for all employees was funded through an increase in revenue from the state. |

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

**General Fund:**

\$ 9,977,503 – FY 2024 Outstanding Encumbrances Appropriated  
16,152,511 – Budget Amendment (See above)  
\$ 26,130,014 – 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 \$5,821,253 of outstanding encumbrances at June 30, 2025.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
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JUNE 30, 2025**

|                        | Final Budget       | Actual             | Variance from<br>Final Budget | %            |
|------------------------|--------------------|--------------------|-------------------------------|--------------|
| <u>Expenditures</u>    |                    |                    |                               |              |
| Salaries and Benefits  | \$832,135,638      | \$815,659,954      | \$16,475,684                  | 1.98%        |
| Purchased Services     | 59,863,087         | 54,520,285         | 5,342,802                     | 8.93%        |
| Other                  | 31,355,208         | 30,090,643         | 1,264,565                     | 4.03%        |
| Materials and Supplies | 41,593,322         | 36,316,754         | 5,276,568                     | 12.69%       |
| Capital Outlay         | 5,286,181          | 4,515,259          | 770,922                       | 14.58%       |
| Total Expenditures     | <u>970,233,436</u> | <u>941,102,895</u> | <u>29,130,541</u>             | <u>3.00%</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; the variance has been committed in carryforward balances for necessary building maintenance
- Lower than expected expenditures of materials and supplies due to a reduction of \$1.0 million in instructional supplies; \$2.9 million in technology supplies; \$1.0 million in vehicle fuel; variance includes \$2.1 million in carryover and other commitments;
- Capital Outlay variance includes \$770,000 in carryover and other commitments for school bus and vehicle replacements.

Transfers:

\$ 5,630,631 – 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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

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purposes. These funds are used to finance designated programs and are generally not available for other purposes. The School Board’s Special Revenue funds are as follows:

**Major Funds:**

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

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

**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 2025, revenues and other financing sources totaled \$77,782,016 and expenditures totaled \$77,096.987. This resulted in an increase in the fund balance of \$685,029 due to revenue received in a prior year and expenditures taking place in current fiscal year. The significant difference for this was the Virginia Preschool Initiative award from the state. The remaining fund balances will be used for the required local match of Commonwealth of Virginia and Federal approved Fiscal Year 2025 grant proceeds to be disbursed in Fiscal Year 2026.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

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School Cafeterias Fund: During Fiscal Year 2025, revenues totaled \$39,297,889 and expenditures totaled \$44,324,685. This resulted in a decrease in the fund balance of \$5,026,796. As compared to Fiscal Year 2024, there was a significant increase in personnel services and other purchased services due to additional staff added and services to expand the scratch initiative program.

Nonmajor Special Revenue Funds: During Fiscal Year 2025, revenues totaled \$14,867,557 and expenditures totaled \$10,742,837. This resulted in a combined increase in the fund balances of all nonmajor Special Revenue funds of \$4,124,720. The School Textbook fund, Communication Towers/Technology, School Vending Operations, and School Activity funds had an increase in fund balance while the 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 2025, total revenues including nonoperating revenues amounted to \$186,746,736 and expenses totaled \$199,087,517. This resulted in a decrease in net position of \$12,340,781 due to less than budgeted charges in the Risk Management Fund for unexpected claims and the increase in health claims in the Health Insurance Fund.

**Capital Projects Fund (Major Fund)**

During Fiscal Year 2025, revenues including other financing sources totaled \$31,264,421 and expenditures totaled \$35,441,909. This resulted in a decrease in the fund balance of \$4,177,488 due to the fact that the city did not sell any bonds this 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).

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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.

|                                       |                                             |
|---------------------------------------|---------------------------------------------|
| Renovations/Replacements-HVAC Systems | Renovations/Replacements-Grounds            |
| Renovations/Replacements-Reroofing    | Renovations/Replacements-Various            |
| Phone System Replacement              | Elementary Playground Equipment Replacement |

**CAPITAL ASSETS**

Section 15.2-1800.1 of the Code of Virginia, as amended, affects the reporting of local School Board capital assets and related debt for financial reporting purposes. Under this legislation, the City has a “tenancy in common” with the School Board whenever the City incurs “on-behalf of” debt for any school property which is payable over more than one year. For financial reporting purposes, the City will report the Net Book Value of School Board property equal to the total outstanding principal balance of the applicable “on-behalf of” debt at June 30, 2025. 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, 2025 amounts to \$666,168,217 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, machinery/equipment and vehicles, subscription lease for software and equipment lease for copiers/printers. The total increase in the School Board’s investment in capital assets for the current fiscal year was 4.27%, as follows:

| <b>Capital Assets</b><br><b>(net of accumulated depreciation)</b><br><b>As of June 30, 2025</b> |                       |                       |                   |
|-------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-------------------|
|                                                                                                 | 2025                  | 2024                  | Percentage Change |
| Land                                                                                            | \$ 38,951,043         | \$ 38,967,870         | -0.04%            |
| Construction in Progress                                                                        | 14,831,573            | 14,768,654            | 0.43%             |
| Buildings and Improvements                                                                      | 550,839,387           | 523,096,289           | 5.30%             |
| Machinery/Equipment and Vehicles                                                                | 59,468,326            | 61,268,452            | -2.94%            |
| Right-to-Use Subscription Asset                                                                 | 342,787               | 792,616               | -56.75%           |
| Right-to-Use Equipment Asset                                                                    | 1,735,101             | -                     | 0.00%             |
| Total Capital Assets (net)                                                                      | <u>\$ 666,168,217</u> | <u>\$ 638,893,881</u> | <u>4.27%</u>      |

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2025**

The slight increase in Construction in Progress is due to the engineering of future school replacements. The increase in Buildings and Improvements is due to adding back building net book values that the city transferred back to us based on the decrease of principal balance of the “on-behalf of” debt value. The decrease in subscription lease is due to the expiration of a lease.

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

**LONG-TERM OBLIGATIONS**

As of June 30, 2025, the School Board has reported a total of \$751,301,703 long-term obligations with \$44,719,789 due within one year. Below is a breakdown of what makes up those obligations compared to Fiscal Year 2024:

| <b>Long-Term Obligations<br/>As of June 30, 2025</b> |                       |                       |
|------------------------------------------------------|-----------------------|-----------------------|
|                                                      | 2025                  | 2024                  |
| Compensated Absences                                 | \$ 124,843,998        | \$ 49,065,484         |
| Estimated Claims and Judgements                      | 17,672,935            | 16,791,979            |
| Net Pension Liabilities                              | 462,420,828           | 484,716,006           |
| Net OPEB Liabilities                                 | 144,267,445           | 152,262,481           |
| Subscription Lease Liability                         | 333,572               | 778,559               |
| Equipment Lease Liability                            | 1,762,925             | -                     |
| Total Long-Term Obligations                          | <u>\$ 751,301,703</u> | <u>\$ 703,614,509</u> |

The School Board implemented GASB Statement No. 101, Compensated Absences. As a result, the Compensated Absences Liability increased in FY25.

Additional detailed information regarding the long-term obligations, including the current year’s activity can be found in Note 5A of this report.

**ECONOMIC FACTORS**

The unemployment rate for the City continues to be below the Metropolitan Statistical Area (MSA) and U.S. rates and is also below the Commonwealth of Virginia (state) rate. Average annual unemployment rates for 2024 were 2.8% for Virginia Beach, 3.1% for the MSA, 2.9% for Virginia, and 4.0% for the U.S. Unemployment rates are consistent in 2024 compared with 2023 for the

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2025**

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City, region and State, and there is a slight increase in the Nation. (U.S. Department of Labor, Bureau of Labor Statistics).

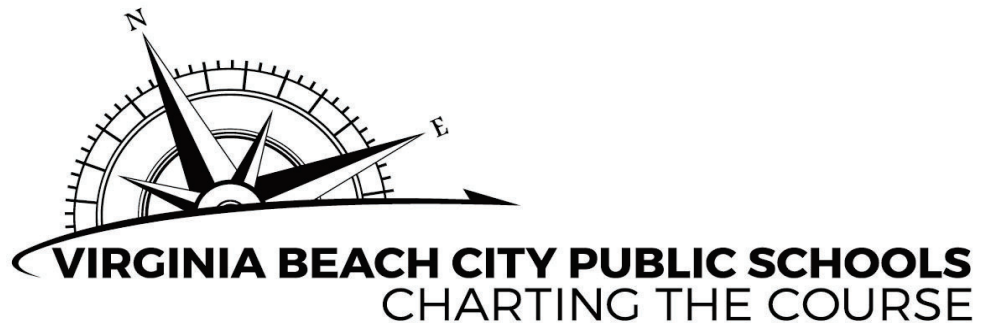
Based on the most recent data available, the per capita personal income for 2023 was \$72,091 for Virginia Beach, \$62,575 for the MSA, \$73,841 for Virginia, and \$69,810 for the U.S. Over the 5-year period from 2019 to 2024, the per capita personal income for Virginia Beach has increased an average of 5.6% per year (*Source: U.S. Bureau of Economic Analysis (BEA)*). Based on the latest data available, the median household income continues to increase for Virginia Beach in 2024 to \$94,579 compared with \$91,141 in 2023. Median household income for the City has increased an average of 3.7% per year since 2019. Virginia Beach’s median household income has continued to exceed that of the MSA (\$82,402 in 2024), Virginia (\$92,090 in 2024) and the U.S. (\$81,604 in 2024) (*Source: US Census Bureau*).

**Factors Influencing Future Budgets**

- Employee compensation and competitiveness
- Employee and retiree healthcare costs
- Declining enrollment
- Unfunded state and federal mandates
- Rising cost of operating expenses and services (e.g., fuel and utilities)
- Changes with the Virginia Retirement System (VRS)
- Increasing debt service
- Maintenance of facilities and future capital improvement program needs
- Uncertainty surrounding future federal K–12 education funding and potential reforms
- Global and national economic conditions

**REQUESTS FOR INFORMATION**

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



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# BASIC FINANCIAL STATEMENTS

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

|                                                                                                  | <b>Governmental<br/>Activities</b> |
|--------------------------------------------------------------------------------------------------|------------------------------------|
| <b>ASSETS</b>                                                                                    |                                    |
| Current Assets:                                                                                  |                                    |
| Cash and Investments (Notes 1L1 and 6)                                                           | \$ 345,773,873                     |
| Accounts Receivable                                                                              | 734,844                            |
| Due from Commonwealth (Note 2A)                                                                  | 13,782,880                         |
| Due from Federal Government (Note 2B)                                                            | 15,454,171                         |
| Lease Receivable (Note 2C)                                                                       | 529,904                            |
| Inventories (Note 1G)                                                                            | 659,483                            |
| Prepaid Items (Note 1L5)                                                                         | 1,368,082                          |
| Total Current Assets                                                                             | <u>\$ 378,303,237</u>              |
| Noncurrent Assets:                                                                               |                                    |
| Net OPEB Asset (Note 8)                                                                          | \$ 324,924                         |
| Lease Receivable, Non-Current (Note 2C)                                                          | 447,812                            |
| Capital Assets (Note 4):                                                                         |                                    |
| Land                                                                                             | 38,951,043                         |
| Buildings, Improvements, Machinery, Equipment, and<br>Vehicles (net of accumulated depreciation) | 610,307,713                        |
| Construction in Progress                                                                         | 14,831,573                         |
| Subscription Asset (net of accumulated amortization)                                             | 342,787                            |
| Equipment Lease Asset (net of accumulated amortization)                                          | 1,735,101                          |
| Total Noncurrent Assets                                                                          | <u>\$ 666,940,953</u>              |
| <b>TOTAL ASSETS</b>                                                                              | <u><b>\$ 1,045,244,190</b></u>     |
| <b>DEFERRED OUTFLOWS OF RESOURCES (Note 8)</b>                                                   |                                    |
| Deferred Outflows from Pensions                                                                  | \$ 176,761,151                     |
| Deferred Outflows from OPEB                                                                      | <u>39,267,236</u>                  |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>                                                      | <u><b>\$ 216,028,387</b></u>       |
| <b>LIABILITIES</b>                                                                               |                                    |
| Current Liabilities:                                                                             |                                    |
| Salaries Payable and Withholding (Note 7C)                                                       | \$ 93,862,580                      |
| Vouchers and<br>Accounts Payable                                                                 | 17,504,469                         |
| Accrued Interest Payable                                                                         | 18,105                             |
| Deposits Payable                                                                                 | 65,000                             |
| Due to Commonwealth                                                                              | 12,264                             |
| Due to Federal Government                                                                        | 89,443                             |
| Unearned Revenues (Note 3)                                                                       | 26,028,776                         |
| Long-term Liabilities (Note 5A)                                                                  | 44,719,789                         |
| Total Current Liabilities                                                                        | <u>\$ 182,300,426</u>              |
| Noncurrent Liabilities:                                                                          |                                    |
| Net Pension Liability (Notes 5A and 8)                                                           | 462,420,828                        |
| Net OPEB Liability (Notes 5A and 8)                                                              | 144,267,445                        |
| Other Long-term Liabilities (Notes 1I, 5A and 9)                                                 | 99,893,641                         |
| Total Noncurrent Liabilities                                                                     | <u>\$ 706,581,914</u>              |
| <b>TOTAL LIABILITIES</b>                                                                         | <u><b>\$ 888,882,340</b></u>       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                                             |                                    |
| Deferred Inflows from Pensions (Note 8)                                                          | \$ 90,500,550                      |
| Deferred Inflows from OPEB (Note 8)                                                              | 24,805,711                         |
| Deferred Inflows from Leases (Note 2C)                                                           | <u>938,719</u>                     |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                                       | <u><b>\$ 116,244,980</b></u>       |
| <b>NET POSITION (DEFICIT) (Note 1K)</b>                                                          |                                    |
| Net Investment in Capital Assets                                                                 | \$ 658,207,863                     |
| Restricted for: (Note 10D)                                                                       |                                    |
| Grants                                                                                           | 5,480,640                          |
| Cafeterias                                                                                       | 12,070,827                         |
| Textbooks                                                                                        | 10,902,881                         |
| School Activities                                                                                | 5,774,297                          |
| Net OPEB Asset                                                                                   | 324,924                            |
| Unrestricted (Deficit)                                                                           | <u>(436,616,175)</u>               |
| <b>TOTAL NET POSITION</b>                                                                        | <u><b>\$ 256,145,257</b></u>       |

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

|                                      |                  | Program Revenues |                | Net (Expenses)   |
|--------------------------------------|------------------|------------------|----------------|------------------|
|                                      |                  | Charges for      | Operating      | Revenues and     |
|                                      | Expenses         | Services         | Grants and     | Change In        |
|                                      |                  |                  | Contributions  | Net Position     |
| <u>GOVERNMENTAL ACTIVITIES</u>       |                  |                  |                |                  |
| Instruction                          | \$ 726,222,904   | \$ 2,884,486     | \$ 213,113,051 | \$ (510,225,367) |
| Administration, Attendance, & Health | 45,616,715       | 382              | 4,869,971      | (40,746,362)     |
| Pupil Transportation                 | 56,742,646       | 629,829          | -              | (56,112,817)     |
| Operations and Maintenance           | 129,895,020      | 306,281          | 4,053,295      | (125,535,444)    |
| Cafeterias                           | 42,623,348       | 9,009,213        | 29,533,340     | (4,080,795)      |
| Technology                           | 56,432,322       | 1,410,630        | 14,620,759     | (40,400,933)     |
| Total Governmental Activities        | \$ 1,057,532,955 | \$ 14,240,821    | \$ 266,190,416 | \$ (777,101,718) |

General Revenues:

## Local Sources:

|                        |                |
|------------------------|----------------|
| Local Government       | \$ 466,036,878 |
| Miscellaneous          | 7,653,791      |
| Sale of Capital Assets | 7,122,188      |

Federal and State Aid not Restricted  
to Specific Purposes:

|                    |             |
|--------------------|-------------|
| State Basic Aid    | 231,430,357 |
| State Sales Tax    | 91,643,485  |
| Federal Impact Aid | 14,616,783  |

|                   |                  |
|-------------------|------------------|
| Interest Earnings | <u>3,717,772</u> |
|-------------------|------------------|

|                        |                       |
|------------------------|-----------------------|
| Total General Revenues | <u>\$ 822,221,254</u> |
|------------------------|-----------------------|

|                        |               |
|------------------------|---------------|
| Change in Net Position | \$ 45,119,536 |
|------------------------|---------------|

|                                                        |                    |
|--------------------------------------------------------|--------------------|
| Total Net Position - July 1,<br>as previously reported | <u>283,498,724</u> |
|--------------------------------------------------------|--------------------|

|                                                           |                     |
|-----------------------------------------------------------|---------------------|
| Restatement - Change in<br>Accounting Principle (Note 1P) | <u>(72,473,003)</u> |
|-----------------------------------------------------------|---------------------|

|                                             |                    |
|---------------------------------------------|--------------------|
| Total Net Position - July 1,<br>as restated | <u>211,025,721</u> |
|---------------------------------------------|--------------------|

|                              |                       |
|------------------------------|-----------------------|
| Total Net Position - June 30 | <u>\$ 256,145,257</u> |
|------------------------------|-----------------------|

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, 2025**

|                                                             | General               | School<br>Grants     | School<br>Cafeterias | Capital<br>Projects   | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-------------------------------------------------------------|-----------------------|----------------------|----------------------|-----------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>                                               |                       |                      |                      |                       |                                |                                |
| Cash and Investments<br>(Notes 1L1 and 6)                   | \$ 93,066,330         | \$ 10,639,617        | \$ 10,392,727        | \$ 116,665,870        | \$ 24,381,802                  | \$ 255,146,346                 |
| Accounts Receivable                                         | 636,160               | 75,571               | 20,323               | -                     | -                              | 732,054                        |
| Due from Commonwealth<br>(Note 2A)                          | 10,438,528            | 3,320,815            | 23,537               | -                     | -                              | 13,782,880                     |
| Due from Federal<br>Government (Note 2B)                    | 108,411               | 11,112,255           | 4,233,505            | -                     | -                              | 15,454,171                     |
| Lease Receivable (Note 2C)                                  | -                     | -                    | -                    | -                     | 977,716                        | 977,716                        |
| Inventories (Note 1G)                                       | -                     | -                    | 659,483              | -                     | -                              | 659,483                        |
| Prepaid Items (Note 1L5)                                    | 992,828               | -                    | 5,681                | -                     | 2,000                          | 1,000,509                      |
| <b>TOTAL ASSETS</b>                                         | <b>\$ 105,242,257</b> | <b>\$ 25,148,258</b> | <b>\$ 15,335,256</b> | <b>\$ 116,665,870</b> | <b>\$ 25,361,518</b>           | <b>\$ 287,753,159</b>          |
| <b>LIABILITIES, DEFERRED INFLOWS,<br/>AND FUND BALANCES</b> |                       |                      |                      |                       |                                |                                |
| <b>Liabilities:</b>                                         |                       |                      |                      |                       |                                |                                |
| Salaries Payable and<br>Withholding (Note 7C)               | \$ 88,123,602         | \$ 4,121,845         | \$ 1,572,179         | \$ 42,469             | \$ 1,127                       | \$ 93,861,222                  |
| Vouchers and Accounts<br>Payable                            | 5,845,843             | 823,061              | 394,221              | 5,863,857             | 4,241                          | 12,931,223                     |
| Deposits Payable                                            | -                     | -                    | -                    | -                     | 65,000                         | 65,000                         |
| Due to Commonwealth                                         | 12,189                | 75                   | -                    | -                     | -                              | 12,264                         |
| Due to Federal Government                                   | 1,529                 | -                    | -                    | 87,914                | -                              | 89,443                         |
| Unearned Revenue (Note 3)                                   | 548,682               | 14,722,637           | 632,865              | -                     | -                              | 15,904,184                     |
| <b>TOTAL LIABILITIES</b>                                    | <b>\$ 94,531,845</b>  | <b>\$ 19,667,618</b> | <b>\$ 2,599,265</b>  | <b>\$ 5,994,240</b>   | <b>\$ 70,368</b>               | <b>\$ 122,863,336</b>          |
| <b>Deferred Inflows of Resources:</b>                       |                       |                      |                      |                       |                                |                                |
| Leases (Note 2C)                                            | \$ -                  | \$ -                 | \$ -                 | \$ -                  | \$ 938,719                     | \$ 938,719                     |
| <b>Fund Balances: (Notes 1J<br/>and 10D)</b>                |                       |                      |                      |                       |                                |                                |
| Nonspendable                                                | \$ 992,828            | \$ -                 | \$ 665,164           | \$ -                  | \$ 2,000                       | \$ 1,659,992                   |
| Restricted                                                  | -                     | 5,480,640            | 12,070,827           | -                     | 16,677,178                     | 34,228,645                     |
| Committed                                                   | -                     | -                    | -                    | 110,671,630           | 7,673,253                      | 118,344,883                    |
| Assigned                                                    | 9,717,584             | -                    | -                    | -                     | -                              | 9,717,584                      |
| <b>TOTAL FUND BALANCES</b>                                  | <b>\$ 10,710,412</b>  | <b>\$ 5,480,640</b>  | <b>\$ 12,735,991</b> | <b>\$ 110,671,630</b> | <b>\$ 24,352,431</b>           | <b>\$ 163,951,104</b>          |
| <b>TOTAL LIABILITIES<br/>AND FUND BALANCES</b>              | <b>\$ 105,242,257</b> | <b>\$ 25,148,258</b> | <b>\$ 15,335,256</b> | <b>\$ 116,665,870</b> | <b>\$ 25,361,518</b>           | <b>\$ 287,753,159</b>          |

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

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) | \$ 163,951,104 |
|---------------------------------------------------------|----------------|

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

|  |                                             |                    |
|--|---------------------------------------------|--------------------|
|  | Cost of Capital Assets                      | \$ 1,282,343,833   |
|  | less: Accumulated Depreciation/Amortization | <u>616,175,616</u> |
|  |                                             | 666,168,217        |

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               | \$ (124,843,998) |
|  | Subscription and Equipment Lease   | (2,096,497)      |
|  | Accrued Interest on long-term debt | <u>(18,105)</u>  |
|  |                                    | (126,958,600)    |

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            | \$ 90,997,890     |
|  | less: Total Liabilities | <u>32,372,131</u> |
|  | Total Net Position      | 58,625,759        |

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

|  |                                |                     |
|--|--------------------------------|---------------------|
|  | Net Pension Liability          | \$ (462,420,828)    |
|  | Deferred Outflows of Resources | 176,761,151         |
|  | Deferred Inflows of Resources  | <u>(90,500,550)</u> |
|  |                                | (376,160,227)       |

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

|  |                                |                      |
|--|--------------------------------|----------------------|
|  | Net OPEB Liability             | \$ (144,267,445)     |
|  | Net OPEB Asset                 | 324,924              |
|  | Deferred Outflows of Resources | 39,267,236           |
|  | Deferred Inflows of Resources  | <u>(24,805,711)</u>  |
|  |                                | <u>(129,480,996)</u> |

|                                                                                              |                       |
|----------------------------------------------------------------------------------------------|-----------------------|
| Total Net Position of Governmental Activities in the Statement of Net Position (Exhibit A-1) | \$ <u>256,145,257</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, 2025**

|                                              | General                     | School<br>Grants           | School<br>Cafeterias        | Capital<br>Projects          | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|----------------------------------------------|-----------------------------|----------------------------|-----------------------------|------------------------------|--------------------------------|--------------------------------|
| <b>REVENUES</b>                              |                             |                            |                             |                              |                                |                                |
| From Use of Money and                        |                             |                            |                             |                              |                                |                                |
| Property                                     | \$ 365,117                  | \$ -                       | \$ 776,761                  | \$ 192,165                   | \$ 1,612,198                   | \$ 2,946,241                   |
| Charges for Services                         | 1,120,957                   | -                          | 8,314,815                   | -                            | 198,568                        | 9,634,340                      |
| Miscellaneous                                | 5,123,219                   | 1,946,940                  | 731,179                     |                              | 7,177,404                      | 14,978,742                     |
| From Local Government                        | 442,005,354                 | -                          | -                           | 24,031,524                   | -                              | 466,036,878                    |
| From Commonwealth                            | 479,581,219                 | 20,398,050                 | 1,403,675                   | -                            | 5,879,387                      | 507,262,331                    |
| From Federal Government                      | 17,257,339                  | 49,342,972                 | 28,071,459                  | -                            | -                              | 94,671,770                     |
| Total Revenues                               | <u>\$ 945,453,205</u>       | <u>\$ 71,687,962</u>       | <u>\$ 39,297,889</u>        | <u>\$ 24,223,689</u>         | <u>\$ 14,867,557</u>           | <u>\$ 1,095,530,302</u>        |
| <b>EXPENDITURES</b>                          |                             |                            |                             |                              |                                |                                |
| Current:                                     |                             |                            |                             |                              |                                |                                |
| Instruction                                  | \$ 687,258,784              | \$ 61,307,951              | \$ -                        | \$ 68,491                    | \$ 7,750,474                   | \$ 756,385,700                 |
| Administration, Attendance,<br>& Health      | 43,829,089                  | 1,813,096                  | -                           | -                            | -                              | 45,642,185                     |
| Pupil Transportation                         | 52,122,304                  | 146,051                    | -                           | -                            | -                              | 52,268,355                     |
| Operations and Maintenance                   | 113,231,445                 | 5,425,672                  | -                           | 9,594,340                    | -                              | 128,251,457                    |
| Cafeterias                                   | -                           | 66,707                     | 44,085,611                  | -                            | -                              | 44,152,318                     |
| Technology                                   | 44,084,971                  | 8,337,510                  | 239,074                     | 33,246                       | 2,818,293                      | 55,513,094                     |
| Capital Outlay                               | 1,971,342                   | -                          | -                           | 25,745,832                   | -                              | 27,717,174                     |
| Debt Service:                                |                             |                            |                             |                              |                                |                                |
| Principal                                    | 493,629                     | -                          | -                           | -                            | 159,774                        | 653,403                        |
| Interest                                     | 82,673                      | -                          | -                           | -                            | 14,296                         | 96,969                         |
| Total Expenditures                           | <u>\$ 943,074,237</u>       | <u>\$ 77,096,987</u>       | <u>\$ 44,324,685</u>        | <u>\$ 35,441,909</u>         | <u>\$ 10,742,837</u>           | <u>\$ 1,110,680,655</u>        |
| <b>EXCESS (DEFICIENCY) OF</b>                |                             |                            |                             |                              |                                |                                |
| <b>REVENUES OVER (UNDER)</b>                 |                             |                            |                             |                              |                                |                                |
| <b>EXPENDITURES</b>                          | <u>\$ 2,378,968</u>         | <u>\$ (5,409,025)</u>      | <u>\$ (5,026,796)</u>       | <u>\$ (11,218,220)</u>       | <u>\$ 4,124,720</u>            | <u>\$ (15,150,353)</u>         |
| <b>OTHER FINANCING SOURCES</b>               |                             |                            |                             |                              |                                |                                |
| <b>(USES)</b>                                |                             |                            |                             |                              |                                |                                |
| Transfers In (Note 10A)                      | \$ -                        | \$ 6,094,054               | \$ -                        | \$ -                         | \$ -                           | \$ 6,094,054                   |
| Transfers Out (Note 10A)                     | (6,094,054)                 | -                          | -                           | -                            | -                              | (6,094,054)                    |
| Sale of Capital Assets                       | 81,456                      | -                          | -                           | 7,040,732                    | -                              | 7,122,188                      |
| Lease Asset                                  | 1,971,342                   | -                          | -                           | -                            | -                              | 1,971,342                      |
| Total Other Financing<br>Sources (Uses), net | <u>\$ (4,041,256)</u>       | <u>\$ 6,094,054</u>        | <u>\$ -</u>                 | <u>\$ 7,040,732</u>          | <u>\$ -</u>                    | <u>\$ 9,093,530</u>            |
| <b>NET CHANGES IN</b>                        |                             |                            |                             |                              |                                |                                |
| <b>FUND BALANCES</b>                         | <u>\$ (1,662,288)</u>       | <u>\$ 685,029</u>          | <u>\$ (5,026,796)</u>       | <u>\$ (4,177,488)</u>        | <u>\$ 4,124,720</u>            | <u>\$ (6,056,823)</u>          |
| <b>FUND BALANCES - JULY 1</b>                | <u>12,372,700</u>           | <u>4,795,611</u>           | <u>17,762,787</u>           | <u>114,849,118</u>           | <u>20,227,711</u>              | <u>170,007,927</u>             |
| <b>FUND BALANCES - JUNE 30</b>               | <u><u>\$ 10,710,412</u></u> | <u><u>\$ 5,480,640</u></u> | <u><u>\$ 12,735,991</u></u> | <u><u>\$ 110,671,630</u></u> | <u><u>\$ 24,352,431</u></u>    | <u><u>\$ 163,951,104</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, 2025**

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) \$ (6,056,823)

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

2,995,203

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.

(3,305,511)

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  | \$ 726,988          |              |
| Health Insurance | <u>(13,067,769)</u> | (12,340,781) |

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, 2025. This amount is the applicable net book value change and depreciation expense for the fiscal year.

24,279,133

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

|                    |                |         |
|--------------------|----------------|---------|
| Subscription Lease | \$ 457,491     |         |
| Equipment Lease    | <u>166,382</u> | 623,873 |

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

(1,938,563)

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

|                   |                   |            |
|-------------------|-------------------|------------|
| Pension Expense   | \$ 22,295,179     |            |
| Deferred Inflows  | (16,153,769)      |            |
| Deferred Outflows | <u>27,989,560</u> | 34,130,970 |

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

|                   |                    |           |
|-------------------|--------------------|-----------|
| OPEB Expense      | \$ 8,245,672       |           |
| Deferred Inflows  | 5,729,366          |           |
| Deferred Outflows | <u>(7,243,003)</u> | 6,732,035 |

Change in Net Position of governmental activities in the Statement of Activities (Exhibit A-2) \$ 45,119,536

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, 2025

|                                        | Governmental<br>Activities:<br>Internal<br>Service Funds |
|----------------------------------------|----------------------------------------------------------|
| <u>ASSETS</u>                          |                                                          |
| Current Assets:                        |                                                          |
| Cash and Investments (Notes 1L1 and 6) | \$ 90,627,527                                            |
| Accounts Receivable                    | 2,790                                                    |
| Prepaid Items (Note 1L5)               | 367,573                                                  |
| Total Current Assets                   | <u>\$ 90,997,890</u>                                     |
| <br>TOTAL ASSETS                       | <br><u>\$ 90,997,890</u>                                 |
| <u>LIABILITIES</u>                     |                                                          |
| Current Liabilities:                   |                                                          |
| Salaries Payable                       | \$ 1,358                                                 |
| Vouchers and                           |                                                          |
| Accounts Payables                      | 4,573,246                                                |
| Unearned Revenues (Note 3)             | 10,124,592                                               |
| Estimated Claims and                   |                                                          |
| Judgments (due within one year)        |                                                          |
| (Notes 5A and 9)                       | 13,254,701                                               |
| Total Current Liabilities              | <u>\$ 27,953,897</u>                                     |
| Noncurrent Liabilities:                |                                                          |
| Estimated Claims and                   |                                                          |
| Judgments (due in more than one year)  |                                                          |
| (Notes 5A and 9)                       | 4,418,234                                                |
| Total Noncurrent Liabilities           | <u>\$ 4,418,234</u>                                      |
| <br>TOTAL LIABILITIES                  | <br><u>\$ 32,372,131</u>                                 |
| <u>NET POSITION</u>                    |                                                          |
| Unrestricted                           | <u>\$ 58,625,759</u>                                     |
| <br>TOTAL NET POSITION                 | <br><u><u>\$ 58,625,759</u></u>                          |

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, 2025

|                                     | Governmental<br>Activities:<br>Internal<br>Service Funds |
|-------------------------------------|----------------------------------------------------------|
| <hr/>                               |                                                          |
| <u>OPERATING REVENUES</u>           |                                                          |
| Charges for Services                | \$ 182,049,367                                           |
| Miscellaneous Revenue               | 21,047                                                   |
| Total Operating Revenues            | <u>\$ 182,070,414</u>                                    |
| <u>OPERATING EXPENSES</u>           |                                                          |
| Personnel Services                  | \$ 1,053,990                                             |
| Fringe Benefits                     | 376,795                                                  |
| Purchased Services                  | 2,446,834                                                |
| Other Charges (Note 1L2)            | 195,209,898                                              |
| Total Operating Expenses            | <u>\$ 199,087,517</u>                                    |
| <u>OPERATING LOSS</u>               | <u>\$ (17,017,103)</u>                                   |
| <u>NONOPERATING REVENUES</u>        |                                                          |
| Interest Income                     | \$ 4,676,322                                             |
| Total Nonoperating Revenues         | <u>\$ 4,676,322</u>                                      |
| <u>CHANGES IN NET POSITION</u>      | <u>\$ (12,340,781)</u>                                   |
| <u>TOTAL NET POSITION - JULY 1</u>  | <u>70,966,540</u>                                        |
| <u>TOTAL NET POSITION - JUNE 30</u> | <u><u>\$ 58,625,759</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, 2025**

|                                        | Governmental<br>Activities:<br>Internal<br>Service Funds |
|----------------------------------------|----------------------------------------------------------|
| <u>CASH FLOWS FROM OPERATING</u>       |                                                          |
| <u>ACTIVITIES:</u>                     |                                                          |
| Receipts from Users                    | \$ 188,556,165                                           |
| Payments to Vendors for Goods/Services | (200,719,262)                                            |
| Payments to Employees for Services     | (1,431,852)                                              |
| Net Cash Used In Operating Activities  | <u>\$ (13,594,949)</u>                                   |
| <u>CASH FLOWS FROM INVESTING</u>       |                                                          |
| <u>ACTIVITIES:</u>                     |                                                          |
| Interest Received on Investments       | <u>4,676,322</u>                                         |
| <u>NET DECREASE IN</u>                 |                                                          |
| <u>CASH AND INVESTMENTS</u>            | \$ (8,918,627)                                           |
| <u>CASH AND INVESTMENTS,</u>           |                                                          |
| <u>BEGINNING OF YEAR</u>               | <u>99,546,154</u>                                        |
| <u>CASH AND INVESTMENTS,</u>           |                                                          |
| <u>END OF YEAR</u>                     | <u>\$ 90,627,527</u>                                     |
| <u>RECONCILIATION OF OPERATING</u>     |                                                          |
| <u>LOSS TO NET CASH</u>                |                                                          |
| <u>USED IN OPERATING</u>               |                                                          |
| <u>ACTIVITIES:</u>                     |                                                          |
| Operating Loss                         | <u>\$ (17,017,103)</u>                                   |
| Adjustments to Reconcile Operating     |                                                          |
| Loss to Net Cash Used In               |                                                          |
| Operating Activities                   |                                                          |
| (Increase) Decrease in Assets          |                                                          |
| Accounts Receivable                    | \$ 5,308,092                                             |
| Prepaid Items                          | (80,430)                                                 |
| Increase (Decrease) in Liabilities     |                                                          |
| Salaries Payable                       | (1,067)                                                  |
| Vouchers and Accounts Payable          | (3,863,056)                                              |
| Unearned Revenue                       | 1,177,659                                                |
| Estimated Claims and Judgments         | 880,956                                                  |
| Total Adjustments                      | <u>\$ 3,422,154</u>                                      |
| Net Cash Used In Operating Activities  | <u>\$ (13,594,949)</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, 2025**

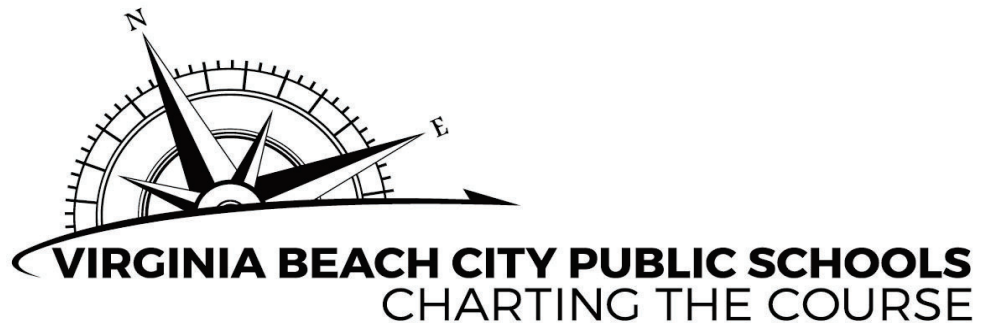
|                                                     | Other<br>Postemployment<br>Benefits<br>Trust Fund |
|-----------------------------------------------------|---------------------------------------------------|
| <u>ASSETS</u>                                       |                                                   |
| Fixed Income                                        | \$ 10,184,009                                     |
| Stocks                                              | 24,950,822                                        |
| Real Estate                                         | 7,638,007                                         |
| Alternative Investments                             | <u>8,147,208</u>                                  |
| <br>TOTAL ASSETS                                    | <br><u><u>\$ 50,920,046</u></u>                   |
| <u>NET POSITION</u>                                 |                                                   |
| Net Position Restricted for Postemployment Benefits |                                                   |
| Other than Pensions                                 | <u><u>\$ 50,920,046</u></u>                       |

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2025**

|                                           | Other<br>Postemployment<br>Benefits<br>Trust Fund |
|-------------------------------------------|---------------------------------------------------|
| <b><u>ADDITIONS</u></b>                   |                                                   |
| Contributions:                            |                                                   |
| Employer                                  | \$ 8,445,375                                      |
| Investment Earnings:                      |                                                   |
| Increase in the Fair Value of Investments | \$ 4,138,117                                      |
| Total Additions                           | \$ 12,583,492                                     |
| <b><u>DEDUCTIONS</u></b>                  |                                                   |
| Benefits                                  | \$ 8,445,375                                      |
| Administrative Expenses                   | 28,909                                            |
| Total Deductions                          | \$ 8,474,284                                      |
| Change in Net Position                    | \$ 4,109,208                                      |
| Net Position at Beginning of Year         | 46,810,838                                        |
| Net Position at End of Year               | \$ 50,920,046                                     |

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, 2025**

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**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

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

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

The School Board reports the following major governmental funds:

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

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

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

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

Additionally, the School Board reports the following fund types:

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

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**B. Financial Reporting Entity**

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

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

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

**C. Capital Assets**

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

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

**D. Subscription Based Information Technology Arrangements**

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary 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.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

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

- Commonwealth of Virginia
- State Sales Taxes
- Federal Government

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

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

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

**F. Encumbrances**

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**G. Inventories**

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

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

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

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

**I. Accrued Compensated Leave**

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

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

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

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

**J. Fund Balance**

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

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

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

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

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

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

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

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

**K. Net Position**

The difference between assets and deferred outflows of 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:

**Net Investment in Capital Assets** - The net investment in capital assets represents the portion of net position related to capital assets (net of accumulated depreciation) reduced by lease liability, subscription liability, contract retainages, and accounts payable associated with acquiring the assets.

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

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

**L. Miscellaneous**

**1. Cash and Investments**

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

**2. Proprietary Funds’ Other Charges**

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

**3. Statement of Cash Flows**

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

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

**4. Long-Term Obligations**

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

**5. Prepaid Items**

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

**6. Debt Service**

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

**M. Use of Estimates**

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

**N. Pensions**

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

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

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

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**O. Other Postemployment Benefits**

**1. Retiree Health Benefits**

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

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

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

**3. Group Life Insurance**

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

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

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

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

**P. Implementation of New Accounting Pronouncements**

The School Board implemented GASB Statement No. 101, Compensated Absences. The requirements of this Statement establishes standards for accounting and financial reporting by updating the recognition and measurement guidance for compensated absences. The statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash. This statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability. The financial reporting impact from the implementation of Statement No. 101 resulted in a restatement of the Statement of Net Position for fiscal year ended June 30, 2024 which resulted in a reduction to the beginning net position of \$72.5 million.

The School Board implemented GASB Statement No. 102, Certain Risk Disclosures. This Statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints.

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

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

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| <b>GASB<br/>STATEMENT NO.</b> | <b>GASB ACCOUNTING STANDARD</b>        | <b>EFFECTIVE<br/>FISCAL YEAR</b> |
|-------------------------------|----------------------------------------|----------------------------------|
| 103                           | Financial Reporting Model Improvements | 2026                             |
| 104                           | Disclosure of Certain Capital Assets   | 2026                             |

**2. RECEIVABLES**

**A. Due from Commonwealth**

The following revenues were due from the Commonwealth of Virginia at June 30, 2025:

|                                                   |                      |
|---------------------------------------------------|----------------------|
| State Share Sales Tax                             | \$ 8,092,733         |
| Special Education – Regional Program              | 2,345,795            |
| Technology Initiative                             | 2,734,762            |
| Juvenile Detention Center                         | 412,768              |
| Other Grants, Entitlements, and Shared Revenues   | <u>196,822</u>       |
| Total Due From Commonwealth (Exhibit A-3 and A-1) | <u>\$ 13,782,880</u> |

**B. Due from Federal Government**

The following revenues were due from various Federal agencies at June 30, 2025:

|                                                  |                   |
|--------------------------------------------------|-------------------|
| Adult Basic Education                            | 79,150            |
| Carl Perkins                                     | 799,146           |
| CSLFRF                                           | 1,810,127         |
| DODEA Spanish Immersion                          | 45,888            |
| DODEA WLARP                                      | 74,627            |
| McKinney Homeless                                | 37,377            |
| NJROTC                                           | 108,411           |
| PERKINS CTE SECONDARY RESERVE FUNDS              | 10,478            |
| Preschool Incentive                              | 87,757            |
| National School Lunch Program                    | 2,937,577         |
| School Breakfast Program                         | 1,200,989         |
| Summer Feeding Program                           | 5,646             |
| Child and Adult Care Program                     | 89,293            |
| Title I                                          | 5,701,305         |
| Title II                                         | 466,168           |
| Title III                                        | 55,843            |
| Title IV                                         | 326,479           |
| Title VI-B                                       | 1,617,725         |
| Other Grants, Entitlements, and Shared Revenues  | <u>185</u>        |
| Total Due From Federal Gvt (Exhibit A-3 and A-1) | <u>15,454,171</u> |

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**C. Lease Receivable**

The School Board leases cell towers to various third parties under multiple leases. The leases are for periods ending at various dates through December 2030 and the School Board receives monthly lease payments ranging from \$72 to \$6,565. The School Board recognized \$526,058 in lease revenue and \$16,884 in interest revenue during the current fiscal year related to these leases. As of June 30, 2025, the School Board's receivable for lease payments was \$977,716. Also, the School Board has deferred inflows of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2025, the balance of the deferred inflow of resources was \$938,719.

**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, 2025:

|                                                                                                                  |                             |
|------------------------------------------------------------------------------------------------------------------|-----------------------------|
| General Fund – Summer School Tuition, Regular School Tuition                                                     | \$ 548,682                  |
| School Grants Fund – Early Reading Intervention, Algebra Readiness,<br>VA Preschool Initiative, and other grants | 14,722,637                  |
| School Cafeterias - Charges for Service                                                                          | <u>632,865</u>              |
| Total Unearned Revenue – Governmental Funds (Exhibit A-3)                                                        | <u>\$ 15,904,184</u>        |
| School Health Insurance Internal Service Fund – Prepayment of July<br>health insurance premiums (Exhibit A-5)    | 10,124,592                  |
| Total Unearned Revenue – Governmental Activities (Exhibit A-1)                                                   | <u><u>\$ 26,028,776</u></u> |

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**4. CAPITAL ASSETS**

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

|                                                         | Balance<br>July 1, 2024 | Increases            | Decreases            | Balance<br>June 30, 2025 |
|---------------------------------------------------------|-------------------------|----------------------|----------------------|--------------------------|
| Governmental Activities:                                |                         |                      |                      |                          |
| Capital Assets Not Being Depreciated:                   |                         |                      |                      |                          |
| Land                                                    | \$ 38,967,870           | \$ -                 | \$ 16,827            | \$ 38,951,043            |
| Construction in Progress                                | 14,768,654              | 2,538,063            | 2,475,144            | 14,831,573               |
| Total Capital Assets Not Being Depreciated              | <u>\$ 53,736,524</u>    | <u>\$ 2,538,063</u>  | <u>\$ 2,491,971</u>  | <u>\$ 53,782,616</u>     |
| Capital Assets Being Depreciated / Amortized:           |                         |                      |                      |                          |
| Buildings                                               | \$ 923,692,230          | \$ 55,744,242        | \$ 1,479,473         | \$ 977,956,999           |
| Improvements Other Than Buildings                       | 86,677,054              | 2,263,487            | -                    | 88,940,541               |
| Machinery/Equipment and Vehicles                        | 159,414,248             | 7,752,408            | 8,297,011            | 158,869,645              |
| Right-to-Use Subscription Asset                         | 1,678,562               | -                    | 855,872              | 822,690                  |
| Right-to-Use Equipment Asset                            | -                       | 1,971,342            | -                    | 1,971,342                |
| Total Capital Assets Being Depreciated / Amortized      | <u>\$ 1,171,462,094</u> | <u>\$ 67,731,479</u> | <u>\$ 10,632,356</u> | <u>\$ 1,228,561,217</u>  |
| Less Accumulated Depreciation / Amortization for:       |                         |                      |                      |                          |
| Buildings                                               | \$ 428,261,741          | \$ 27,514,458        | \$ 1,479,473         | \$ 454,296,726           |
| Improvements Other Than Buildings                       | 59,011,254              | 2,750,173            | -                    | 61,761,427               |
| Machinery/Equipment and Vehicles                        | 98,145,796              | 9,481,406            | 8,225,883            | 99,401,319               |
| Right-to-Use Subscription Asset                         | 885,946                 | 449,829              | 855,872              | 479,903                  |
| Right-to-Use Equipment Asset                            | -                       | 236,241              | -                    | 236,241                  |
| Total Accumulated Depreciation / Amortization           | <u>\$ 586,304,737</u>   | <u>\$ 40,432,107</u> | <u>\$ 10,561,228</u> | <u>\$ 616,175,616</u>    |
| Total Capital Assets Being Depreciated / Amortized, Net | <u>\$ 585,157,357</u>   | <u>\$ 27,299,372</u> | <u>\$ 71,128</u>     | <u>\$ 612,385,601</u>    |
| Governmental Activities Capital Assets, Net             | <u>\$ 638,893,881</u>   | <u>\$ 29,837,435</u> | <u>\$ 2,563,099</u>  | <u>\$ 666,168,217</u>    |

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

Section 15.2-1800.1 of the *Code of Virginia*, as amended, affects the reporting of local School Board capital assets and related debt for financial reporting purposes. Under this legislation, the City has a “tenancy in common” with the School Board whenever the City incurs “on behalf of” debt for any school property owned by the School Board, which is payable over more than one year. For financial reporting purposes, the City will report the Net Book Value of School Board property (the School Board incurs the depreciation expense) equal to the total outstanding principal balance of the applicable “on behalf of” debt at June 30, 2025, as follows:

|                                       |                       |
|---------------------------------------|-----------------------|
| School Buildings reported by the City | \$ 351,587,165        |
| Less: Accumulated Depreciation        | <u>67,264,394</u>     |
| Net Book Value reported by the City   | <u>\$ 284,322,771</u> |

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

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

|                                |                                 |
|--------------------------------|---------------------------------|
| Instruction                    | \$ 29,066,054                   |
| Admin, Attendance, & Health    | 377,517                         |
| Pupil Transportation           | 7,048,489                       |
| Operations and Maintenance     | 853,162                         |
| Cafeterias                     | 594,732                         |
| Technology                     | <u>2,090,716</u>                |
| <br>Total Depreciation Expense | <br><u><u>\$ 40,030,670</u></u> |

Note: Approximately \$8.0 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 \$401,437 increase to accumulated depreciation in Note 4A as a result of the transfer of buildings previously reported by the City and transferred to the School Board in the current year as a result of the Tenancy in Common provision disclosed in Note 4B.

**5. LONG-TERM LIABILITIES**

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

The School Board has entered into equipment leases for the use of copiers for a period of 5 to 6 years and an incremental borrowing rate of 6.30 percent. An initial lease liability was recorded in the amount ranging from \$106,952 to \$1,361,500. The School Board is required to make annual fixed payments ranging from \$1,808 to \$23,021. The copiers' estimated useful life was 60 months as of the contract commencement. These equipment leases are recorded at present value of their future minimum lease payments as of the inception date and expire at various times through fiscal year 2031.

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Equipment lease debt service requirements to maturity are as follows:

| Fiscal Year Ended<br>June 30 | Principal           | Interest          | Total<br>Payments   |
|------------------------------|---------------------|-------------------|---------------------|
| 2026                         | 290,574             | 102,769           | 393,343             |
| 2027                         | 309,419             | 83,925            | 393,344             |
| 2028                         | 329,485             | 63,859            | 393,344             |
| 2029                         | 350,852             | 42,491            | 393,343             |
| 2030                         | 373,605             | 19,738            | 393,343             |
| 2031                         | 108,990             | 1,530             | 110,520             |
| Total Equipment Payments     | <u>\$ 1,762,925</u> | <u>\$ 314,312</u> | <u>\$ 2,077,237</u> |

The School Board has entered into SBITAs for finance, reporting, and learning software for a period of 2 to 4 years and an incremental borrowing rate of 2.86 percent. The SBITAs have been recorded at the present value of the future contract payments as of the date of their inception or, for SBITAs existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2022.

Software lease debt service requirements to maturity are as follows:

| Fiscal Year Ended<br>June 30 | Principal         | Interest         | Total<br>Payments |
|------------------------------|-------------------|------------------|-------------------|
| 2026                         | 164,404           | 9,666            | 174,070           |
| 2027                         | 169,168           | 4,902            | 174,070           |
| Total SBITA Payments         | <u>\$ 333,572</u> | <u>\$ 14,568</u> | <u>\$ 348,140</u> |

For the year ended June 30, 2025, the School Board has software leases with variable payments that were based on user seats which were expensed as incurred in the amount of \$6,248,904.

For the year ended June 30, 2025, the School Board had no other payments, such as termination penalties, not previously included in the measurement of the software liability.

For the year ended June 30, 2025, the School Board had no commitments under software leases before the commencement of the subscription term or any losses associated with the impairment.

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Equipment lease liabilities and SBITA liabilities are included in long-term liabilities as follows at June 30, 2025:

|                                | Balance               |                       |                       | Balance               | Amounts              |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| Governmental Activities:       | <u>July 1, 2024</u>   | <u>Additions</u>      | <u>Reductions</u>     | <u>June 30, 2025</u>  | <u>Due Within</u>    |
|                                |                       |                       |                       |                       | <u>One Year</u>      |
| Accrued Compensated Leave      |                       |                       |                       |                       |                      |
| (Note 5B) *                    | \$ 121,538,487        | \$ 3,305,511          | \$ -                  | \$ 124,843,998        | \$ 31,010,110        |
| Estimated Claims and Judgments |                       |                       |                       |                       |                      |
| (Notes 9A and 9C)              | 16,791,979            | 195,209,898           | 194,328,942           | 17,672,935            | 13,254,701           |
| Net Pension Liability          |                       |                       |                       |                       |                      |
| (Note 8A)                      | 484,716,006           | 238,150,132           | 260,445,310           | 462,420,828           | -                    |
| Net OPEB Liability             |                       |                       |                       |                       |                      |
| (Note 8B-F)                    | 152,262,481           | 61,471,716            | 69,466,752            | 144,267,445           | -                    |
| Subscription Liability         | 778,559               | -                     | 444,987               | 333,572               | 164,404              |
| Equipment Lease                | -                     | 1,938,563             | 175,638               | 1,762,925             | 290,574              |
| Long-Term Liabilities          | <u>\$ 776,087,512</u> | <u>\$ 500,075,820</u> | <u>\$ 524,861,629</u> | <u>\$ 751,301,703</u> | <u>\$ 44,719,789</u> |

\* The change in compensated absences liability is presented as a net change and July 1, 2024 balance has been restated to reflect implementation of GASB No. 101, Compensated Absences

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, 2025:

| Compensated  |                       |
|--------------|-----------------------|
| <u>Leave</u> |                       |
| Annual       | \$ 16,757,380         |
| Sick         | 100,354,229           |
| Personal     | <u>7,732,389</u>      |
| Total        | <u>\$ 124,843,998</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 one financial institution. Bank of America provides services to the City while a \$8.0 million balance is maintained in a non-interest bearing certificate of deposit. 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, 2025, 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, 2025           | Quoted Prices in<br>Active Markets<br>for Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Other<br>Unobservable<br>Inputs<br>(Level 3) |
|-------------------------------------------------|-------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------|
| <b>Investments at Fair Value:</b>               |                         |                                                                            |                                                           |                                                             |
| Money Market Funds                              | \$ 11,234,308           | \$ -                                                                       | \$ 11,234,308                                             | \$ -                                                        |
| Negotiable Certificates of Deposits             | 40,014,875              | -                                                                          | 40,014,875                                                | -                                                           |
| Commercial Paper                                | 73,657,149              | -                                                                          | 73,657,149                                                | -                                                           |
| U.S. Government Securities                      | 304,987,180             | -                                                                          | 304,987,180                                               | -                                                           |
| Treasury Coupon Securities                      | 27,721,049              | -                                                                          | 27,721,049                                                | -                                                           |
| Municipal Bonds                                 | 5,021,307               | -                                                                          | 5,021,307                                                 | -                                                           |
| Miscellaneous Coupon Securities                 | 398,669,860             | -                                                                          | 398,669,860                                               | -                                                           |
|                                                 | <u>\$ 861,305,728</u>   | <u>\$ -</u>                                                                | <u>\$ 861,305,728</u>                                     | <u>\$ -</u>                                                 |
| <b>Investments Measured at Amortized Cost:</b>  |                         |                                                                            |                                                           |                                                             |
| Certificates of Deposits                        | \$ 75,000,000           |                                                                            |                                                           |                                                             |
| State Non Arbitrage Program (SNAP)              | 121,902,701             |                                                                            |                                                           |                                                             |
| State Treasurer's Local Government Pool (LGIP)  | 227,000,000             |                                                                            |                                                           |                                                             |
| Virginia Investment Pool (VIP)                  | 11,845,594              |                                                                            |                                                           |                                                             |
| Virginia Investment Pool (VIP) - Liquidity Pool | 248,152,204             |                                                                            |                                                           |                                                             |
| Total Fair Value                                | <u>\$ 683,900,499</u>   |                                                                            |                                                           |                                                             |
| Total Investments                               | <u>\$ 1,545,206,227</u> |                                                                            |                                                           |                                                             |
| Portfolio Weighted Average Maturity             |                         |                                                                            |                                                           |                                                             |

Reconciliation of total deposits and investments at June 30, 2025:

|                                                  | Primary<br>Government   | School Board<br>Component<br>Unit | Total                   |
|--------------------------------------------------|-------------------------|-----------------------------------|-------------------------|
| Cash and Investments                             | \$ 1,099,739,739        | \$ 345,773,873                    | \$ 1,445,513,612        |
| Restricted Cash and Cash Equivalents             | 319,579,586             | -                                 | 319,579,586             |
| Fiduciary Funds                                  | 69,048,267              | 50,920,046                        | 119,968,313             |
| Total                                            | <u>\$ 1,488,367,592</u> | <u>\$ 396,693,919</u>             | <u>\$ 1,885,061,511</u> |
| Less: Cash on Deposit                            |                         |                                   | <u>(339,855,284)</u>    |
| Total Fair Value of Investments at June 30, 2025 |                         |                                   | <u>\$ 1,545,206,227</u> |

The City has investments in U.S. Government securities valued at \$305.0 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

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quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the City's custodian bank.

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

The remaining investments are measured in accordance with existing GAAP standards at amortized costs totaled \$683.9 million at June 30, 2025. 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. Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. At the present time, there are no specific foreign currency guidelines for

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equities or active fixed income investments because the VBCPS does not hold foreign currency investments.

**D. Credit Risk**

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

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

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

The City's rated debt investments as of June 30, 2025 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                        | \$ 227,000,000 | \$ -             |
| U. S. Government Securities | 304,987,180    | -                |
| SNAP                        | 121,902,701    | -                |
| Commercial Paper            | -              | 73,657,149       |

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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, or \$15,000,000, whichever is less, can be invested in any one issuing corporation. Bankers' acceptance instruments shall not exceed 50% of the total investment portfolio's book value on the date of acquisition.

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

## **7. COMMITMENTS AND CONTINGENCIES**

### **A. Litigation**

The School Board, as of June 30, 2025, 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 2025) 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 2025 and not paid until July 2025) to substitutes, part-time employees, and other school personnel.

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**D. Construction Projects**

The School Board has active construction projects and related contractual commitments as of June 30, 2025, as follows:

| <u>Construction in Progress</u> | <u>Commitments</u> |
|---------------------------------|--------------------|
| \$14,831,573                    | \$36,049,486       |

**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, 2025. These outstanding encumbrances (listed below) do not constitute expenditures until expended or accrued as liabilities and, therefore, are not reflected in the accompanying financial statements.

| <u>Fund</u>        | <u>Amount of Encumbrances</u> |
|--------------------|-------------------------------|
| General            | \$ 5,821,253                  |
| Capital Projects   | 36,049,486                    |
| Other Governmental | 5,236,588                     |
| Total              | <u>\$ 47,107,327</u>          |

**8. RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS**

**A. Virginia Retirement System**

**1. Plan Description**

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

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

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

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| <b>PLAN 1</b><br><b>Retirement Plan Provisions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>PLAN 2</b><br><b>Retirement Plan Provisions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>HYBRID</b><br><b>Retirement Plan Provisions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>January 1, 2013, and they have not taken a refund</p> <p><b><u>Hybrid Opt-In Election</u></b><br/> VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p> | <p>date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p><b><u>Hybrid Opt-In Election</u></b><br/> Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p> | <p>membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> <li>• School division employees</li> <li>• Political subdivision employees*</li> <li>• Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014</li> </ul> <p><b>*Non-Eligible Members</b><br/> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees</li> </ul> <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p> |
| <p><b><u>Retirement Contributions</u></b><br/> Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p><b><u>Retirement Contributions</u></b><br/> Same as Plan 1.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p><b><u>Retirement Contributions</u></b><br/> 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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| <b>PLAN 1</b><br><b>Retirement Plan Provisions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>PLAN 2</b><br><b>Retirement Plan Provisions</b>       | <b>HYBRID</b><br><b>Retirement Plan Provisions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>                                                                                                                                                                                                                                                                                                                                                                                |                                                          | <p>percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p><b><u>Service Credit</u></b><br/> Service Credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> | <p><b><u>Service Credit</u></b><br/> Same as Plan 1.</p> | <p><b><u>Service Credit</u></b><br/> <b><u>Defined Benefit Component:</u></b><br/> Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><b><u>Defined Contribution Component:</u></b><br/> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p> |

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

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

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

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

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

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

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**2. Employees Covered by Benefit Terms**

As of the June 30, 2023 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            | 1,908 |
| Inactive Members:                       |       |
| Vested Inactive Members                 | 441   |
| Non-Vested Inactive Members             | 1,352 |
| LTD                                     | 12    |
| Active Elsewhere in VRS                 | 431   |
| Total Inactive Members                  | 2,236 |
| Active Members                          | 1,853 |
| Total Covered Employees                 | 5,997 |

**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, 2025 was 14.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 \$72,263,417 and \$80,073,655 for the years ended June 30, 2025 and June 30, 2024, respectively.

For the Nonprofessional (non-teacher) employees. The School Board contractually required employer contribution rate for the year ended June 30, 2025 was 8.28% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 \$5,241,489 and \$4,494,351 for the years ended June 30, 2025 and June 30, 2024, respectively.

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**4. Net Pension Liability**

At June 30, 2025, the School Board reported a net pension liability of \$447,637,568 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, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed June 30, 2023 and rolled forward to the measurement date of June 30, 2024. 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, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the School Board's proportion was 4.76873% as compared to 4.66432% at June 30, 2023.

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, 2024, net pension liability amounts for the VRS Teacher Employee Retirement Plan are as follows (amounts expressed in thousands):

|                                                                               | <b><u>Teacher Employee<br/>Retirement Plan</u></b> |
|-------------------------------------------------------------------------------|----------------------------------------------------|
| Total Pension Liability                                                       | \$ 60,622,260                                      |
| Plan Fiduciary Net Position                                                   | <u>51,235,326</u>                                  |
| Employers' Net Pension Liability                                              | <b><u>\$ 9,386,934</u></b>                         |
|                                                                               |                                                    |
| Plan Fiduciary Net Position as a Percentage of<br>the Total Pension Liability | 84.52%                                             |

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 liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023 rolled forward to the measurement date of June 30, 2024. At June 30, 2025, the school division reported a net pension liability of \$14,783,260 for the Nonprofessional (non-teacher) Retirement Plan.

**5. Pension Expense**

For the year ended June 30, 2025, the School Board recognized pension expense of \$38,104,565 for the Teacher Retirement Plan (Professional). Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts

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

In addition, for the year ended June 30, 2025, the School Board recognized pension expense of \$5,574,926 for the Nonprofessional (non-teacher) Retirement Plan.

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

At June 30, 2025, 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<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between Expected and Actual Experience                                                            | \$ 77,658,806                             | \$ 9,217,169                             |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments                              | -                                         | 61,617,584                               |
| Change in Assumptions                                                                                         | 8,125,220                                 | -                                        |
| Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions | 8,086,722                                 | 12,254,445                               |
| Employer Contributions Subsequent to the Measurement Date                                                     | <u>72,263,417</u>                         | -                                        |
| Total                                                                                                         | <u><u>\$ 166,134,165</u></u>              | <u><u>\$ 83,089,198</u></u>              |

\$72,263,417 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Fiscal Year Ended<br/>June 30</u> | <u>Deferred<br/>Amounts</u> |
|--------------------------------------|-----------------------------|
| 2026                                 | \$ (31,718,137)             |
| 2027                                 | 37,025,430                  |
| 2028                                 | 9,636,527                   |
| 2029                                 | <u>(4,162,270)</u>          |
|                                      | <u><u>\$ 10,781,550</u></u> |

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In addition, at June 30, 2025, for the Nonprofessional (non-teacher) Retirement Plan, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|----------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between Expected and Actual Experience                               | \$ 5,385,497                      | \$ -                             |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | -                                 | 7,411,352                        |
| Employer Contributions Subsequent to the Measurement Date                        | 5,241,489                         | -                                |
| Total                                                                            | <u>\$ 10,626,986</u>              | <u>\$ 7,411,352</u>              |

\$5,241,489 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, 2026. 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<br>June 30 | Deferred<br>Amounts   |
|------------------------------|-----------------------|
| 2026                         | \$ (1,480,099)        |
| 2027                         | 2,405,799             |
| 2028                         | (1,406,900)           |
| 2029                         | <u>(1,544,655)</u>    |
|                              | <u>\$ (2,025,855)</u> |

**7. Actuarial Assumptions**

Professional/Teacher Retirement Plan

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

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

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Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected  
generationally

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with modified Mortality Improvement Scale MP-2020
- Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age 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, 2023, using the Entry Age Normal actuarial cost method and the

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following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

Pre-Retirement:

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

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Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

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

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

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| <u>Asset Class (Strategy)</u>       | <u>Target<br/>Allocation</u> | <u>Arithmetic<br/>Long-Term<br/>Expected<br/>Rate of<br/>Return</u> | <u>Weighted<br/>Average<br/>Long-Term<br/>Expected<br/>Rate of<br/>Return*</u> |
|-------------------------------------|------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Public Equity                       | 32.00%                       | 6.70%                                                               | 2.14%                                                                          |
| Fixed Income                        | 16.00%                       | 5.40%                                                               | 0.86%                                                                          |
| Credit Strategies                   | 16.00%                       | 8.10%                                                               | 1.30%                                                                          |
| Real Assets                         | 15.00%                       | 7.20%                                                               | 1.08%                                                                          |
| Private Equity                      | 15.00%                       | 8.70%                                                               | 1.31%                                                                          |
| PIP Private Investment Partnership  | 1.00%                        | 8.00%                                                               | 0.08%                                                                          |
| Diversifying Strategies             | 6.00%                        | 5.80%                                                               | 0.35%                                                                          |
| Cash                                | 2.00%                        | 3.00%                                                               | 0.06%                                                                          |
| Leverage                            | -3.00%                       | 3.50%                                                               | -0.11%                                                                         |
| Total                               | <u>100.00%</u>               |                                                                     | <u>7.07%</u>                                                                   |
| *Expected arithmetic nominal return |                              |                                                                     | <u>7.07%</u>                                                                   |

*\*The above allocation provides a one-year return of 7.07%(includes 2.50% inflation assumption). 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. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which was roughly at the 45<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.*

## **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, 2024, 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 112% of the actuarially determined contribution rate. From July 1, 2024 on, school divisions are assumed to contribute 100% of the actuarially determined contribution rates.

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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<br>5.75% | Current Discount<br>6.75% | 1.00% Increase<br>7.75% |
|-----------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------|-------------------------|
| School Division's Proportionate<br>Share of the Net Pension Liability<br>for the VRS Teacher Retirement<br>Plan | \$ 831,622,860          | \$ 447,637,568            | \$ 133,165,831          |

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

|                                                                                                                | 1.00% Decrease<br>5.75% | Current Discount<br>6.75% | 1.00% Increase<br>7.75% |
|----------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------|-------------------------|
| School Division's Net Pension<br>Liability (Asset) for the<br>NonProfessional (non-teacher)<br>Retirement Plan | \$ 47,725,932           | \$ 14,783,260             | \$ (12,800,466)         |

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

|                                                                                                                     | Virginia Retirement System |                         |                       |
|---------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------|-----------------------|
|                                                                                                                     | Professional<br>Plan       | Nonprofessional<br>Plan | Combined<br>Totals    |
| Net Pension Liability                                                                                               | \$ 447,637,568             | \$ 14,783,260           | \$ 462,420,828        |
| Pension Expense                                                                                                     | \$ 38,104,565              | \$ 5,574,926            | \$ 43,679,491         |
| Deferred Outflows of Resources:                                                                                     |                            |                         |                       |
| Differences in Expected and Actual Experience                                                                       | \$ 77,658,806              | \$ 5,385,497            | \$ 83,044,303         |
| Change in Assumptions                                                                                               | 8,125,220                  | -                       | 8,125,220             |
| Changes in Proportion and Differences<br>between Employer Contributions and<br>Proportionate Share of Contributions | 8,086,722                  | -                       | 8,086,722             |
| Employer Contributions Subsequent<br>to the Measurement Date                                                        | 72,263,417                 | 5,241,489               | 77,504,906            |
| Total Deferred Outflows of Resources                                                                                | <u>\$ 166,134,165</u>      | <u>\$ 10,626,986</u>    | <u>\$ 176,761,151</u> |
| Deferred Inflows of Resources:                                                                                      |                            |                         |                       |
| Differences in Expected and Actual Experience                                                                       | \$ 9,217,169               | \$ -                    | \$ 9,217,169          |
| Net Difference between Projected and<br>Actual Earnings on Pension Plan Investments                                 | 61,617,584                 | 7,411,352               | 69,028,936            |
| Changes in Proportion and Differences<br>between Employer Contributions and<br>Proportionate Share of Contributions | 12,254,445                 | -                       | 12,254,445            |
| Total Deferred Inflows of Resources                                                                                 | <u>\$ 83,089,198</u>       | <u>\$ 7,411,352</u>     | <u>\$ 90,500,550</u>  |

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

|                                         | Total<br>Pension<br>Liability<br>(a) | Fiduciary<br>Net<br>Position<br>(b) | Net<br>Pension<br>Liability<br>(a) - (b) |
|-----------------------------------------|--------------------------------------|-------------------------------------|------------------------------------------|
| Balance - July 1, 2023                  | \$ 277,358,002                       | \$ 264,074,370                      | \$ 13,283,632                            |
| Changes for the fiscal year:            |                                      |                                     |                                          |
| Service Cost                            | \$ 5,109,779                         | \$ -                                | \$ 5,109,779                             |
| Interest                                | 18,488,637                           | -                                   | 18,488,637                               |
| Diff between Expected/Actual Experience | 10,224,638                           | -                                   | 10,224,638                               |
| Contribution - Employer                 | -                                    | 4,443,511                           | (4,443,511)                              |
| Contribution - Employee                 | -                                    | 2,843,835                           | (2,843,835)                              |
| Net Investment Income                   | -                                    | 25,210,417                          | (25,210,417)                             |
| Benefit Payments                        | (16,765,210)                         | (16,765,210)                        | -                                        |
| Refunds of contributions                | (358,891)                            | (358,891)                           | -                                        |
| Administrative Expenses                 | -                                    | (174,408)                           | 174,408                                  |
| Other Changes                           | -                                    | 71                                  | (71)                                     |
| Net Changes                             | \$ 16,698,953                        | \$ 15,199,325                       | \$ 1,499,628                             |
| Balance - June 30, 2024                 | \$ 294,056,955                       | \$ 279,273,695                      | \$ 14,783,260                            |

**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 2023 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at [varetire.org/media/shared/pdf/publications/2024-annual-report.pdf](http://varetire.org/media/shared/pdf/publications/2024-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

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employees. In connection with this employment, the School Board has established certain plans 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, 2024 includes:

|                                                             |               |
|-------------------------------------------------------------|---------------|
| Active Plan Members                                         | 10,284        |
| Retirees and Surviving Spouses currently receiving benefits | 571           |
| Spouse of Current Retirees currently receiving benefits     | <u>71</u>     |
|                                                             | <u>10,926</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, 2025, the School Board's OPEB cost of \$8,445,375 exceeded its actuarially determined employer contribution of \$7,838,400 by \$606,975. For the period ending June 30, 2024, the School Board's OPEB cost was \$8,143,732. Plan members from School Board contributed \$1,753 and \$832 for the POS and Consumer Driven Health plans respectively, annually for retiree-only point of service coverage. The School Board retirees with coverage for their spouses contributed \$5,862 and \$3,716 for the POS and Consumer Driven Health plans, respectively, annually until Medicare eligibility. The School Board has determined that all current employees and retirees shall contribute to the cost of their health care coverage and no level of benefit shall be provided free of charge. Rates are calculated by an actuary with the City and School Board health care consultant and finalized by the Benefits Executive Committee, comprised of City and School executive leadership.

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

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

The best estimate range for the long-term expected rate of return is determined by taking the annual average long-term future inflation and real return components including the anticipated effects of return volatility and correlation among various asset classes. The data used in the assessment of reasonability were Milliman's investment consulting practice June 30, 2025 capital market assumptions.

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| Asset Class                              | Target<br>Allocation | Long-Term<br>Expected<br>Arithmetic<br>Real Rate<br>of Return | Long-Term<br>Expected<br>Geometric<br>Real Rate<br>of Return |
|------------------------------------------|----------------------|---------------------------------------------------------------|--------------------------------------------------------------|
| Core Fixed Income                        | 20.00%               | 2.35%                                                         | 2.20%                                                        |
| Large Cap US Equities                    | 21.00%               | 5.39%                                                         | 3.78%                                                        |
| Small Cap US Equities                    | 10.00%               | 6.80%                                                         | 4.22%                                                        |
| Foreign Developed Equities               | 13.00%               | 6.61%                                                         | 4.79%                                                        |
| Emerging Market Equities                 | 5.00%                | 8.78%                                                         | 5.73%                                                        |
| Private Real Estate Property             | 15.00%               | 5.99%                                                         | 4.57%                                                        |
| Private Equities                         | 10.00%               | 10.43%                                                        | 6.22%                                                        |
| Hedge FOF Strategic                      | 6.00%                | 2.49%                                                         | 1.95%                                                        |
| Total                                    | <u>100.00%</u>       |                                                               |                                                              |
| Assumed Inflation Mean                   |                      | 2.28%                                                         | 2.28%                                                        |
| Assumed Inflation Standard Deviation     |                      | 1.47%                                                         | 1.47%                                                        |
| Portfolio Real Mean Return               |                      | 5.67%                                                         | 4.74%                                                        |
| Portfolio Nominal Mean Return            |                      | 7.95%                                                         | 7.13%                                                        |
| Portfolio Standard Deviation             |                      |                                                               | 13.32%                                                       |
| <b>Long-Term Expected Rate of Return</b> |                      |                                                               | <b>6.50%</b>                                                 |

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 8.84%. 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, 2025 and 2024, were as follows:

| <b>Net OPEB Liability</b>                             | <u>June 30, 2024</u> | <u>June 30, 2025</u> |
|-------------------------------------------------------|----------------------|----------------------|
| Total OPEB Liability                                  | \$ 113,392,703       | \$ 113,769,561       |
| Fiduciary Net Position                                | <u>(46,810,838)</u>  | <u>(50,920,046)</u>  |
| Net OPEB Liability                                    | \$ 66,581,865        | \$ 62,849,515        |
| Fiduciary Net Position as a % of Total OPEB Liability | 41.28%               | 44.76%               |
| Covered Employee Payroll                              | \$ 563,813,011       | \$ 563,813,011       |
| Net OPEB Liability as a % of Covered Payroll          | 11.81%               | 11.15%               |

**7. Actuarial Methods and Assumptions**

The Total OPEB Liability was determined by an actuarial valuation as of January 1, 2024, calculated based on the discount rate and actuarial assumptions below, and projected forward to the measurement date of June 30, 2025. There have been no significant changes between the valuation and measurement date.

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,<br>4.45% 4-6 years of service, 4.35% 7 years of service,<br>4.25% 8 years of service, 4% 9-10 years of service,<br>3.65% 11-19 years of service, 3.50% for 20 or more years<br>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;<br>7.50% in 2024, 6.60% in 2025, 5.60% in 2026, then grading to an ultimate rate of 3.90% in 2074                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Actuarial Cost Method             | Projected unit credit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Mortality                         | <p>Pre-Retirement: Pub-2010 Amount Weighted General Employee Rates, projected generationally;<br/>males set forward 2 years; 105% of rates for females set forward 3 years.<br/>20% of deaths are assumed to be service-related.</p> <p>Post-Retirement: Pub-2010 Amount Weighted General Healthy Retiree Rates, projected generationally;<br/>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;<br/>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<br/>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, 2024</u> | <u>June 30, 2025</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<br>Liability<br>(a) | Plan<br>Fiduciary<br>Net Position<br>(b) | Net OPEB<br>Liability<br>(a) - (b) |
| Balance at June 30, 2024            | \$ 113,392,703                 | \$ 46,810,838                            | \$ 66,581,865                      |
| Changes for the year:               |                                |                                          |                                    |
| Service Cost                        | \$ 1,616,771                   |                                          | \$ 1,616,771                       |
| Interest on Total OPEB Liability    | 7,205,462                      |                                          | 7,205,462                          |
| Employer Contributions              | -                              | \$ 8,445,375                             | (8,445,375)                        |
| Net Investment Income               | -                              | 4,138,117                                | (4,138,117)                        |
| Benefit Payments                    | (8,445,375)                    | (8,445,375)                              | -                                  |
| Administrative Expenses             | -                              | (28,909)                                 | 28,909                             |
| Net Changes in Total OPEB Liability | \$ 376,858                     | \$ 4,109,208                             | \$ (3,732,350)                     |
| Balance at June 30, 2025            | \$ 113,769,561                 | \$ 50,920,046                            | \$ 62,849,515                      |

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

For the years ended June 30, 2024 and June 30, 2025, the School Board recognized OPEB expense of \$11,082,055 and \$8,435,282 respectively.

| <b>OPEB Expense</b>                                   | June 30, 2024 | June 30, 2025 |
|-------------------------------------------------------|---------------|---------------|
| Service Cost                                          | \$ 1,399,597  | \$ 1,616,771  |
| Interest on Total OPEB Liability                      | 6,870,091     | 7,205,462     |
| Administrative Expenses                               | 28,130        | 28,909        |
| Expected Investment Return net of Investment Expenses | (2,780,074)   | (3,041,780)   |
| Recognition of Deferred Inflows/Outflows of Resources |               |               |
| Recognition of Economic/Demographic Gains or Losses   | 2,311,453     | 2,177,182     |
| Recognition of Assumption Changes or Inputs           | 3,588,390     | 1,223,359     |
| Recognition of Investment Gains or Losses             | (335,532)     | (774,621)     |
| OPEB Expense                                          | \$ 11,082,055 | \$ 8,435,282  |

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At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                      | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|------------------------------------------------------|-----------------------------------|----------------------------------|
| Difference between Expected and Actual Experience    | \$ 8,916,834                      | \$ 7,524,138                     |
| Changes in Assumptions                               | 12,347,595                        | 4,502,983                        |
| Net Difference between Projected and Actual Earnings | -                                 | 441,464                          |
| Total                                                | <u>\$ 21,264,429</u>              | <u>\$ 12,468,585</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:

|      |                     |
|------|---------------------|
| 2026 | \$ 3,145,101        |
| 2027 | 3,414,364           |
| 2028 | 1,628,169           |
| 2029 | 608,210             |
|      | <u>\$ 8,795,844</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.

|                        | 1.00% Decrease<br>5.50% | Discount Rate<br>6.50% | 1.00% Increase<br>7.50% |
|------------------------|-------------------------|------------------------|-------------------------|
| Total OPEB Liability   | \$ 121,345,957          | \$ 113,769,561         | \$ 106,701,826          |
| Fiduciary Net Position | (50,920,046)            | (50,920,046)           | (50,920,046)            |
| Net OPEB Liability     | <u>\$ 70,425,911</u>    | <u>\$ 62,849,515</u>   | <u>\$ 55,781,780</u>    |

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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<br>Trend Rate | 1.00% Increase       |
|------------------------|----------------------|-----------------------|----------------------|
| Total OPEB Liability   | \$ 104,043,392       | \$ 113,769,561        | \$ 124,715,150       |
| Fiduciary Net Position | (50,920,046)         | (50,920,046)          | (50,920,046)         |
| Net OPEB Liability     | <u>\$ 53,123,346</u> | <u>\$ 62,849,515</u>  | <u>\$ 73,795,104</u> |

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

**1. Plan Description**

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

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

| <b>TEACHER EMPLOYEE HEALTH INSURANCE CREDIT PROGRAM (HIC) PLAN PROVISIONS</b>                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Eligible Employees</b></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> |

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- Full-time permanent (professional) salaried employees of public school divisions covered under VRS.

**Benefit Amounts**

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

- **At Retirement** – 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.
- **Disability Retirement** – 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:
  - \$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.

**Health Insurance Credit Program Notes:**

- 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**

**Eligible Employees**

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.

Eligible employees are enrolled automatically upon employment. They include:

- 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:

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- **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 Political Subdivision membership as of June 30, 2024 includes:

|                                                                      |               |
|----------------------------------------------------------------------|---------------|
| Active Plan Members                                                  | 37,917        |
| Inactive Members or their Beneficiaries currently receiving benefits | 11,474        |
| Inactive Members entitled to but not yet receiving benefits          | 9,701         |
|                                                                      | <u>59,092</u> |

**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, 2025 was 1.21% and 1.02%, respectively, of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Program or Political Subdivision Health Insurance Credit Program, respectively. These rates were based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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 \$6,271,703 and \$6,150,231 for the years ended June 30, 2025 and June 30, 2024, respectively. Contributions from the School Board to the Political

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Subdivision HIC Program were \$684,852 and \$650,062 for the years ended June 30, 2025 and June 30, 2024, 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, 2025, the School Board reported a liability of \$54,760,265 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, 2024 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, 2023 and rolled forward to the measurement date of June 30, 2024. 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, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the School Board's proportion of the VRS Teacher Employee Health Insurance Credit Program was 4.73849% as compared to 4.64345% at June 30, 2023.

For the year ended June 30, 2024, the school division recognized VRS Teacher Employee Health Insurance Credit Program OPEB expense of \$3,526,477. 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.

At June 30, 2025, the School Board reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee Health Insurance Credit Program OPEB from the following sources:

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|                                                                                           | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|-------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                                        | \$ -                                      | \$ 2,594,411                             |
| Net difference between projected and actual earnings on Teacher HIC OPEB plan investments | -                                         | 194,784                                  |
| Change in assumptions                                                                     | 943,361                                   | -                                        |
| Changes in proportionate share                                                            | 1,004,518                                 | 2,405,354                                |
| Employer contributions subsequent to the measurement date                                 | 6,271,703                                 | -                                        |
| Total                                                                                     | <u>\$ 8,219,582</u>                       | <u>\$ 5,194,549</u>                      |

\$6,271,703 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, 2026. 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 2026    | \$ (990,710)          |
| FY 2027    | (729,621)             |
| FY 2028    | (757,315)             |
| FY 2029    | (603,571)             |
| FY 2030    | (213,949)             |
| Thereafter | <u>48,496</u>         |
|            | <u>\$ (3,246,670)</u> |

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

|                                                     | Increase (Decrease)                   |                                          |                                           |
|-----------------------------------------------------|---------------------------------------|------------------------------------------|-------------------------------------------|
|                                                     | Total<br>HIC OPEB<br>Liability<br>(a) | Plan<br>Fiduciary<br>Net Position<br>(b) | Net<br>HIC OPEB<br>Liability<br>(a) - (b) |
| Balance at June 30, 2023                            | \$ 3,886,479                          | \$ 1,176,278                             | \$ 2,710,201                              |
| Changes for the year:                               |                                       |                                          |                                           |
| Service Cost                                        | \$ 42,486                             | \$ -                                     | \$ 42,486                                 |
| Interest on Total OPEB Liability                    | 259,201                               | -                                        | 259,201                                   |
| Differences between expected and actual experiences | (495,619)                             | -                                        | (495,619)                                 |
| Contributions - Employer                            | -                                     | 650,062                                  | (650,062)                                 |
| Net investment income                               | -                                     | 134,998                                  | (134,998)                                 |
| Benefit Payments                                    | (177,890)                             | (177,890)                                | -                                         |
| Administrative Expenses                             | -                                     | (2,114)                                  | 2,114                                     |
| <b>Net Change in Total OPEB Liability</b>           | <b>\$ (371,822)</b>                   | <b>\$ 605,056</b>                        | <b>\$ (976,878)</b>                       |
| Balance at June 30, 2024                            | <b>\$ 3,514,657</b>                   | <b>\$ 1,781,334</b>                      | <b>\$ 1,733,323</b>                       |

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

For the year ended June 30, 2025, the School Board of the City of Virginia Beach, Virginia recognized Political Subdivision Health Insurance Credit Program OPEB recovery of (\$455,733).

At June 30, 2025, the School Board of the City of Virginia Beach, Virginia reported deferred outflows of resources and deferred inflows of resources related to the Political Subdivision Health Insurance Credit Program OPEB from the following sources:

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|                                                                                   | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|-----------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                                | \$ -                                      | \$ 1,939,422                             |
| Net difference between projected and actual earnings on HIC OPEB plan investments | -                                         | 21,329                                   |
| Change in assumptions                                                             | 148,680                                   | -                                        |
| Employer contributions subsequent to the measurement date                         | 684,852                                   | -                                        |
| Total                                                                             | <u>\$ 833,532</u>                         | <u>\$ 1,960,751</u>                      |

\$684,852 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, 2026. 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 2026 | \$ (685,879)          |
| FY 2027 | (750,542)             |
| FY 2028 | (315,592)             |
| FY 2029 | <u>(60,058)</u>       |
|         | <u>\$ (1,812,071)</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, 2023, 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, 2024.

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

**Mortality rates – Teachers**

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

**Mortality rates – Political Subdivision**

Pre-Retirement:

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

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**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement Scale:**

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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, 2024, NOL amounts for the VRS Teacher Employee Health Insurance Credit Program is as follows (amounts expressed in thousands):

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|                                                                                                 | <b>Teacher<br/>Employee<br/>HIC OPEB<br/><u>Plan</u></b> |
|-------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| Total Teacher Employee HIC OPEB Liability                                                       | \$ 1,478,105                                             |
| Plan Fiduciary Net Position                                                                     | <u>322,457</u>                                           |
| Teacher Employee net HIC OPEB Liability                                                         | <u>\$ 1,155,648</u>                                      |
| Plan Fiduciary Net Position as a Percentage<br>of the Total Teacher Employee HIC OPEB Liability | 21.82%                                                   |

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, 2024. The total Political Subdivision Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

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

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

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| <b>AssetClass (Strategy)</b>         | <b>Target Allocation</b> | <b>Arithmetic<br/>Long-Term Expected<br/>Rate of Return</b> | <b>Weighted Average<br/>Long-Term Expected<br/>Rate of Return*</b> |
|--------------------------------------|--------------------------|-------------------------------------------------------------|--------------------------------------------------------------------|
| Public Equity                        | 32.00%                   | 6.70%                                                       | 2.14%                                                              |
| Fixed Income                         | 16.00%                   | 5.40%                                                       | 0.86%                                                              |
| Credit Strategies                    | 16.00%                   | 8.10%                                                       | 1.30%                                                              |
| Real Assets                          | 15.00%                   | 7.20%                                                       | 1.08%                                                              |
| Private Equity                       | 15.00%                   | 8.70%                                                       | 1.31%                                                              |
| PIP - Private Investment Partnership | 1.00%                    | 8.00%                                                       | 0.08%                                                              |
| Diversifying Strategies              | 6.00%                    | 5.80%                                                       | 0.35%                                                              |
| Cash                                 | 2.00%                    | 3.00%                                                       | 0.06%                                                              |
| Leverage                             | -3.00%                   | 3.50%                                                       | -0.11%                                                             |
| <b>Total</b>                         | <b>100.00%</b>           |                                                             | <b>7.07%</b>                                                       |
| *Expected arithmetic nominal return  |                          |                                                             | <b>7.07%</b>                                                       |

\* The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumption). 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 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

#### **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, 2024, 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, 2024 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

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return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

**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<br>5.75% | Current Discount<br>6.75% | 1.00% Increase<br>7.75% |
|---------------------------------------------------------------------------------|-------------------------|---------------------------|-------------------------|
| School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan | \$ 62,276,082           | \$ 54,760,265             | \$ 48,389,923           |
| 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<br>5.75% | Current Discount<br>6.75% | 1.00% Increase<br>7.75% |
|------------------------------------------------|-------------------------|---------------------------|-------------------------|
| Political Subdivision's Net HIC OPEB Liability | \$ 2,103,512            | \$ 1,733,323              | \$ 1,417,873            |

**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 2024 Annual Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at [varetire.org/Pdf/Publications/2024-annual-report.pdf](http://varetire.org/Pdf/Publications/2024-annual-report.pdf), or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

**1. Plan Description**

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

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

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

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

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

**Reduction in benefit Amounts**

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

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

For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute in 2015. This amount will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$9,532 as of June 30, 2025.

**2. 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 provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.71% (1.18% X 60%) and the employer component was 0.47% (1.18% X 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, 2025 was 0.47% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. 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

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Insurance Program from the entity for Professionals (Teachers) was \$2,443,560 and \$2,752,572 for the years ended June 30, 2025 and June 30, 2024, respectively. Contribution to the Group Life Insurance Program from the entity for Nonprofessionals was \$309,417 and \$347,170 for the years ended June 30, 2025 and June 30, 2024, respectively.

**3. 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, 2025, the entities reported a liability for Professionals (Teachers) of \$22,130,185 and for Nonprofessionals of \$2,794,157 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2024 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. 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, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the participating employer's proportion for Professionals (Teachers) was 1.98313% and for Nonprofessionals .25039% as compared to 1.97218% for Professionals (Teachers) and .24585% for Nonprofessionals at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of \$120,577 for Professionals (Teachers) and \$92,002 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, 2025, 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<br>of Resources | Deferred Inflows<br>of Resources |
|-------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                                        | \$ 3,490,439                      | \$ 540,566                       |
| Net difference between projected and actual earnings on Teacher GLI OPEB plan investments | -                                 | 1,865,343                        |
| Change in assumptions                                                                     | 126,142                           | 1,096,726                        |
| Changes in proportionate share                                                            | 110,976                           | 1,037,672                        |
| Employer contributions subsequent to the measurement date                                 | 2,443,560                         | -                                |
| Total                                                                                     | <u>\$ 6,171,117</u>               | <u>\$ 4,540,307</u>              |

At June 30, 2025, 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<br>Resources | Deferred Inflows of<br>Resources |
|-----------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                                | \$ 440,703                        | \$ 68,252                        |
| Net difference between projected and actual earnings on GLI OPEB plan investments | -                                 | 235,518                          |
| Change in assumptions                                                             | 15,927                            | 138,473                          |
| Changes in proportionate share                                                    | 218,566                           | 48,738                           |
| Employer contributions subsequent to the measurement date                         | 309,417                           | -                                |
| Total                                                                             | <u>\$ 984,613</u>                 | <u>\$ 490,981</u>                |

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\$2,443,560 and \$309,417 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, 2026. 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 2026                                     | \$ (1,336,125)      | FY 2026                              | \$ (93,161)       |
| FY 2027                                     | 145,993             | FY 2027                              | 87,318            |
| FY 2028                                     | (124,544)           | FY 2028                              | 62,766            |
| FY 2029                                     | 138,366             | FY 2029                              | 75,672            |
| FY 2030                                     | 363,560             | FY 2030                              | 51,620            |
|                                             | <u>\$ (812,750)</u> |                                      | <u>\$ 184,215</u> |

#### **4. Actuarial Assumptions**

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, 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, 2024.

|                                         |                                                               |
|-----------------------------------------|---------------------------------------------------------------|
| 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

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**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

**Mortality Improvement Scale:**

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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                                                                                                                                                       |

**5. 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, 2024, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

|                                                                                | <b><u>Group Life<br/>Insurance<br/>OPEB Program</u></b> |
|--------------------------------------------------------------------------------|---------------------------------------------------------|
| Total GLI OPEB Liability                                                       | \$ 4,196,055                                            |
| Plan Fiduciary Net Position                                                    | <u>3,080,133</u>                                        |
| Employers' Net GLI OPEB Liability                                              | <u>\$ 1,115,922</u>                                     |
| Plan Fiduciary Net Position as a Percentage<br>of the Total GLI OPEB Liability | 73.41%                                                  |

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

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

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

| <b>AssetClass (Strategy)</b>         | <b>Target Allocation</b> | <b>Arithmetic<br/>Long-Term Expected<br/>Rate of Return</b> | <b>Weighted Average<br/>Long-Term Expected<br/>Rate of Return*</b> |
|--------------------------------------|--------------------------|-------------------------------------------------------------|--------------------------------------------------------------------|
| Public Equity                        | 32.00%                   | 6.70%                                                       | 2.14%                                                              |
| Fixed Income                         | 16.00%                   | 5.40%                                                       | 0.86%                                                              |
| Credit Strategies                    | 16.00%                   | 8.10%                                                       | 1.30%                                                              |
| Real Assets                          | 15.00%                   | 7.20%                                                       | 1.08%                                                              |
| Private Equity                       | 15.00%                   | 8.70%                                                       | 1.31%                                                              |
| PIP - Private Investment Partnership | 1.00%                    | 8.00%                                                       | 0.08%                                                              |
| Diversifying Strategies              | 6.00%                    | 5.80%                                                       | 0.35%                                                              |
| Cash                                 | 2.00%                    | 3.00%                                                       | 0.06%                                                              |
| Leverage                             | -3.00%                   | 3.50%                                                       | -0.11%                                                             |
| <b>Total</b>                         | <b>100.00%</b>           |                                                             | <b>7.07%</b>                                                       |
| *Expected arithmetic nominal return  |                          |                                                             | <b>7.07%</b>                                                       |

\* The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumption). 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 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.5%.

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**7. 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, 2024, 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 113% of the actuarially determined contribution rate. From July 1, 2024 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.

**8. 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:

|                                                              | <table><tr><td>1.00% Decrease</td><td>Current Discount</td><td>1.00% Increase</td></tr><tr><td>5.75%</td><td>6.75%</td><td>7.75%</td></tr></table> |                |               | 1.00% Decrease | Current Discount | 1.00% Increase | 5.75% | 6.75% | 7.75% |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|----------------|------------------|----------------|-------|-------|-------|
| 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                                 | \$ 34,415,312                                                                                                                                      | \$ 22,130,185  | \$ 12,205,418 |                |                  |                |       |       |       |
| Net OPEB Liability                                           |                                                                                                                                                    |                |               |                |                  |                |       |       |       |
| Employer's proportionate share of the Nonprofessional        |                                                                                                                                                    |                |               |                |                  |                |       |       |       |
| Group Life Insurance Program                                 | \$ 4,345,277                                                                                                                                       | \$ 2,794,157   | \$ 1,541,056  |                |                  |                |       |       |       |
| Net OPEB Liability                                           |                                                                                                                                                    |                |               |                |                  |                |       |       |       |

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**9. 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 2024 Annual Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at [varetire.org/Pdf/Publications/2024-annual-report.pdf](http://varetire.org/Pdf/Publications/2024-annual-report.pdf), or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

**1. Plan Description**

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

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

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

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**Benefit Amounts**

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

**Short-Term Disability –**

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

**Long-Term Disability –**

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

**Virginia Local Disability Program Notes:**

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

**2. 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, 2025 was 0.45% and 0.74%, respectively, of covered employee compensation for employees

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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, 2023. 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 \$943,502 and \$913,923 for the years ended June 30, 2025 and June 30, 2024, respectively. Contributions from the political subdivision to the VRS Political Subdivision Employee VLDP were \$290,871 and \$298,601 for the years ended June 30, 2025 and June 30, 2024, respectively.

**3. 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, 2025, the school division reported an asset of \$161,076 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, 2024 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, 2023, and rolled forward to the measurement date of June 30, 2024. 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, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the school division's proportion of the VRS Teacher Employee VLDP was 17.97891% as compared to 17.73122% at June 30, 2023.

For the year ended June 30, 2025, the school division recognized VRS Teacher Employee VLDP OPEB expense of \$705,652. 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, 2025, 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<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                                         | \$ 492,814                                | \$ 43,320                                |
| Net difference between projected and actual earnings on Teacher VLDP OPEB plan investments | -                                         | 27,214                                   |
| Change in assumptions                                                                      | 43,500                                    | -                                        |
| Changes in proportion                                                                      | 2,683                                     | 21,861                                   |
| Employer contributions subsequent to the measurement date                                  | 943,502                                   | -                                        |
| Total                                                                                      | <u>\$ 1,482,499</u>                       | <u>\$ 92,395</u>                         |

\$943,502 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, 2026. 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 2026    | \$ 35,028         |
| FY 2027    | 63,051            |
| FY 2028    | 45,332            |
| FY 2029    | 45,372            |
| FY 2030    | 54,570            |
| Thereafter | <u>203,249</u>    |
|            | <u>\$ 446,602</u> |

In addition, at June 30, 2025, the political subdivision reported an asset of \$163,848 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, 2024 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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2023, and rolled forward to the measurement date of June 30, 2024. 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, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the political subdivision's proportion of the VRS Political Subdivision Employee VLDP was 4.54194% as compared to 4.61706% at June 30, 2023.

For the year ended June 30, 2025, the political subdivision recognized VRS Political Subdivision Employee VLDP OPEB expense of \$220,678. 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, 2025, 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:

|                                                                                            | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                                         | \$ 19,468                                 | \$ 34,525                                |
| Net difference between projected and actual earnings on Teacher VLDP OPEB plan investments | -                                         | 14,820                                   |
| Change in assumptions                                                                      | -                                         | 3,805                                    |
| Changes in proportion                                                                      | 1,125                                     | 4,993                                    |
| Employer contributions subsequent to the measurement date                                  | 290,871                                   | -                                        |
| Total                                                                                      | <u>\$ 311,464</u>                         | <u>\$ 58,143</u>                         |

\$290,871 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, 2026. 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 2026    | \$ (16,320)        |
| FY 2027    | (2,060)            |
| FY 2028    | (5,261)            |
| FY 2029    | (8,516)            |
| FY 2030    | (5,404)            |
| Thereafter | 11                 |
|            | <u>\$ (37,550)</u> |

**4. 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, 2023, 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, 2024.

|                                                              |                                                                       |
|--------------------------------------------------------------|-----------------------------------------------------------------------|
| Inflation                                                    | 2.5 percent                                                           |
| Salary increases, including inflation –<br>Teacher Employees | 3.5 percent – 5.95 percent                                            |
| Investment rate of return                                    | 6.75 percent, net of plan investment<br>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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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, 2023, 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, 2024.

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|                                                                            |                                                                       |
|----------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Inflation                                                                  | 2.5 percent                                                           |
| Salary increases, including inflation –<br>Political Subdivision Employees | 3.5 percent – 5.35 percent                                            |
| Investment rate of return                                                  | 6.75 percent, net of plan investment<br>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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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                                                                                                                                                        |

**5. 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, 2024, NOL amounts for the VRS Teacher Employee VLDP is as follows (amounts expressed in thousands):

|                                                                                                  | <b>Teacher<br/>Employee<br/>VLDP OPEB<br/><u>Plan</u></b> |
|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| Total Teacher Employee VLDP OPEB Liability                                                       | \$ 12,741                                                 |
| Plan Fiduciary Net Position                                                                      | <u>13,637</u>                                             |
| Teacher Employee net VLDP OPEB Liability(Asset)                                                  | <u><u>\$ (896)</u></u>                                    |
| Plan Fiduciary Net Position as a Percentage<br>of the Total Teacher Employee VLDP OPEB Liability | 107.03%                                                   |

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.

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**Political Subdivision Employee Virginia Local Disability Program**

The net OPEB liability (NOL) for the Political Subdivision Employee VLDP represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2024, NOL amounts for the VRS Political Subdivision Employee Virginia Local Disability Program is as follows (amounts expressed in thousands):

|                                                                                                       |                                                                  |
|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|
|                                                                                                       | <b>Political Subdivision<br/>Employee<br/>VLDP OPEB<br/>Plan</b> |
| Total Political Subdivision VLDP OPEB Liability                                                       | \$ 12,230                                                        |
| Plan Fiduciary Net Position                                                                           | <u>15,837</u>                                                    |
| Political Subdivision net VLDP OPEB Liability(Asset)                                                  | <u>\$ (3,607)</u>                                                |
|                                                                                                       |                                                                  |
| Plan Fiduciary Net Position as a Percentage<br>of the Total Political Subdivision VLDP OPEB Liability | 129.49%                                                          |

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.

**6. 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:

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

| AssetClass (Strategy)                | Target Allocation | Arithmetic                           | Weighted Average                      |
|--------------------------------------|-------------------|--------------------------------------|---------------------------------------|
|                                      |                   | Long-Term Expected<br>Rate of Return | Long-Term Expected<br>Rate of Return* |
| Public Equity                        | 32.00%            | 6.70%                                | 2.14%                                 |
| Fixed Income                         | 16.00%            | 5.40%                                | 0.86%                                 |
| Credit Strategies                    | 16.00%            | 8.10%                                | 1.30%                                 |
| Real Assets                          | 15.00%            | 7.20%                                | 1.08%                                 |
| Private Equity                       | 15.00%            | 8.70%                                | 1.31%                                 |
| PIP - Private Investment Partnership | 1.00%             | 8.00%                                | 0.08%                                 |
| Diversifying Strategies              | 6.00%             | 5.80%                                | 0.35%                                 |
| Cash                                 | 2.00%             | 3.00%                                | 0.06%                                 |
| Leverage                             | -3.00%            | 3.50%                                | -0.11%                                |
| <b>Total</b>                         | <b>100.00%</b>    |                                      | <b>7.07%</b>                          |
| *Expected arithmetic nominal return  |                   |                                      | <b>7.07%</b>                          |

\* The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumption). 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 7.10%, including expected inflation of 2.50%. On June 15, 2023, the VRS Board elected a long-term rate of 6.75% which is roughly at the 45<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14% including expected inflation of 2.50%.

## **7. 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, 2024, 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, 2024 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.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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**8. Sensitivity of the School Division's Proportionate Share of the Teacher and Political Subdivision Employee VLDP Net OPEB Liability/(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:

|                                                                                             | <table><tr><th>1.00% Decrease</th><th>Current Discount</th><th>1.00% Increase</th></tr><tr><th>5.75%</th><th>6.75%</th><th>7.75%</th></tr></table> |                |              | 1.00% Decrease | Current Discount | 1.00% Increase | 5.75% | 6.75% | 7.75% |
|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------|----------------|------------------|----------------|-------|-------|-------|
| 1.00% Decrease                                                                              | Current Discount                                                                                                                                   | 1.00% Increase |              |                |                  |                |       |       |       |
| 5.75%                                                                                       | 6.75%                                                                                                                                              | 7.75%          |              |                |                  |                |       |       |       |
| School division's proportionate share of the VRS Teacher Employee VLDP OPEB Plan            | \$ 97,901                                                                                                                                          | \$ (161,076)   | \$ (386,952) |                |                  |                |       |       |       |
| Net VLDP OPEB Liability(Asset)                                                              |                                                                                                                                                    |                |              |                |                  |                |       |       |       |
| Political Subdivision's proportionate share of the VRS Political Subdivision VLDP OPEB Plan | \$ (119,150)                                                                                                                                       | \$ (163,848)   | \$ (203,184) |                |                  |                |       |       |       |
| Net VLDP OPEB Liability(Asset)                                                              |                                                                                                                                                    |                |              |                |                  |                |       |       |       |

**9. 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 2024 Annual Report. A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at [varetire.org/Pdf/Publications/2024-annual-report.pdf](http://varetire.org/Pdf/Publications/2024-annual-report.pdf), or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**F. Combining Net 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                                                  | \$ 62,849,515  | \$ 56,493,588              | \$ 24,924,342        | \$ -                              | \$ 144,267,445  |
| Net OPEB Asset                                                      | \$ -           | \$ -                       | \$ -                 | \$ 324,924                        | \$ 324,924      |
| OPEB Expense                                                        | \$ 8,435,282   | \$ 3,070,744               | \$ 212,579           | \$ 926,330                        | \$ 12,644,935   |
| Deferred Outflows of Resources:                                     |                |                            |                      |                                   |                 |
| Differences in Expected and Actual Experience                       | \$ 8,916,834   | \$ -                       | \$ 3,931,142         | \$ 512,282                        | \$ 13,360,258   |
| Change in Assumptions                                               | 12,347,595     | 1,092,041                  | 142,069              | 43,500                            | 13,625,205      |
| Changes in Proportionate Share                                      | -              | 1,004,518                  | 329,542              | 3,808                             | 1,337,868       |
| Employer Contributions Subsequent to the Measurement Date           | -              | 6,956,555                  | 2,752,977            | 1,234,373                         | 10,943,905      |
| Total Deferred Outflows of Resources                                | \$ 21,264,429  | \$ 9,053,114               | \$ 7,155,730         | \$ 1,793,963                      | \$ 39,267,236   |
| Deferred Inflows of Resources:                                      |                |                            |                      |                                   |                 |
| Differences in Expected and Actual Experience                       | \$ 7,524,138   | \$ 4,533,833               | \$ 608,818           | \$ 77,845                         | \$ 12,744,634   |
| Net Difference between Projected and Actual Earnings on Investments | 441,464        | 216,113                    | 2,100,861            | 42,034                            | 2,800,472       |
| Change in Assumptions                                               | 4,502,983      | -                          | 1,235,199            | 3,805                             | 5,741,987       |
| Changes in Proportionate Share                                      | -              | 2,405,354                  | 1,086,410            | 26,854                            | 3,518,618       |
| Total Deferred Inflows of Resources                                 | \$ 12,468,585  | \$ 7,155,300               | \$ 5,031,288         | \$ 150,538                        | \$ 24,805,711   |

**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 \$25,000 per occurrence; School Leaders Liability (including general liability and errors and omissions) coverage is \$350,000 per occurrence; Crime (Employee Dishonesty) coverage is \$250 per occurrence; Environmental Impairment is \$25,000 and Cyber Liability coverage has a \$50,000 self-insured retention. Automobile Liability retention (engine on) is \$400,000 per occurrence; Automobile Physical Damage retention (engine off) is \$100,000 per occurrence; and the Excess Workers' Compensation self-insured retention is \$750,000 per claim.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
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**JUNE 30, 2025**

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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, 2025 is \$9,216,935 (undiscounted), as follows:

| <u>Fiscal<br/>Year</u> | <u>Beginning-of-<br/>Fiscal-Year<br/>Liability</u> | <u>Current-Year<br/>Claims and<br/>Changes in<br/>Estimates</u> | <u>Claims<br/>Payments</u> | <u>Balance at<br/>Fiscal<br/>Year-End</u> |
|------------------------|----------------------------------------------------|-----------------------------------------------------------------|----------------------------|-------------------------------------------|
| 2023-24                | \$ 9,099,286                                       | \$8,064,104                                                     | \$8,017,411                | \$ 9,145,979                              |
| 2024-25                | \$ 9,145,979                                       | \$8,481,794                                                     | \$8,410,838                | \$ 9,216,935                              |

**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.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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, 2025 is \$8,456,000 (undiscounted), as follows:

| <u>Fiscal<br/>Year</u> | <u>Beginning-of-<br/>Fiscal-Year<br/>Liability</u> | <u>Current-Year<br/>Claims and<br/>Changes in<br/>Estimates</u> | <u>Claims<br/>Payments</u> | <u>Balance at<br/>Fiscal<br/>Year-End</u> |
|------------------------|----------------------------------------------------|-----------------------------------------------------------------|----------------------------|-------------------------------------------|
| 2023-24                | \$ 8,991,000                                       | \$ 177,716,809                                                  | \$ 179,061,809             | \$ 7,646,000                              |
| 2024-25                | \$ 7,646,000                                       | \$ 186,728,104                                                  | \$ 185,918,104             | \$ 8,456,000                              |

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

**A. Interfund Transfers**

The primary purpose for interfund transfers is operational support for PreK, Early Reading Intervention, Technology Initiative, and Algebra Readiness. The following are the School Board's interfund transfers in and transfers out that occurred during fiscal year 2025:

| <u>Fund</u>                   | <u>Interfund<br/>Transfers In</u> | <u>Interfund<br/>Transfers Out</u> |
|-------------------------------|-----------------------------------|------------------------------------|
| General Fund                  | \$ -                              | \$ 6,094,054                       |
| School Grants -               |                                   |                                    |
| Special Revenue               | 6,094,054                         | -                                  |
| Total per Exhibit A-4 and A-6 | <u>\$ 6,094,054</u>               | <u>\$ 6,094,054</u>                |

**B. Interfund Receivables and Payables**

There were no interfund receivables and payables as of June 30, 2025.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

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

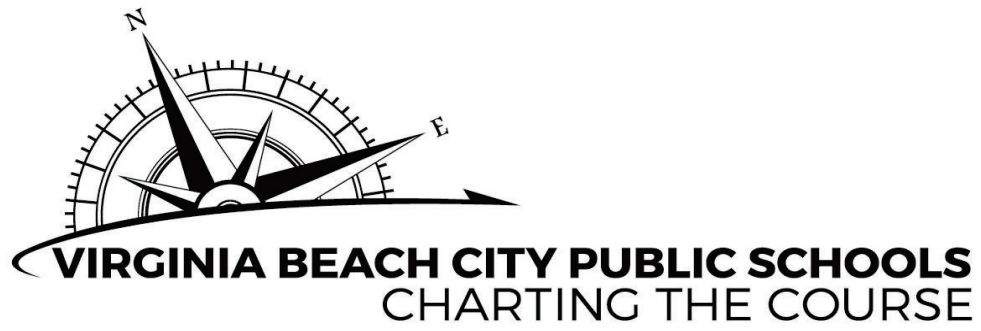
|                                         |                            |
|-----------------------------------------|----------------------------|
| Capital Outlay:                         |                            |
| Capital Projects Fund                   | \$ 27,720,648              |
| General Fund                            | 4,561,983                  |
| Grants Special Revenue Fund             | 947,172                    |
| School Equipment Replacement            |                            |
| Special Revenue Fund                    | 93,680                     |
| School Cafeterias Special Revenue Fund  | 1,857,820                  |
| Total Capital Outlay                    | <u>\$ 35,181,303</u>       |
| Less:                                   |                            |
| Depreciation/amortization Expense       | \$(40,030,670)             |
| Depreciation Expense and Accumulated    |                            |
| Depreciation change/transfer related to |                            |
| the Tenancy in Common by the City on    |                            |
| certain School Buildings (Notes 4B&C)   | 7,932,525                  |
| Loss on Disposals                       | <u>(87,955)</u>            |
| Total Depreciation/amortization         |                            |
| Expense and Other                       | <u>\$(32,186,100)</u>      |
| Total Amount by which Capital           |                            |
| Outlay Exceeded Depreciation            |                            |
| Expense and Other (Exhibit A-4)         | <u><u>\$ 2,995,203</u></u> |

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**D. Fund Balance Classifications**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned (Note 1J) 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<br>Grants | School<br>Cafeterias | Capital<br>Projects | Nonmajor<br>Governmental | Total<br>Governmental<br>Funds |
|-------------------------------------------------------------------|---------------|------------------|----------------------|---------------------|--------------------------|--------------------------------|
| <u><b>Nonspendable</b></u>                                        |               |                  |                      |                     |                          |                                |
| Inventories and<br>Prepaid Items                                  | \$ 992,828    | \$ -             | \$ 665,164           | \$ -                | \$ 2,000                 | \$ 1,659,992                   |
| <u><b>Restricted</b></u>                                          |               |                  |                      |                     |                          |                                |
| Federal And State<br>Grantor Agencies<br>Capital Projects         | \$ -          | \$ 5,480,640     | \$ -                 | \$ -                | \$ -                     | \$ 5,480,640                   |
| State DOE/Textbooks                                               | -             | -                | -                    | -                   | 10,902,881               | 10,902,881                     |
| School Activities                                                 | -             | -                | -                    | -                   | 5,774,297                | 5,774,297                      |
| USDA/Cafeterias Charges                                           | -             | -                | 12,070,827           | -                   | -                        | 12,070,827                     |
| Total Restricted                                                  | \$ -          | \$ 5,480,640     | \$ 12,070,827        | \$ -                | \$ 16,677,178            | \$ 34,228,645                  |
| <u><b>Committed</b></u>                                           |               |                  |                      |                     |                          |                                |
| Capital Projects Contracts<br>Communication Towers/<br>Technology | \$ -          | \$ -             | \$ -                 | \$ 110,671,630      | \$ -                     | \$ 110,671,630                 |
| Vending Operations/<br>School Allocations                         | -             | -                | -                    | -                   | 6,979,656                | 6,979,656                      |
| Equipment Replacement                                             | -             | -                | -                    | -                   | 400,012                  | 400,012                        |
| Total Committed                                                   | \$ -          | \$ -             | \$ -                 | \$ 110,671,630      | \$ 293,585               | \$ 110,965,215                 |
| <u><b>Assigned</b></u>                                            |               |                  |                      |                     |                          |                                |
| Instructional Technology                                          | \$ 4,018,923  | \$ -             | \$ -                 | \$ -                | \$ -                     | \$ 4,018,923                   |
| School Athletics                                                  | 22,935        | -                | -                    | -                   | -                        | 22,935                         |
| Instruction Category                                              | 1,116,453     | -                | -                    | -                   | -                        | 1,116,453                      |
| Administration, Attendance<br>and Health Category                 | 29,171        | -                | -                    | -                   | -                        | 29,171                         |
| Pupil Transportation<br>Category                                  | 705,945       | -                | -                    | -                   | -                        | 705,945                        |
| Operations and<br>Maintenance Category                            | 3,075,646     | -                | -                    | -                   | -                        | 3,075,646                      |
| Technology Category                                               | 748,511       | -                | -                    | -                   | -                        | 748,511                        |
| Total Assigned                                                    | \$ 9,717,584  | \$ -             | \$ -                 | \$ -                | \$ -                     | \$ 9,717,584                   |
| Total Fund Balances                                               | \$ 10,710,412 | \$ 5,480,640     | \$ 12,735,991        | \$ 110,671,630      | \$ 24,352,431            | \$ 163,951,104                 |



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## **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, 2015 THROUGH 2024  
PROFESSIONAL EMPLOYEES  
JUNE 30, 2025**

Professional/Teacher Retirement Plan

|               | (a)                                                            | (b)                                                                     | (c)                              | (d)                                                                                                  | (e)                                                                              |
|---------------|----------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
|               | Employer's<br>Proportion<br>of the<br>Net Pension<br>Liability | Employer's<br>Proportionate<br>Share of the<br>Net Pension<br>Liability | Employer's<br>Covered<br>Payroll | Employer's<br>Proportionate<br>Share of the<br>NPL as a<br>% of its<br>Covered<br>Payroll<br>(b)/(c) | Plan Fiduciary<br>Net Position<br>as a % of the<br>Total<br>Pension<br>Liability |
| Date          |                                                                |                                                                         |                                  |                                                                                                      |                                                                                  |
| June 30, 2024 | 4.76873%                                                       | \$ 447,637,568                                                          | \$ 481,790,947                   | 92.91%                                                                                               | 84.52%                                                                           |
| June 30, 2023 | 4.66432%                                                       | \$ 471,432,374                                                          | \$ 440,450,043                   | 107.03%                                                                                              | 82.45%                                                                           |
| June 30, 2022 | 4.75530%                                                       | \$ 452,733,028                                                          | \$ 422,831,262                   | 107.07%                                                                                              | 82.61%                                                                           |
| June 30, 2021 | 4.83003%                                                       | \$ 374,959,932                                                          | \$ 409,081,963                   | 91.66%                                                                                               | 85.46%                                                                           |
| June 30, 2020 | 4.91132%                                                       | \$ 714,726,039                                                          | \$ 414,920,223                   | 172.26%                                                                                              | 71.47%                                                                           |
| June 30, 2019 | 4.99839%                                                       | \$ 657,816,528                                                          | \$ 406,316,058                   | 161.90%                                                                                              | 73.51%                                                                           |
| June 30, 2018 | 5.07577%                                                       | \$ 596,910,000                                                          | \$ 400,750,722                   | 148.95%                                                                                              | 74.81%                                                                           |
| June 30, 2017 | 5.08685%                                                       | \$ 625,579,000                                                          | \$ 393,579,555                   | 158.95%                                                                                              | 72.92%                                                                           |
| June 30, 2016 | 5.12286%                                                       | \$ 717,924,000                                                          | \$ 387,364,218                   | 185.34%                                                                                              | 68.28%                                                                           |
| June 30, 2015 | 5.19364%                                                       | \$ 653,690,000                                                          | \$ 385,231,385                   | 169.69%                                                                                              | 70.68%                                                                           |

**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, 2025**

|                                                                              | 2024                 | 2023                 | 2022                 | 2021                  | 2020                 |
|------------------------------------------------------------------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|
| <b>Total Pension Liability(Asset)</b>                                        |                      |                      |                      |                       |                      |
| Service Cost                                                                 | \$ 5,109,779         | \$ 4,580,664         | \$ 3,934,382         | \$ 3,964,435          | \$ 3,961,923         |
| Interest                                                                     | 18,488,637           | 17,751,173           | 17,604,104           | 16,427,054            | 15,856,267           |
| Diff Between Expected and Actual Experience                                  | 10,224,638           | 4,390,987            | (4,908,939)          | (808,663)             | 2,409,511            |
| Change in Assumptions                                                        | -                    | -                    | -                    | 8,249,072             | -                    |
| Benefit Payments                                                             | (16,765,210)         | (15,194,069)         | (14,113,284)         | (13,991,919)          | (13,083,421)         |
| Refunds of Contributions                                                     | (358,891)            | (334,923)            | (551,790)            | -                     | (467,858)            |
| Net Change in Total Pension Liability                                        | \$ 16,698,953        | \$ 11,193,832        | \$ 1,964,473         | \$ 13,839,979         | \$ 8,676,422         |
| Total Pension Liability - Beginning                                          | 277,358,002          | 266,164,170          | 264,199,697          | 250,359,718           | 241,683,296          |
| Total Pension Liability - Ending (a)                                         | <u>\$294,056,955</u> | <u>\$277,358,002</u> | <u>\$266,164,170</u> | <u>\$264,199,697</u>  | <u>\$250,359,718</u> |
| <b>Plan Fiduciary Net Position</b>                                           |                      |                      |                      |                       |                      |
| Employer Contributions                                                       | \$ 4,443,511         | \$ 4,068,854         | \$ 3,605,284         | \$ 3,376,047          | \$ 2,906,100         |
| Employee Contributions                                                       | 2,843,835            | 2,670,800            | 2,294,774            | 2,129,012             | 2,209,656            |
| Net Investment Income                                                        | 25,210,417           | 16,335,735           | (176,724)            | 58,169,277            | 4,171,983            |
| Benefit Payments                                                             | (16,765,210)         | (15,194,069)         | (14,113,284)         | (13,991,919)          | (13,083,421)         |
| Refunds of Contributions                                                     | (358,891)            | (334,923)            | (551,790)            | -                     | (467,858)            |
| Administrative Expenses                                                      | (174,408)            | (165,884)            | (166,678)            | (148,821)             | (145,905)            |
| Other Changes                                                                | 71                   | 2,486                | 5,868                | (312)                 | (4,932)              |
| Net Change in Fiduciary Net Position                                         | \$ 15,199,325        | \$ 7,382,999         | \$ (9,102,550)       | \$ 49,533,284         | \$ (4,414,377)       |
| Fiduciary Net Position, Beginning                                            | 264,074,370          | 256,691,371          | 265,793,921          | 216,260,637           | 220,675,014          |
| Fiduciary Net Position, Ending (b)                                           | <u>\$279,273,695</u> | <u>\$264,074,370</u> | <u>\$256,691,371</u> | <u>\$265,793,921</u>  | <u>\$216,260,637</u> |
| Net Pension Liability(Asset)-<br>Nonprofessional Employees (a) - (b)         | <u>\$ 14,783,260</u> | <u>\$ 13,283,632</u> | <u>\$ 9,472,799</u>  | <u>\$ (1,594,224)</u> | <u>\$ 34,099,081</u> |
| Plan Fiduciary Net Position as a % of Total<br>Pension Liability (b)/(a)     | <u>94.97%</u>        | <u>95.21%</u>        | <u>96.44%</u>        | <u>100.60%</u>        | <u>86.38%</u>        |
| Covered Payroll (c)                                                          | <u>\$ 56,249,704</u> | <u>\$ 51,427,059</u> | <u>\$ 45,137,761</u> | <u>\$ 42,346,298</u>  | <u>\$ 43,518,726</u> |
| Net Pension Liability/(Asset) as a % of<br>Covered Payroll - Nonprofessional | <u>26.28%</u>        | <u>25.83%</u>        | <u>20.99%</u>        | <u>-3.76%</u>         | <u>78.35%</u>        |

(continued)

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**NONPROFESSIONAL EMPLOYEES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

(continued)

|                                                                              | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
|------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total Pension Liability(Asset)</b>                                        |                      |                      |                      |                      |                      |
| Service Cost                                                                 | \$ 3,788,974         | \$ 3,831,060         | \$ 4,027,098         | \$ 4,079,432         | \$ 4,089,939         |
| Interest                                                                     | 15,432,954           | 14,994,765           | 14,519,133           | 14,020,741           | 13,574,596           |
| Diff Between Expected and Actual Experience                                  | 2,127,992            | (114,972)            | 1,300,649            | 264,387              | (747,303)            |
| Change in Assumptions                                                        | 6,306,405            | -                    | (1,332,150)          | -                    | -                    |
| Benefit Payments                                                             | (12,468,334)         | (11,553,290)         | (11,066,537)         | (10,581,181)         | (9,558,643)          |
| Refunds of Contributions                                                     | (419,254)            | (461,154)            | (358,994)            | (482,631)            | (465,012)            |
| Net Change in Total Pension Liability                                        | \$ 14,768,737        | \$ 6,696,409         | \$ 7,089,199         | \$ 7,300,748         | \$ 6,893,577         |
| Total Pension Liability - Beginning                                          | 226,914,559          | 220,218,150          | 213,128,951          | 205,828,203          | 198,934,626          |
| Total Pension Liability - Ending (a)                                         | <u>\$241,683,296</u> | <u>\$226,914,559</u> | <u>\$220,218,150</u> | <u>\$213,128,951</u> | <u>\$205,828,203</u> |
| <b>Plan Fiduciary Net Position</b>                                           |                      |                      |                      |                      |                      |
| Employer Contributions                                                       | \$ 2,880,916         | \$ 2,967,419         | \$ 2,959,847         | \$ 3,876,348         | \$ 3,739,486         |
| Employee Contributions                                                       | 2,161,296            | 2,121,653            | 2,124,981            | 2,113,676            | 2,041,468            |
| Net Investment Income                                                        | 14,049,158           | 15,092,474           | 22,825,346           | 3,214,427            | 8,507,018            |
| Benefit Payments                                                             | (12,468,334)         | (11,553,290)         | (11,066,537)         | (10,581,181)         | (9,558,643)          |
| Refunds of Contributions                                                     | (419,254)            | (461,154)            | (358,994)            | (482,631)            | (465,012)            |
| Administrative Expenses                                                      | (143,574)            | (133,315)            | (135,200)            | (120,635)            | (118,985)            |
| Other Changes                                                                | (8,810)              | (13,321)             | (20,191)             | (1,394)              | (1,792)              |
| Net Change in Fiduciary Net Position                                         | \$ 6,051,398         | \$ 8,020,466         | \$ 16,329,252        | \$ (1,981,390)       | \$ 4,143,540         |
| Fiduciary Net Position, Beginning                                            | 214,623,616          | 206,603,150          | 190,273,898          | 192,255,288          | 188,111,748          |
| Fiduciary Net Position, Ending (b)                                           | <u>\$220,675,014</u> | <u>\$214,623,616</u> | <u>\$206,603,150</u> | <u>\$190,273,898</u> | <u>\$192,255,288</u> |
| Net Pension Liability(Asset)-<br>Nonprofessional Employees (a) - (b)         | <u>\$ 21,008,282</u> | <u>\$ 12,290,943</u> | <u>\$ 13,615,000</u> | <u>\$ 22,855,053</u> | <u>\$ 13,572,915</u> |
| Plan Fiduciary Net Position as a % of Total<br>Pension Liability (b)/(a)     | <u>91.31%</u>        | <u>94.58%</u>        | <u>93.82%</u>        | <u>89.28%</u>        | <u>93.41%</u>        |
| Covered Payroll (c)                                                          | <u>\$ 42,872,651</u> | <u>\$ 42,303,998</u> | <u>\$ 42,112,697</u> | <u>\$ 42,344,732</u> | <u>\$ 40,970,605</u> |
| Net Pension Liability/(Asset) as a % of<br>Covered Payroll - Nonprofessional | <u>49.00%</u>        | <u>29.05%</u>        | <u>32.33%</u>        | <u>53.97%</u>        | <u>33.13%</u>        |

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS**  
**PROFESSIONAL EMPLOYEES**  
**JUNE 30, 2025**

Professional Employees

| Date          | (a)<br>Contractually<br>Required<br>Contributions | (b)<br>Contributions<br>in Relation to<br>Contractually<br>Required<br>Contributions | (c)<br>Contribution<br>Deficiency<br>(Excess)<br>(a) - (b) | (d)<br>Employer's<br>Covered<br>Payroll | (e)<br>Contributions<br>as a % of<br>Covered<br>Payroll<br>(b) / (d) |
|---------------|---------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------------------------|----------------------------------------------------------------------|
| June 30, 2025 | \$ 72,263,417                                     | \$ 72,263,417                                                                        | \$ -                                                       | \$ 508,539,178                          | 14.21%                                                               |
| June 30, 2024 | \$ 80,073,655                                     | \$ 80,073,655                                                                        | \$ -                                                       | \$ 481,790,947                          | 16.62%                                                               |
| June 30, 2023 | \$ 73,202,797                                     | \$ 73,202,797                                                                        | \$ -                                                       | \$ 440,450,043                          | 16.62%                                                               |
| June 30, 2022 | \$ 70,274,556                                     | \$ 70,274,556                                                                        | \$ -                                                       | \$ 422,831,262                          | 16.62%                                                               |
| June 30, 2021 | \$ 67,989,422                                     | \$ 67,989,422                                                                        | \$ -                                                       | \$ 409,081,963                          | 16.62%                                                               |
| June 30, 2020 | \$ 65,059,491                                     | \$ 65,059,491                                                                        | \$ -                                                       | \$ 414,920,223                          | 15.68%                                                               |
| June 30, 2019 | \$ 63,710,358                                     | \$ 63,710,358                                                                        | \$ -                                                       | \$ 406,316,058                          | 15.68%                                                               |
| June 30, 2018 | \$ 65,402,518                                     | \$ 65,402,518                                                                        | \$ -                                                       | \$ 400,750,722                          | 16.32%                                                               |
| June 30, 2017 | \$ 57,698,763                                     | \$ 57,698,763                                                                        | \$ -                                                       | \$ 393,579,555                          | 14.66%                                                               |
| June 30, 2016 | \$ 54,463,409                                     | \$ 54,463,409                                                                        | \$ -                                                       | \$ 387,364,218                          | 14.06%                                                               |

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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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, 2025**

|               | (a)           | (b)            | (c)          | (d)           | (e)           |
|---------------|---------------|----------------|--------------|---------------|---------------|
|               | Contractually | Contributions  | Contribution | Employer's    | Contributions |
|               | Required      | in Relation to | Deficiency   | Covered       | as a % of     |
|               | Contributions | Contractually  | (Excess)     | Payroll       | Covered       |
| Date          |               | Required       | (a) - (b)    |               | Payroll       |
|               |               | Contributions  |              |               | (b) / (d)     |
| June 30, 2025 | \$ 5,241,489  | \$ 5,241,489   | \$ -         | \$ 63,303,004 | 8.28%         |
| June 30, 2024 | \$ 4,494,351  | \$ 4,494,351   | \$ -         | \$ 56,249,704 | 7.99%         |
| June 30, 2023 | \$ 4,109,022  | \$ 4,109,022   | \$ -         | \$ 51,427,059 | 7.99%         |
| June 30, 2022 | \$ 3,629,076  | \$ 3,629,076   | \$ -         | \$ 45,137,761 | 8.04%         |
| June 30, 2021 | \$ 3,404,642  | \$ 3,404,642   | \$ -         | \$ 42,346,298 | 8.04%         |
| June 30, 2020 | \$ 2,928,810  | \$ 2,928,810   | \$ -         | \$ 43,518,726 | 6.73%         |
| June 30, 2019 | \$ 2,885,329  | \$ 2,885,329   | \$ -         | \$ 42,872,651 | 6.73%         |
| June 30, 2018 | \$ 2,969,741  | \$ 2,969,741   | \$ -         | \$ 42,303,998 | 7.02%         |
| June 30, 2017 | \$ 2,956,311  | \$ 2,956,311   | \$ -         | \$ 42,112,697 | 7.02%         |
| June 30, 2016 | \$ 3,857,605  | \$ 3,857,605   | \$ -         | \$ 42,344,732 | 9.11%         |

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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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, 2025**

|                                                           | <u>June 30, 2025</u>     | <u>June 30, 2024</u>     | <u>June 30, 2023</u>     | <u>June 30, 2022</u>     | <u>June 30, 2021</u>     |
|-----------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Total OPEB Liability</b>                               |                          |                          |                          |                          |                          |
| Service Cost                                              | \$ 1,616,771             | \$ 1,399,597             | \$ 2,072,937             | \$ 2,049,213             | \$ 1,934,661             |
| Interest on Total OPEB Liability                          | 7,205,462                | 6,870,091                | 5,812,560                | 5,360,537                | 5,305,457                |
| Effect of Economic/Demographic Gains or (Losses)          | -                        | (11,286,206)             | 13,394,219               | 7,289,849                | -                        |
| Effect of Assumption Changes or Inputs                    | -                        | 16,251,080               | 3,487,727                | (584,251)                | -                        |
| Benefit Payments                                          | (8,445,375)              | (8,143,732)              | (7,514,976)              | (6,864,988)              | (6,160,668)              |
| <b>Net Change in Total OPEB Liability</b>                 | <u>376,858</u>           | <u>5,090,830</u>         | <u>17,252,467</u>        | <u>7,250,360</u>         | <u>1,079,450</u>         |
| Total OPEB Liability, Beginning                           | <u>113,392,703</u>       | <u>108,301,873</u>       | <u>91,049,406</u>        | <u>83,799,046</u>        | <u>82,719,596</u>        |
| Total OPEB Liability, Ending (a)                          | <u>\$113,769,561</u>     | <u>\$113,392,703</u>     | <u>\$108,301,873</u>     | <u>\$ 91,049,406</u>     | <u>\$ 83,799,046</u>     |
| <b>Fiduciary Net Position</b>                             |                          |                          |                          |                          |                          |
| Employer Contributions                                    | \$ 8,445,375             | \$ 8,143,732             | \$ 7,514,976             | \$ 6,864,988             | \$ 6,160,668             |
| Net Investment Income                                     | 4,138,117                | 4,054,762                | 3,032,165                | (4,047,045)              | 10,143,922               |
| Investment Gains or Losses                                | -                        | -                        | -                        | -                        | -                        |
| Benefit Payments                                          | (8,445,375)              | (8,143,732)              | (7,514,976)              | (6,864,988)              | (6,160,668)              |
| Administrative Expenses                                   | (28,909)                 | (28,130)                 | (27,865)                 | (31,102)                 | (29,042)                 |
| <b>Net Change in Fiduciary Net Position</b>               | <u>4,109,208</u>         | <u>4,026,632</u>         | <u>3,004,300</u>         | <u>(4,078,147)</u>       | <u>10,114,880</u>        |
| Fiduciary Net Position, Beginning                         | <u>46,810,838</u>        | <u>42,784,206</u>        | <u>39,779,906</u>        | <u>43,858,053</u>        | <u>33,743,173</u>        |
| Fiduciary Net Position, Ending (b)                        | <u>\$ 50,920,046</u>     | <u>\$ 46,810,838</u>     | <u>\$ 42,784,206</u>     | <u>\$ 39,779,906</u>     | <u>\$ 43,858,053</u>     |
| <br>Net OPEB Liability, Ending (a) - (b)                  | <br><u>\$ 62,849,515</u> | <br><u>\$ 66,581,865</u> | <br><u>\$ 65,517,667</u> | <br><u>\$ 51,269,500</u> | <br><u>\$ 39,940,993</u> |
| <br>Fiduciary Net Position as a % of Total OPEB Liability | <br>44.76%               | <br>41.28%               | <br>39.50%               | <br>43.69%               | <br>52.34%               |
| <br>Covered Payroll                                       | <br>\$563,813,011        | <br>\$563,813,011        | <br>\$481,013,873        | <br>\$481,013,873        | <br>\$466,464,228        |
| <br>Net OPEB Liability as a % of Covered Payroll          | <br>11.15%               | <br>11.81%               | <br>13.62%               | <br>10.66%               | <br>8.56%                |

(continued)

## Notes to Schedule:

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

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**OTHER POSTEMPLOYMENT BENEFITS – RETIREE HEALTH**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**LAST TEN FISCAL YEARS**  
**JUNE 30, 2025**

(continued)

|                                                           | <u>June 30, 2020</u>     | <u>June 30, 2019</u>     | <u>June 30, 2018</u>     | <u>June 30, 2017</u>     |
|-----------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Total OPEB Liability</b>                               |                          |                          |                          |                          |
| Service Cost                                              | \$ 2,566,620             | \$ 2,429,766             | \$ 1,239,627             | \$ 1,529,672             |
| Interest on Total OPEB Liability                          | 6,616,759                | 6,508,729                | 5,027,382                | 4,928,893                |
| Effect of Economic/Demographic Gains or (Losses)          | 2,340,909                | -                        | 1,400,273                | -                        |
| Effect of Assumption Changes or Inputs                    | (22,674,032)             | 3,705,597                | 20,370,070               | -                        |
| Benefit Payments                                          | (5,945,243)              | (6,650,666)              | (6,679,101)              | (5,661,710)              |
| <b>Net Change in Total OPEB Liability</b>                 | <u>(17,094,987)</u>      | <u>5,993,426</u>         | <u>21,358,251</u>        | <u>796,855</u>           |
| Total OPEB Liability, Beginning                           | 99,814,583               | 93,821,157               | 72,462,906               | 71,666,051               |
| Total OPEB Liability, Ending (a)                          | <u>\$ 82,719,596</u>     | <u>\$ 99,814,583</u>     | <u>\$ 93,821,157</u>     | <u>\$ 72,462,906</u>     |
| <b>Fiduciary Net Position</b>                             |                          |                          |                          |                          |
| Employer Contributions                                    | \$ 6,950,743             | \$ 6,650,666             | \$ 7,369,401             | \$ 5,661,710             |
| Net Investment Income                                     | 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                                          | (5,945,243)              | (6,650,666)              | (6,679,101)              | (5,661,710)              |
| Administrative Expenses                                   | (27,508)                 | (26,592)                 | (25,409)                 | (24,357)                 |
| <b>Net Change in Fiduciary Net Position</b>               | <u>1,975,092</u>         | <u>1,371,262</u>         | <u>3,262,595</u>         | <u>3,073,959</u>         |
| Fiduciary Net Position, Beginning                         | 31,768,081               | 30,396,819               | 27,134,224               | 24,060,265               |
| Fiduciary Net Position, Ending (b)                        | <u>\$ 33,743,173</u>     | <u>\$ 31,768,081</u>     | <u>\$ 30,396,819</u>     | <u>\$ 27,134,224</u>     |
| <br>Net OPEB Liability, Ending (a) - (b)                  | <br><u>\$ 48,976,423</u> | <br><u>\$ 68,046,502</u> | <br><u>\$ 63,424,338</u> | <br><u>\$ 45,328,682</u> |
| <br>Fiduciary Net Position as a % of Total OPEB Liability | <br>40.79%               | <br>31.83%               | <br>32.40%               | <br>37.45%               |
| <br>Covered Payroll                                       | <br>\$466,464,228        | <br>\$444,517,100        | <br>\$444,517,100        | <br>\$426,884,300        |
| <br>Net OPEB Liability as a % of Covered Payroll          | <br>10.50%               | <br>15.31%               | <br>14.27%               | <br>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, 2025**

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| Fiscal Year<br>Ending<br>June 30 | Actuarially<br>Determined<br>Contribution | Actual<br>Employer<br>Contribution* | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Contribution<br>as a % of<br>Covered Payroll |
|----------------------------------|-------------------------------------------|-------------------------------------|----------------------------------------|--------------------|----------------------------------------------|
| 2016                             | \$4,462,800                               | \$ 5,748,000                        | \$ (1,285,200)                         | \$ 426,884,300     | 1.35%                                        |
| 2017                             | \$4,542,400                               | \$ 5,661,710                        | \$ (1,119,310)                         | \$ 426,884,300     | 1.33%                                        |
| 2018                             | \$7,369,400                               | \$ 7,369,400                        | \$ -                                   | \$ 444,517,100     | 1.66%                                        |
| 2019                             | \$7,656,200                               | \$ 6,650,700                        | \$ 1,005,500                           | \$ 444,517,100     | 1.50%                                        |
| 2020                             | \$5,704,500                               | \$ 6,950,743                        | \$ (1,246,243)                         | \$ 466,464,228     | 1.49%                                        |
| 2021                             | \$5,835,800                               | \$ 6,160,668                        | \$ (324,868)                           | \$ 466,464,228     | 1.32%                                        |
| 2022                             | \$5,942,500                               | \$ 6,864,988                        | \$ (922,488)                           | \$ 481,013,873     | 1.43%                                        |
| 2023                             | \$7,437,500                               | \$ 7,514,976                        | \$ (77,476)                            | \$ 481,013,873     | 1.56%                                        |
| 2024                             | \$7,627,700                               | \$ 8,143,732                        | \$ (516,032)                           | \$ 563,813,011     | 1.44%                                        |
| 2025                             | \$7,838,400                               | \$ 8,445,375                        | \$ (606,975)                           | \$ 563,813,011     | 1.50%                                        |

*\*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, 2025**

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**Valuation Timing:**

Actuarial valuations for OPEB funding purposes are performed biennially as of January 1.  
The most recent valuation was performed as of January 1, 2024.

|                             |                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Cost Method       | Projected Unit Credit                                                                                                                                                                                                                                                                                                              |
| Amortization Method         | Level Dollar, Closed                                                                                                                                                                                                                                                                                                               |
| Amortization Period         | 21 Years Remaining as of January 1, 2025                                                                                                                                                                                                                                                                                           |
| Asset Valuation Method      | Five-year asset smoothing; Actuarial value of assets will equal fair value for applicable year less amounts deferred through the recognition over five years of the annual difference between actual and expected fair 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 2022 through 2023, assigned one third credibility to calendar year 2022 and remaining two thirds to calendar year 2023 retiree and dependent claims. |
| Healthcare Cost Trend Rates | Assumption changed from 7.50% in 2024, 6.60% in 2025, 5.60% in 2025, then grading to an to an ultimate rate of 3.90% in 2074. These healthcare trend rates are consistent with information from the Getzen Trend Model, Milliman's Healthcare Cost Guidelines and actuarial judgment.                                              |

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**OTHER POSTEMPLOYMENT BENEFITS – RETIREE HEALTH**  
**SCHEDULE OF INVESTMENT RETURNS**  
**LAST TEN FISCAL YEARS**  
**JUNE 30, 2025**

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| Fiscal Year<br>Ending<br>June 30 | Net<br>Money-Weighted<br>Rate of Return |
|----------------------------------|-----------------------------------------|
| 2017                             | 12.89%                                  |
| 2018                             | 9.56%                                   |
| 2019                             | 4.60%                                   |
| 2020                             | 3.04%                                   |
| 2021                             | 30.08%                                  |
| 2022                             | -9.23%                                  |
| 2023                             | 7.63%                                   |
| 2024                             | 9.48%                                   |
| 2025                             | 8.84%                                   |

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, 2025**

|                                                           | June 30, 2024       | June 30, 2023       | June 30, 2022       | June 30, 2021       | June 30, 2020       |
|-----------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Total HIC OPEB Liability</b>                           |                     |                     |                     |                     |                     |
| Service Cost                                              | \$ 42,486           | \$ 43,751           | \$ 58,118           | \$ 63,751           | \$ -                |
| Interest on Total OPEB Liability                          | 259,201             | 429,451             | 390,927             | 354,375             | -                   |
| Changes of Benefit Terms                                  | -                   | -                   | -                   | -                   | 5,249,993           |
| Difference between actual and expected experience         | (495,619)           | (2,817,220)         | (167,281)           | -                   | -                   |
| Change in Assumptions                                     | -                   | -                   | 475,946             | 149,910             | -                   |
| Benefit Payments                                          | (177,890)           | (175,968)           | (169,274)           | -                   | -                   |
| <b>Net Change in Total HIC OPEB Liability</b>             | <b>(371,822)</b>    | <b>(2,519,986)</b>  | <b>588,436</b>      | <b>568,036</b>      | <b>5,249,993</b>    |
| Total HIC OPEB Liability, Beginning                       | 3,886,479           | 6,406,465           | 5,818,029           | 5,249,993           | 0                   |
| Total HIC OPEB Liability, Ending (a)                      | <u>\$ 3,514,657</u> | <u>\$ 3,886,479</u> | <u>\$ 6,406,465</u> | <u>\$ 5,818,029</u> | <u>\$ 5,249,993</u> |
| <b>Fiduciary Net Position</b>                             |                     |                     |                     |                     |                     |
| Employer Contributions                                    | \$ 650,062          | \$ 585,631          | \$ 430,973          | \$ 400,904          | \$ -                |
| Net Investment Income                                     | 134,998             | 62,476              | (5,734)             | 47,594              | -                   |
| Benefit Payments                                          | (177,890)           | (175,968)           | (169,274)           | -                   | -                   |
| Administrative Expenses                                   | (2,114)             | (1,676)             | (1,280)             | (1,754)             | -                   |
| Other                                                     | -                   | 235                 | 4,151               | -                   | -                   |
| <b>Net Change in Fiduciary Net Position</b>               | <b>605,056</b>      | <b>470,698</b>      | <b>258,836</b>      | <b>446,744</b>      | <b>-</b>            |
| Fiduciary Net Position, Beginning                         | 1,176,278           | 705,580             | 446,744             | -                   | -                   |
| Fiduciary Net Position, Ending (b)                        | <u>\$ 1,781,334</u> | <u>\$ 1,176,278</u> | <u>\$ 705,580</u>   | <u>\$ 446,744</u>   | <u>\$ -</u>         |
| Net HIC OPEB Liability, Ending (a) - (b)                  | <u>\$ 1,733,323</u> | <u>\$ 2,710,201</u> | <u>\$ 5,700,885</u> | <u>\$ 5,371,285</u> | <u>\$ 5,249,993</u> |
| Fiduciary Net Position as a % of Total OPEB HIC Liability | 50.68%              | 30.27%              | 11.01%              | 7.68%               | 0.00%               |
| Covered Payroll                                           | \$ 63,738,321       | \$ 57,416,545       | \$ 49,466,229       | \$ 46,018,028       | \$ -                |
| Net HIC OPEB Liability as a % of Covered Payroll          | 2.72%               | 4.72%               | 11.52%              | 11.67%              | N/A                 |

**Notes to Schedule:**

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY  
HEALTH INSURANCE CREDIT PROGRAM (HIC)  
FOR THE MEASUREMENT DATES OF JUNE 30, 2017 through 2024**

**Health Insurance Credit Program - Teacher**

|                                                                                                     | 2024           | 2023           | 2022           | 2021           | 2020           |
|-----------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Employer's Proportion of the Net HIC OPEB Liability                                                 | 4.73849%       | 4.64345%       | 4.73288%       | 4.80573%       | 4.87922%       |
| Employer's Proportionate Share of the Net HIC OPEB Liability                                        | \$ 54,760,265  | \$ 56,251,561  | \$ 59,115,873  | \$ 61,684,868  | \$ 63,650,230  |
| Employer's Covered Payroll                                                                          | \$ 507,674,183 | \$ 463,002,968 | \$ 441,111,818 | \$ 425,016,085 | \$ 427,749,309 |
| Employer's Proportionate Share of the Net HIC OPEB Liability as a Percentage of its Covered Payroll | 10.79%         | 12.15%         | 13.40%         | 14.51%         | 14.88%         |
| Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability                         | 21.82%         | 17.09%         | 15.08%         | 13.15%         | 9.95%          |

(continued)

## Notes to Schedule:

This schedule is intended to show information for 10 years. Since 2024 is the eighth year for this presentation, there are only eight 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  
HEALTH INSURANCE CREDIT PROGRAM (HIC)  
FOR THE MEASUREMENT DATES OF JUNE 30, 2017 through 2024**

|                                                                                                     | (continued)    |                |                |
|-----------------------------------------------------------------------------------------------------|----------------|----------------|----------------|
| <b>Health Insurance Credit Program - Teacher</b>                                                    | 2019           | 2018           | 2017           |
| Employer's Proportion of the Net HIC OPEB Liability                                                 | 4.96761%       | 5.04954%       | 5.06312%       |
| Employer's Proportionate Share of the Net HIC OPEB Liability                                        | \$ 65,030,846  | \$ 64,113,000  | \$ 64,231,000  |
| Employer's Covered Payroll                                                                          | \$ 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 | 15.61%         | 15.70%         | 16.07%         |
| Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability                         | 8.97%          | 8.08%          | 7.04%          |

Notes to Schedule:

This schedule is intended to show information for 10 years. Since 2024 is the eighth year for this presentation, there are only eight 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 2024**

**Group Life Insurance Program - Teachers**

|                                                                                                     | 2024           | 2023           | 2022           | 2021           | 2020           |
|-----------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Employer's Proportion of the Net GLI OPEB Liability                                                 | 1.98313%       | 1.97218%       | 2.03441%       | 2.06530%       | 2.08728%       |
| Employer's Proportionate Share of the Net GLI OPEB Liability                                        | \$ 22,130,185  | \$ 23,652,620  | \$ 24,496,258  | \$ 24,045,696  | \$ 34,833,286  |
| Employer's Covered Payroll                                                                          | \$ 509,198,060 | \$ 464,553,956 | \$ 442,535,190 | \$ 426,407,218 | \$ 429,568,184 |
| Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll | 4.35%          | 5.09%          | 5.54%          | 5.64%          | 8.11%          |
| Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability                         | 73.41%         | 69.30%         | 67.21%         | 67.45%         | 52.64%         |

**Group Life Insurance Program - Political Subdivision**

|                                                                                                     |               |               |               |               |               |
|-----------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Employer's Proportion of the Net GLI OPEB Liability                                                 | 0.25039%      | 0.24585%      | 0.22892%      | 0.22524%      | 0.23282%      |
| Employer's Proportionate Share of the Net GLI OPEB Liability                                        | \$ 2,794,157  | \$ 2,948,512  | \$ 2,756,418  | \$ 2,622,404  | \$ 3,885,384  |
| Employer's Covered Payroll                                                                          | \$ 64,290,045 | \$ 57,910,661 | \$ 49,796,398 | \$ 46,503,477 | \$ 47,915,825 |
| Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll | 4.35%         | 5.09%         | 5.54%         | 5.64%         | 8.11%         |
| Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability                         | 73.41%        | 69.30%        | 67.21%        | 67.45%        | 52.64%        |

(continued)

**Notes to Schedule:**

This schedule is intended to show information for 10 years. Since 2024 is the eighth year for this presentation, there are only eight 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 2024**

|                                                                                                     | (continued)   |                |                |
|-----------------------------------------------------------------------------------------------------|---------------|----------------|----------------|
| <b>Group Life Insurance Program - Teachers</b>                                                      | 2019          | 2018           | 2017           |
| Employer's Proportion of the Net GLI OPEB Liability                                                 | 2.13333%      | 2.15565%       | 2.17633%       |
| Employer's Proportionate Share of the Net GLI OPEB Liability                                        | \$ 34,714,957 | \$ 32,738,000  | \$ 32,750,000  |
| Employer's Covered Payroll                                                                          | \$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 | 8.30%         | 7.99%          | 8.16%          |
| Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability                         | 52.00%        | 51.22%         | 48.86%         |
| <b>Group Life Insurance Program - Political Subdivision</b>                                         |               |                |                |
| Employer's Proportion of the Net GLI OPEB Liability                                                 | 0.23547%      | 0.23729%       | 0.24033%       |
| Employer's Proportionate Share of the Net GLI OPEB Liability                                        | \$ 3,831,723  | \$ 3,604,000   | \$ 3,617,000   |
| Employer's Covered Payroll                                                                          | \$ 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 | 8.30%         | 7.99%          | 8.16%          |
| Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability                         | 52.00%        | 51.22%         | 48.86%         |

Notes to Schedule:

This schedule is intended to show information for 10 years. Since 2024 is the eighth year for this presentation, there are only eight 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 2024**

**Virginia Local Disability Program - Teachers**

|                                                                                                      | 2024          | 2023          | 2022          | 2021          | 2020          |
|------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Employer's Proportion of the Net VLDP OPEB Liability                                                 | 17.97891%     | 17.73122%     | 17.43607%     | 17.50814%     | 17.32958%     |
| Employer's Proportionate Share of the Net VLDP OPEB Liability(Asset)                                 | \$ (161,076)  | \$ 117,722    | \$ (19,604)   | \$ (123,258)  | \$ 139,032    |
| Employer's Covered Payroll                                                                           | \$194,019,780 | \$165,580,452 | \$140,335,596 | \$117,813,537 | \$102,504,393 |
| Employer's Proportionate Share of the Net VLDP OPEB Liability as a Percentage of its Covered Payroll | -0.08%        | 0.07%         | -0.01%        | -0.10%        | 0.14%         |
| Plan Fiduciary Net Position as a Percentage of the Total Teacher VLDP OPEB Liability                 | 107.03%       | 93.77%        | 101.57%       | 114.46%       | 78.28%        |

**Virginia Local Disability Program - Political Subdivision**

|                                                                                                      |               |               |               |               |               |
|------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Employer's Proportion of the Net VLDP OPEB Liability                                                 | 4.54194%      | 4.61706%      | 4.44580%      | 4.35422%      | 4.54891%      |
| Employer's Proportionate Share of the Net VLDP OPEB Liability(Asset)                                 | \$ (163,848)  | \$ (74,288)   | \$ (26,139)   | \$ (44,077)   | \$ 45,409     |
| Employer's Covered Payroll                                                                           | \$ 35,129,142 | \$ 28,259,774 | \$ 20,828,092 | \$ 17,491,581 | \$ 16,950,791 |
| Employer's Proportionate Share of the Net VLDP OPEB Liability as a Percentage of its Covered Payroll | -0.47%        | -0.26%        | -0.13%        | -0.25%        | 0.27%         |
| Plan Fiduciary Net Position as a Percentage of the Total Political Subdivision VLDP OPEB Liability   | 129.49%       | 116.89%       | 107.99%       | 119.59%       | 76.84%        |

(continued)

**Notes to Schedule:**

This schedule is intended to show information for 10 years. Since 2024 is the eighth year for this presentation, there are only eight 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 2024**

(continued)

**Virginia Local Disability Program - Teachers**

|                                                                                                      | 2019          | 2018          | 2017          |
|------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|
| Employer's Proportion of the Net VLDP OPEB Liability                                                 | 16.94127%     | 16.82241%     | 16.44512%     |
| Employer's Proportionate Share of the Net VLDP OPEB Liability(Asset)                                 | \$ 98,486     | \$ 127,000    | \$ 98,000     |
| Employer's Covered Payroll                                                                           | \$ 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 | 0.12%         | 0.20%         | 0.21%         |
| Plan Fiduciary Net Position as a Percentage of the Total Teacher VLDP OPEB Liability                 | 74.12%        | 46.18%        | 31.96%        |

**Virginia Local Disability Program - Political Subdivision**

|                                                                                                      |               |               |              |
|------------------------------------------------------------------------------------------------------|---------------|---------------|--------------|
| Employer's Proportion of the Net VLDP OPEB Liability                                                 | 4.62460%      | 4.93874%      | 5.20662%     |
| Employer's Proportionate Share of the Net VLDP OPEB Liability(Asset)                                 | \$ 93,686     | \$ 38,000     | \$ 30,000    |
| Employer's Covered Payroll                                                                           | \$ 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 | 0.66%         | 0.32%         | 0.31%        |
| Plan Fiduciary Net Position as a Percentage of the Total Political Subdivision VLDP OPEB Liability   | 49.19%        | 51.39%        | 38.40%       |

## Notes to Schedule:

This schedule is intended to show information for 10 years. Since 2024 is the eighth year for this presentation, there are only eight 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, 2025**

**Health Insurance Credit Program - Teacher**

| Fiscal Year<br>Ending<br>June 30 | Contractually<br>Required<br>Contribution | Actual<br>Employer<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Contribution<br>as a % of<br>Covered Payroll |
|----------------------------------|-------------------------------------------|------------------------------------|----------------------------------------|--------------------|----------------------------------------------|
| 2025                             | \$6,271,703                               | \$ 6,271,703                       | \$ -                                   | \$ 518,353,185     | 1.21%                                        |
| 2024                             | \$6,150,231                               | \$ 6,150,231                       | \$ -                                   | \$ 507,674,183     | 1.21%                                        |
| 2023                             | \$5,603,990                               | \$ 5,603,990                       | \$ -                                   | \$ 463,002,968     | 1.21%                                        |
| 2022                             | \$5,398,393                               | \$ 5,398,393                       | \$ -                                   | \$ 441,111,818     | 1.22%                                        |
| 2021                             | \$5,143,628                               | \$ 5,143,628                       | \$ -                                   | \$ 425,016,085     | 1.21%                                        |
| 2020                             | \$5,148,298                               | \$ 5,148,298                       | \$ -                                   | \$ 427,749,309     | 1.20%                                        |
| 2019                             | \$4,996,970                               | \$ 4,996,970                       | \$ -                                   | \$ 416,667,852     | 1.20%                                        |
| 2018                             | \$5,023,021                               | \$ 5,023,021                       | \$ -                                   | \$ 408,375,692     | 1.23%                                        |
| 2017                             | \$4,914,862                               | \$ 4,435,363                       | \$ 479,499                             | \$ 399,582,254     | 1.11%                                        |
| 2016                             | \$4,609,056                               | \$ 4,140,339                       | \$ 468,717                             | \$ 390,598,006     | 1.06%                                        |

**Health Insurance Credit Program - Political Subdivision**

| Fiscal Year<br>Ending<br>June 30 | Contractually<br>Required<br>Contribution | Actual<br>Employer<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Contribution<br>as a % of<br>Covered Payroll |
|----------------------------------|-------------------------------------------|------------------------------------|----------------------------------------|--------------------|----------------------------------------------|
| 2025                             | \$ 684,852                                | \$ 684,852                         | \$ -                                   | \$ 66,168,568      | 1.04%                                        |
| 2024                             | \$ 650,062                                | \$ 650,062                         | \$ -                                   | \$ 63,738,321      | 1.02%                                        |
| 2023                             | \$ 588,631                                | \$ 588,631                         | \$ -                                   | \$ 57,416,545      | 1.03%                                        |
| 2022                             | \$ 430,973                                | \$ 430,973                         | \$ -                                   | \$ 49,466,229      | 0.87%                                        |
| 2021                             | \$ 400,904                                | \$ 400,904                         | \$ -                                   | \$ 46,081,028      | 0.87%                                        |

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POST EMPLOYMENT BENEFITS (OPEB)  
LAST TEN FISCAL YEARS  
JUNE 30, 2025**

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Notes to Schedule:

This schedule is intended to show information for 10 years. Since 2025 is the fifth year the School Board had employees eligible for HIC – Political Subdivision, there are only five 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, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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, 2025**

**Group Life Insurance Program - Teacher**

| Fiscal Year<br>Ending<br>June 30 | Contractually<br>Required<br>Contribution | Actual<br>Employer<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Contribution<br>as a % of<br>Covered Payroll |
|----------------------------------|-------------------------------------------|------------------------------------|----------------------------------------|--------------------|----------------------------------------------|
| 2025                             | \$2,443,560                               | \$ 2,443,560                       | \$ -                                   | \$ 519,997,019     | 0.47%                                        |
| 2024                             | \$2,752,572                               | \$ 2,752,572                       | \$ -                                   | \$ 509,198,060     | 0.54%                                        |
| 2023                             | \$2,509,214                               | \$ 2,509,214                       | \$ -                                   | \$ 464,553,956     | 0.54%                                        |
| 2022                             | \$2,368,914                               | \$ 2,368,914                       | \$ -                                   | \$ 442,535,190     | 0.54%                                        |
| 2021                             | \$2,302,569                               | \$ 2,302,569                       | \$ -                                   | \$ 426,407,218     | 0.54%                                        |
| 2020                             | \$2,257,910                               | \$ 2,257,910                       | \$ -                                   | \$ 429,568,184     | 0.52%                                        |
| 2019                             | \$2,189,610                               | \$ 2,189,610                       | \$ -                                   | \$ 418,203,923     | 0.52%                                        |
| 2018                             | \$2,131,438                               | \$ 2,131,438                       | \$ -                                   | \$ 409,891,865     | 0.52%                                        |
| 2017                             | \$2,087,447                               | \$ 2,087,447                       | \$ -                                   | \$ 401,432,134     | 0.52%                                        |
| 2016                             | \$2,079,432                               | \$ 1,883,259                       | \$ 196,173                             | \$ 392,345,632     | 0.48%                                        |

**Group Life Insurance Program - Political Subdivision**

| Fiscal Year<br>Ending<br>June 30 | Contractually<br>Required<br>Contribution | Actual<br>Employer<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Contribution<br>as a % of<br>Covered Payroll |
|----------------------------------|-------------------------------------------|------------------------------------|----------------------------------------|--------------------|----------------------------------------------|
| 2025                             | \$ 309,417                                | \$ 309,417                         | \$ -                                   | \$ 66,721,124      | 0.46%                                        |
| 2024                             | \$ 347,170                                | \$ 347,170                         | \$ -                                   | \$ 64,290,045      | 0.54%                                        |
| 2023                             | \$ 312,721                                | \$ 312,721                         | \$ -                                   | \$ 57,910,661      | 0.54%                                        |
| 2022                             | \$ 268,726                                | \$ 268,726                         | \$ -                                   | \$ 49,796,398      | 0.54%                                        |
| 2021                             | \$ 251,112                                | \$ 251,112                         | \$ -                                   | \$ 46,503,477      | 0.54%                                        |
| 2020                             | \$ 250,065                                | \$ 250,065                         | \$ -                                   | \$ 47,915,825      | 0.52%                                        |
| 2019                             | \$ 241,899                                | \$ 241,899                         | \$ -                                   | \$ 46,160,454      | 0.52%                                        |
| 2018                             | \$ 234,625                                | \$ 234,625                         | \$ -                                   | \$ 45,120,109      | 0.52%                                        |
| 2017                             | \$ 230,517                                | \$ 230,517                         | \$ -                                   | \$ 44,330,131      | 0.52%                                        |
| 2016                             | \$ 231,831                                | \$ 209,960                         | \$ 21,871                              | \$ 43,741,730      | 0.48%                                        |

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POST EMPLOYMENT BENEFITS (OPEB)  
LAST TEN FISCAL YEARS  
JUNE 30, 2025**

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Notes to Schedule:

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

**Changes of assumptions:** The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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, 2025**

**Virginia Local Disability Program - Teacher**

| Fiscal Year<br>Ending<br>June 30 | Contractually<br>Required<br>Contribution | Actual<br>Employer<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Contribution<br>as a % of<br>Covered Payroll |
|----------------------------------|-------------------------------------------|------------------------------------|----------------------------------------|--------------------|----------------------------------------------|
| 2025                             | \$ 943,502                                | \$ 943,502                         | \$ -                                   | \$ 210,116,289     | 0.45%                                        |
| 2024                             | \$ 913,923                                | \$ 913,923                         | \$ -                                   | \$ 194,019,780     | 0.47%                                        |
| 2023                             | \$ 778,254                                | \$ 778,254                         | \$ -                                   | \$ 165,580,452     | 0.47%                                        |
| 2022                             | \$ 659,550                                | \$ 659,550                         | \$ -                                   | \$ 140,335,596     | 0.47%                                        |
| 2021                             | \$ 553,806                                | \$ 553,806                         | \$ -                                   | \$ 117,813,537     | 0.47%                                        |
| 2020                             | \$ 423,008                                | \$ 423,008                         | \$ -                                   | \$ 102,504,393     | 0.41%                                        |
| 2019                             | \$ 333,074                                | \$ 333,074                         | \$ -                                   | \$ 81,239,317      | 0.41%                                        |
| 2018                             | \$ 194,449                                | \$ 194,449                         | \$ -                                   | \$ 62,725,531      | 0.31%                                        |
| 2017                             | \$ 143,865                                | \$ 143,865                         | \$ -                                   | \$ 46,408,200      | 0.31%                                        |
| 2016                             | \$ 80,152                                 | \$ 80,152                          | \$ -                                   | \$ 27,638,756      | 0.29%                                        |

**Virginia Local Disability Program - Political Subdivision**

| Fiscal Year<br>Ending<br>June 30 | Contractually<br>Required<br>Contribution | Actual<br>Employer<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Contribution<br>as a % of<br>Covered Payroll |
|----------------------------------|-------------------------------------------|------------------------------------|----------------------------------------|--------------------|----------------------------------------------|
| 2025                             | \$ 290,871                                | \$ 290,871                         | \$ -                                   | \$ 39,349,222      | 0.74%                                        |
| 2024                             | \$ 298,601                                | \$ 298,601                         | \$ -                                   | \$ 35,129,142      | 0.85%                                        |
| 2023                             | \$ 240,208                                | \$ 240,208                         | \$ -                                   | \$ 28,259,774      | 0.85%                                        |
| 2022                             | \$ 172,623                                | \$ 172,623                         | \$ -                                   | \$ 20,828,092      | 0.83%                                        |
| 2021                             | \$ 145,229                                | \$ 145,229                         | \$ -                                   | \$ 17,491,581      | 0.83%                                        |
| 2020                             | \$ 122,065                                | \$ 122,065                         | \$ -                                   | \$ 16,950,791      | 0.72%                                        |
| 2019                             | \$ 102,908                                | \$ 102,908                         | \$ -                                   | \$ 14,290,947      | 0.72%                                        |
| 2018                             | \$ 71,950                                 | \$ 71,950                          | \$ -                                   | \$ 11,991,585      | 0.60%                                        |
| 2017                             | \$ 57,365                                 | \$ 57,365                          | \$ -                                   | \$ 9,560,850       | 0.60%                                        |
| 2016                             | \$ 40,146                                 | \$ 40,146                          | \$ -                                   | \$ 6,691,000       | 0.60%                                        |

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POST EMPLOYMENT BENEFITS (OPEB)  
LAST TEN FISCAL YEARS  
JUNE 30, 2025**

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Notes to Schedule:

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

**Changes of assumptions:** The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. 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, 2025**  
**with comparative actual amounts for the year ended June 30, 2024**

|                                       | Original<br>Budget | Final<br>Budget | Actual         | Variance        | 2024<br>Actual |
|---------------------------------------|--------------------|-----------------|----------------|-----------------|----------------|
| <b>REVENUES</b>                       |                    |                 |                |                 |                |
| <u>From Use of Money and Property</u> |                    |                 |                |                 |                |
| Rents                                 | \$ 300,000         | \$ 300,000      | \$ 365,117     | \$ 65,117       | \$ 334,400     |
| <u>Charges for Services</u>           |                    |                 |                |                 |                |
| Tuition and Educational Fees          | \$ 871,000         | \$ 871,000      | \$ 1,120,957   | \$ 249,957      | \$ 928,150     |
| <u>Miscellaneous Revenues</u>         |                    |                 |                |                 |                |
| Sale of Salvage                       | \$ 75,000          | \$ 75,000       | \$ 46,716      | \$ (28,284)     | \$ 96,481      |
| Insurance Proceeds                    | -                  | -               | 47,731         | 47,731          | -              |
| Donations                             | -                  | -               | 9,249          | 9,249           | -              |
| Miscellaneous                         | 126,000            | 126,000         | 318,004        | 192,004         | 222,260        |
| Indirect Costs                        | 600,000            | 600,000         | 1,128,332      | 528,332         | 1,073,357      |
| Athletics                             | 559,000            | 559,000         | 892,823        | 333,823         | 724,361        |
| Instructional Technology              | -                  | -               | 1,660,980      | 1,660,980       | 806,937        |
| Lost, Damaged, Stolen Technology      | 150,000            | 150,000         | 421,122        | 271,122         | 345,449        |
| SECEP CIP                             | -                  | -               | -              | -               | 1,500,000      |
| Other Rebates                         | -                  | -               | 400,000        | 400,000         | -              |
| Stop Arm Enforcement                  | 1,200,000          | 1,200,000       | 198,262        | (1,001,738)     | 1,053,162      |
| Total Miscellaneous Revenues          | \$ 2,710,000       | \$ 2,710,000    | \$ 5,123,219   | \$ 2,413,219    | \$ 5,822,007   |
| <u>From Local Government</u>          |                    |                 |                |                 |                |
| City - General Fund                   | \$ 479,364,396     | \$ 479,364,396  | \$ 441,269,816 | \$ (38,094,580) | \$ 435,044,933 |
| City - School Reserve Fund            | -                  | -               | -              | -               | 333,591        |
| City for Consolidated Benefits Office | 735,538            | 735,538         | 735,538        | -               | 735,538        |
| Total From Local Government           | \$ 480,099,934     | \$ 480,099,934  | \$ 442,005,354 | \$ (38,094,580) | \$ 436,114,062 |
| <u>From Commonwealth</u>              |                    |                 |                |                 |                |
| Basic Aid                             | \$ 240,033,963     | \$ 232,926,033  | \$ 231,430,357 | \$ (1,495,676)  | \$ 204,051,071 |
| Reimbursement-Social Security         | 12,965,722         | 12,524,961      | 12,519,490     | (5,471)         | 11,327,663     |
| Reimbursement-Retirement              | 27,878,139         | 26,886,426      | 26,874,682     | (11,744)        | 26,431,213     |
| Reimbursement-Life Insurance          | 918,252            | 771,332         | 770,995        | (337)           | 785,086        |
| Remedial Education                    | 5,987,005          | -               | -              | -               | 4,822,668      |
| Remedial Education-Summer School      | 419,301            | 419,301         | 187,623        | (231,678)       | 313,300        |
| Special Education                     | 23,213,417         | 23,213,417      | 23,203,277     | (10,140)        | 19,178,518     |
| Special Education-Regional Program    | 5,827,319          | 5,827,319       | 4,980,268      | (847,051)       | 5,312,665      |
| Special Education-Homebound           | 214,870            | 214,870         | 171,473        | (43,397)        | 128,229        |
| Special Education-Foster Children     | -                  | -               | 413,174        | 413,174         | 230,469        |
| Foster Home Children                  | 434,644            | 434,644         | 84,049         | (350,595)       | 206,422        |
| Vocational                            | 2,424,186          | 2,424,186       | 2,423,127      | (1,059)         | 2,168,331      |
| Vocational-Occupational/Tech.         | 392,637            | 392,637         | 226,240        | (166,397)       | 227,819        |
| Sales Tax                             | 91,663,766         | 88,878,833      | 91,643,485     | 2,764,652       | 90,678,103     |
| Class Size Initiative                 | 6,265,277          | 6,263,870       | 6,165,541      | (98,329)        | 5,380,957      |
| At-Risk Initiative                    | 14,773,381         | 26,239,445      | 26,229,435     | (10,010)        | 10,395,848     |
| English as a Second Language          | 2,622,476          | 3,015,653       | 4,257,452      | 1,241,799       | 2,148,286      |
| Supplemental Lottery per Pupil Alloc. | 14,970,031         | 16,338,486      | 16,385,088     | 46,602          | 15,137,938     |
| Salary Supplement                     | 2,628,789          | 8,855,801       | 8,886,428      | 30,627          | 30,049,095     |
| Gifted and Talented Aid               | 2,313,996          | 2,313,996       | 2,312,985      | (1,011)         | 2,056,176      |
| Other State Funds                     | -                  | 14,158,472      | 20,416,050     | 6,257,578       | 22,803,673     |
| Total From Commonwealth               | \$ 455,947,171     | \$ 472,099,682  | \$ 479,581,219 | \$ 7,481,537    | \$ 453,833,530 |
| <u>From Federal Government</u>        |                    |                 |                |                 |                |
| Public Law 874                        | \$ 7,489,766       | \$ 7,489,766    | \$ 8,744,086   | \$ 1,254,320    | \$ 12,549,925  |
| Public Law 874-Special Education      | 837,638            | 837,638         | 1,130,814      | 293,176         | 1,431,369      |
| Dept of the Navy-NJROTC               | 225,481            | 225,481         | 376,136        | 150,655         | 326,957        |
| Department of Defense                 | 2,247,062          | 2,247,062       | 2,829,509      | 582,447         | 3,385,722      |
| Dept of Defense-Special Education     | 1,771,877          | 1,771,877       | 1,912,374      | 140,497         | 2,313,880      |
| Medicaid Reimbursement                | 1,715,818          | 1,715,818       | 2,196,116      | 480,298         | 1,874,578      |

(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, 2025**  
**with comparative actual amounts for the year ended June 30, 2024**

|                                                | (continued)        |                 |                |                 |                |
|------------------------------------------------|--------------------|-----------------|----------------|-----------------|----------------|
|                                                | Original<br>Budget | Final<br>Budget | Actual         | Variance        | 2024<br>Actual |
| Medicaid Reimbursement-Transportation          | \$ 212,358         | \$ 212,358      | \$ 68,012      | \$ (144,346)    | \$ 43,998      |
| Other Federal Funds                            | -                  | -               | 292            | 292             | 333            |
| Total From Federal Government                  | \$ 14,500,000      | \$ 14,500,000   | \$ 17,257,339  | \$ 2,757,339    | \$ 21,926,762  |
| Total Revenues                                 | \$ 954,428,105     | \$ 970,580,616  | \$ 945,453,205 | \$ (25,127,411) | \$ 918,958,911 |
| <b>EXPENDITURES</b>                            |                    |                 |                |                 |                |
| <b>Instruction</b>                             |                    |                 |                |                 |                |
| Elementary Classroom                           | \$ 189,656,405     | \$ 192,896,961  | \$ 192,166,371 | \$ 730,590      | \$ 185,802,596 |
| Middle School Classroom                        | 68,976,499         | 69,666,611      | 68,742,854     | 923,757         | 69,725,361     |
| Senior High Classroom                          | 92,830,761         | 94,085,961      | 93,745,119     | 340,842         | 94,488,630     |
| Special Education                              | 116,893,015        | 118,419,719     | 114,633,703    | 3,786,016       | 111,975,221    |
| Technical and Career Education                 | 21,265,415         | 21,006,007      | 20,309,879     | 696,128         | 20,463,898     |
| Gifted Education and Academy Programs          | 18,458,424         | 18,747,241      | 18,565,247     | 181,994         | 18,175,116     |
| Alternative Education - Renaissance            | 7,155,444          | 7,151,480       | 6,964,957      | 186,523         | 6,660,474      |
| Remedial Education                             | 13,423,942         | 13,213,810      | 11,849,271     | 1,364,539       | 10,067,682     |
| Summer School                                  | 1,868,683          | 1,477,683       | 1,106,121      | 371,562         | 1,202,328      |
| General Adult Education                        | 2,393,936          | 2,502,344       | 2,480,577      | 21,767          | 2,310,781      |
| Guidance Services                              | 24,613,537         | 25,021,615      | 25,004,820     | 16,795          | 23,772,295     |
| Student Services                               | 889,056            | 911,568         | 899,390        | 12,178          | 878,347        |
| Social Work Services                           | 5,507,448          | 6,294,551       | 6,049,137      | 245,414         | 4,770,458      |
| Homebound Services                             | 284,138            | 160,158         | 137,408        | 22,750          | 197,432        |
| Teaching and Learning                          | 14,418,940         | 15,268,423      | 14,786,234     | 482,189         | 14,520,451     |
| Instructional Professional Growth & Innovation | 1,552,956          | 1,329,579       | 1,165,324      | 164,255         | 1,382,165      |
| Opportunity & Achievement                      | 585,432            | 686,785         | 676,973        | 9,812           | 633,823        |
| Student Leadership                             | 2,296,291          | 2,211,282       | 1,947,194      | 264,088         | 2,083,560      |
| School Leadership                              | 2,169,276          | 2,101,371       | 1,915,085      | 186,286         | 2,012,263      |
| Student Activities                             | 4,419,690          | 4,490,560       | 4,458,795      | 31,765          | 4,228,421      |
| Student Athletics                              | 5,837,224          | 5,699,164       | 5,583,986      | 115,178         | 5,733,978      |
| Special Education Support                      | 5,716,645          | 5,464,835       | 4,946,727      | 518,108         | 5,543,498      |
| Technical and Career Ed. Support               | 1,359,642          | 1,448,829       | 1,423,539      | 25,290          | 1,245,875      |
| Gifted Educ. & Academy Programs Support        | 2,921,210          | 3,005,376       | 2,686,743      | 318,633         | 2,679,471      |
| Alternative Education Support                  | 3,216,670          | 3,836,930       | 3,818,492      | 18,438          | 2,925,591      |
| Media Services Support                         | 15,806,749         | 16,004,969      | 15,659,023     | 345,946         | 15,538,931     |
| Office/Principal - Elementary                  | 32,282,467         | 32,957,114      | 32,231,475     | 725,639         | 31,634,084     |
| Office/Principal - Middle Schools              | 13,325,276         | 13,644,659      | 13,331,947     | 312,712         | 13,259,650     |
| Office/Principal - Senior High                 | 14,207,671         | 15,015,093      | 14,941,216     | 73,877          | 14,281,964     |
| Office/Principal - Tech & Career               | 808,631            | 822,794         | 791,078        | 31,716          | 776,615        |
| Green Run Collegiate Public Charter            | 4,497,286          | 4,602,286       | 4,240,099      | 362,187         | 4,177,678      |
| Total Instruction                              | \$ 689,638,759     | \$ 700,145,758  | \$ 687,258,784 | \$ 12,886,974   | \$ 673,148,637 |
| <b>Admin, Attendance, &amp; Health</b>         |                    |                 |                |                 |                |
| Board & Governmental Services                  | \$ 493,523         | \$ 561,110      | \$ 525,063     | \$ 36,047       | \$ 553,357     |
| Legal Services                                 | 1,414,660          | 1,198,748       | 1,196,639      | 2,109           | 1,212,133      |
| Office of the Superintendent                   | 1,224,350          | 1,294,696       | 1,195,613      | 99,083          | 1,195,530      |
| Communications & Community Engagement          | 2,703,127          | 2,810,696       | 2,692,139      | 118,557         | 2,415,682      |
| Department of Human Resources                  | 5,701,473          | 7,009,931       | 6,691,840      | 318,091         | 5,490,982      |
| Professional Growth & Innovation               | 1,149,542          | 1,115,138       | 1,088,494      | 26,644          | 1,097,908      |
| Consolidated Benefits Office                   | 2,823,546          | 2,947,827       | 2,850,091      | 97,736          | 2,487,288      |
| Planning Innovation & Accountability           | 2,711,239          | 2,381,697       | 2,153,362      | 228,335         | 2,184,950      |
| Department of Budget & Finance                 | 5,867,662          | 5,990,284       | 5,733,201      | 257,083         | 5,650,072      |
| Risk Management                                | -                  | 3,499           | 3,499          | -               | -              |
| Internal Audit                                 | 571,261            | 580,433         | 570,566        | 9,867           | 555,607        |
| Procurement Services                           | 1,291,408          | 1,327,951       | 1,182,258      | 145,693         | 1,136,495      |
| Health Services                                | 9,822,626          | 9,628,531       | 9,498,572      | 129,959         | 9,146,711      |
| Psychological Services                         | 8,749,191          | 8,645,479       | 7,894,194      | 751,285         | 8,021,983      |
| Autological Services                           | 552,366            | 555,629         | 553,558        | 2,071           | 516,790        |
| Total Admin, Attendance, & Health              | \$ 45,075,974      | \$ 46,051,649   | \$ 43,829,089  | \$ 2,222,560    | \$ 41,665,488  |

(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, 2025**  
**with comparative actual amounts for the year ended June 30, 2024**

|                                              | (continued)            |                        |                       |                      |                       |
|----------------------------------------------|------------------------|------------------------|-----------------------|----------------------|-----------------------|
|                                              | Original<br>Budget     | Final<br>Budget        | Actual                | Variance             | 2024<br>Actual        |
| <u>Pupil Transportation</u>                  |                        |                        |                       |                      |                       |
| Transportation Management                    | \$ 3,692,773           | \$ 3,671,288           | \$ 3,386,740          | \$ 284,548           | \$ 3,368,091          |
| Vehicle Operations                           | 27,207,010             | 32,486,501             | 31,459,301            | 1,027,200            | 31,414,747            |
| Vehicle Operations - Special Education       | 9,345,372              | 10,296,460             | 9,167,634             | 1,128,826            | 9,112,230             |
| Monitoring Services - Special Education      | 4,394,408              | 3,822,689              | 3,255,146             | 567,543              | 3,129,269             |
| Vehicle Maintenance                          | 4,819,118              | 4,652,252              | 4,547,381             | 104,871              | 4,181,978             |
| Green Run Collegiate Public Charter          | 336,578                | 336,578                | 306,102               | 30,476               | 121,942               |
| Total Pupil Transportation                   | <u>\$ 49,795,259</u>   | <u>\$ 55,265,768</u>   | <u>\$ 52,122,304</u>  | <u>\$ 3,143,464</u>  | <u>\$ 51,328,257</u>  |
| <u>Operations and Maintenance</u>            |                        |                        |                       |                      |                       |
| School Division Services                     | \$ 355,627             | \$ 361,016             | \$ 359,491            | \$ 1,525             | \$ 346,046            |
| Facilities and Maintenance Services          | 52,208,484             | 57,086,946             | 54,026,892            | 3,060,054            | 57,006,984            |
| Custodial Services                           | 37,881,940             | 37,596,635             | 34,567,912            | 3,028,723            | 34,127,543            |
| Grounds Services                             | 5,444,060              | 5,444,060              | 5,444,060             | -                    | 5,444,060             |
| Vehicle Services                             | 1,763,196              | 1,623,917              | 1,175,347             | 448,570              | 1,761,005             |
| Security & Emergency Management              | 12,953,723             | 13,495,840             | 13,396,594            | 99,246               | 11,937,345            |
| Distribution Services                        | 2,123,890              | 2,256,394              | 2,222,531             | 33,863               | 2,050,355             |
| Telecommunications                           | 1,389,233              | 1,251,932              | 1,177,050             | 74,882               | 1,275,692             |
| Student Athletics                            | 530,364                | 779,364                | 861,568               | (82,204)             | 215,558               |
| Total Operations & Maintenance               | <u>\$ 114,650,517</u>  | <u>\$ 119,896,104</u>  | <u>\$ 113,231,445</u> | <u>\$ 6,664,659</u>  | <u>\$ 114,164,588</u> |
| <u>Technology</u>                            |                        |                        |                       |                      |                       |
| Instruction                                  | \$ 22,585,699          | \$ 25,246,896          | \$ 21,546,723         | \$ 3,700,173         | \$ 17,790,887         |
| Admin, Attendance & Health                   | 3,107,963              | 3,225,838              | 3,112,108             | 113,730              | 3,159,527             |
| Pupil Transportation                         | 478,328                | 585,469                | 1,129,451             | (543,982)            | 409,181               |
| Operations and Maintenance                   | 18,990,640             | 19,776,567             | 18,831,705            | 944,862              | 18,138,997            |
| Green Run Collegiate Public Charter          | 39,387                 | 39,387                 | 41,286                | (1,899)              | 28,436                |
| Total Technology                             | <u>\$ 45,202,017</u>   | <u>\$ 48,874,157</u>   | <u>\$ 44,661,273</u>  | <u>\$ 4,212,884</u>  | <u>\$ 39,527,028</u>  |
| Total Expenditures                           | <u>\$ 944,362,526</u>  | <u>\$ 970,233,436</u>  | <u>\$ 941,102,895</u> | <u>\$ 29,130,541</u> | <u>\$ 919,833,998</u> |
| <u>EXCESS (DEFICIENCY) OF REVENUES</u>       |                        |                        |                       |                      |                       |
| <u>OVER (UNDER) EXPENDITURES</u>             | <u>\$ 10,065,579</u>   | <u>\$ 347,180</u>      | <u>\$ 4,350,310</u>   | <u>\$ 4,003,130</u>  | <u>\$ (875,087)</u>   |
| <u>OTHER FINANCING SOURCES (USES)</u>        |                        |                        |                       |                      |                       |
| Transfers Out                                | \$ (11,465,579)        | \$ (11,724,685)        | \$ (6,094,054)        | \$ 5,630,631         | \$ (4,886,769)        |
| Sale of Capital Assets                       | 400,000                | 400,000                | 81,456                | (318,544)            | 259,637               |
| Total Other Financing<br>Sources (Uses), net | <u>\$ (11,065,579)</u> | <u>\$ (11,324,685)</u> | <u>\$ (6,012,598)</u> | <u>\$ 5,312,087</u>  | <u>\$ (4,627,132)</u> |
| <u>NET CHANGE IN FUND BALANCE</u>            | <u>\$ (1,000,000)</u>  | <u>\$ (10,977,505)</u> | <u>\$ (1,662,288)</u> | <u>\$ 9,315,217</u>  | <u>\$ (5,502,219)</u> |
| <u>FUND BALANCE - JULY 1</u>                 | <u>12,372,700</u>      | <u>12,372,700</u>      | <u>12,372,700</u>     | <u>-</u>             | <u>17,874,919</u>     |
| <u>FUND BALANCE - JUNE 30</u>                | <u>\$ 11,372,700</u>   | <u>\$ 1,395,195</u>    | <u>\$ 10,710,412</u>  | <u>\$ 9,315,217</u>  | <u>\$ 12,372,700</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, 2025**  
**with comparative actual amounts for the year ended June 30, 2024**

|                                                   | Original<br>Budget    | Final<br>Budget       | Actual               | Variance               | 2024<br>Actual       |
|---------------------------------------------------|-----------------------|-----------------------|----------------------|------------------------|----------------------|
| <b>REVENUES</b>                                   |                       |                       |                      |                        |                      |
| Miscellaneous                                     | \$ 5,496,630          | \$ 6,318,488          | \$ 1,946,940         | \$ (4,371,548)         | \$ 1,671,136         |
| From Commonwealth                                 | 40,460,106            | 35,734,217            | 20,398,050           | (15,336,167)           | 15,770,067           |
| From Federal Government                           | 74,353,180            | 68,595,662            | 49,342,972           | (19,252,690)           | 79,448,660           |
| Contingency                                       | 10,000,000            | 14,608,870            | -                    | (14,608,870)           | -                    |
| Total Revenues                                    | <u>\$ 130,309,916</u> | <u>\$ 125,257,237</u> | <u>\$ 71,687,962</u> | <u>\$ (53,569,275)</u> | <u>\$ 96,889,863</u> |
| <b>EXPENDITURES</b>                               |                       |                       |                      |                        |                      |
| <b>Instruction</b>                                |                       |                       |                      |                        |                      |
| 2 Revolutions FY20                                | \$ -                  | \$ 1,421              | \$ -                 | \$ 1,421               | \$ -                 |
| ACSE-APCS Expansion                               | -                     | 20,000                | -                    | 20,000                 | -                    |
| Adult Education & Family Literacy Act FY23        | -                     | -                     | -                    | -                      | 14,142               |
| Adult Education & Family Literacy Act FY24        | -                     | -                     | -                    | -                      | 348,543              |
| Adult Education & Family Literacy Act FY25        | 348,543               | 361,437               | 361,437              | -                      | -                    |
| Advancing Computer Science Education FY24         | -                     | 58,870                | 55,228               | 3,642                  | -                    |
| Advancing Computer Science Education FY25         | -                     | 75,000                | 72,667               | 2,333                  | -                    |
| Algebra Readiness FY21                            | -                     | -                     | -                    | -                      | 64,227               |
| Algebra Readiness FY22                            | -                     | -                     | -                    | -                      | 667,219              |
| Algebra Readiness FY23                            | 448,845               | 698,188               | 698,188              | -                      | 141,507              |
| Algebra Readiness FY24                            | 997,620               | 966,957               | 75,150               | 891,807                | -                    |
| Algebra Readiness FY25                            | 1,301,651             | 1,305,956             | -                    | 1,305,956              | -                    |
| AP/IB.CE Exam Fee Reduction Program FY25          | -                     | 65,461                | 65,461               | -                      | -                    |
| ARP Before & After School FY22                    | -                     | 106,116               | 106,116              | -                      | 138,788              |
| ARP Homeless II FY22                              | 50,000                | 117,980               | 117,980              | -                      | 73,421               |
| ARP Homess I FY22                                 | -                     | 3,555                 | 3,555                | -                      | 11,555               |
| ARP Unfinished Learning FY22                      | -                     | -                     | -                    | -                      | 1,075,608            |
| ARPA ESSER III FY21                               | 5,408,503             | 3,474,068             | 3,474,068            | -                      | 15,559,576           |
| Asia Society Confucius Classrooms Network FY13    | -                     | -                     | -                    | -                      | 991                  |
| Bayport Foundation FY23                           | -                     | -                     | -                    | -                      | 242,943              |
| Bayport Foundation FY24                           | 75,000                | 83,246                | 19,640               | 63,606                 | 7,364                |
| Bayport Foundation FY25                           | 60,000                | 60,000                | -                    | 60,000                 | -                    |
| Blueforge - TCEC Welding Lab FY23                 | 835,000               | 812,583               | 725,542              | 87,041                 | 22,417               |
| Blueforge - TCEC Welding Lab FY24                 | 835,000               | -                     | -                    | -                      | -                    |
| Blueforge - TCEC Welding Lab FY25                 | -                     | 779,043               | -                    | 779,043                | -                    |
| C. Perkins Career & Tech. Act FY23                | -                     | -                     | -                    | -                      | 86,821               |
| C. Perkins Career & Tech. Act FY24                | -                     | 11,898                | 11,898               | -                      | 708,818              |
| C. Perkins Career & Tech. Act FY25                | 748,604               | 658,718               | 658,718              | -                      | -                    |
| Career Switcher Program Mentor FY24               | -                     | -                     | -                    | -                      | 5,400                |
| Career Switcher Program Mentor FY25               | 13,650                | 17,185                | 14,370               | 2,815                  | -                    |
| Corrections Ed & Other Institutionalized FY24     | -                     | -                     | -                    | -                      | 1,098                |
| Corrections Ed & Other Institutionalized FY25     | 955                   | 1,098                 | 1,098                | -                      | -                    |
| CRRSA Act ESSER II FY21                           | -                     | -                     | -                    | -                      | (449)                |
| CTE Special State Equip Alloc FY24                | -                     | -                     | -                    | -                      | 1,025                |
| DodeA Spanish Immersion FY23                      | -                     | -                     | -                    | -                      | 81,568               |
| DodeA Spanish Immersion FY24                      | 45,771                | 17,942                | 17,942               | -                      | 201,576              |
| DodeA Spanish Immersion FY25                      | 222,328               | 203,775               | 189,205              | 14,570                 | -                    |
| DodeA WLARP FY24                                  | 486,140               | 499,838               | 93,564               | 406,274                | 11,429               |
| Early Reading Intervention FY22                   | -                     | -                     | -                    | -                      | 1,165,878            |
| Early Reading Intervention FY23                   | 1,448,219             | 1,733,754             | 1,733,754            | -                      | 936,888              |
| Early Reading Intervention FY24                   | 2,604,286             | 2,148,397             | 1,262,459            | 885,938                | -                    |
| Early Reading Intervention FY25                   | 2,483,456             | 3,072,951             | -                    | 3,072,951              | -                    |
| ECSE Teacher Incentive FY24                       | -                     | -                     | -                    | -                      | 27,554               |
| Flexible Per Pupil Funding FY24                   | 14,637,752            | 9,604,271             | 5,304,940            | 4,299,331              | 6,336,058            |
| General Adult Education FY24                      | -                     | -                     | -                    | -                      | 29,877               |
| General Adult Education FY25                      | 29,877                | 29,877                | 29,877               | -                      | -                    |
| Hampton Roads Community Foundation FY24           | -                     | -                     | -                    | -                      | 47,495               |
| Hampton Roads Community Foundation FY25           | -                     | 47,595                | 47,595               | -                      | -                    |
| Hampton Roads Workforce Council - Stem (OSY) FY24 | -                     | -                     | -                    | -                      | 107,103              |
| Hampton Roads Workforce Council - Stem (OSY) FY25 | 162,060               | 139,900               | 113,975              | 25,925                 | -                    |
| Hampton Roads Workforce Council ALC FY23          | -                     | -                     | -                    | -                      | 118,198              |
| Hampton Roads Workforce Council ALC FY25          | 180,000               | 158,100               | 114,402              | 43,698                 | -                    |
| ISAPF FY24                                        | -                     | -                     | -                    | -                      | 56,843               |

(continued)

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL GRANTS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**with comparative actual amounts for the year ended June 30, 2024**

(continued)

|                                                | Original<br>Budget | Final<br>Budget | Actual     | Variance  | 2024<br>Actual |
|------------------------------------------------|--------------------|-----------------|------------|-----------|----------------|
| ISAP FY25                                      | 54,822             | 56,517          | 56,517     | -         | -              |
| Jail Education Program FY23                    | -                  | -               | -          | -         | 113,543        |
| Jail Education Program FY24                    | 21,480             | 120,938         | 113,365    | 7,573     | 39,000         |
| Jail Education Program FY25                    | 110,881            | 172,602         | 40,058     | 132,544   | -              |
| Juvenile Detention Center FY23                 | -                  | -               | -          | -         | 862,328        |
| Juvenile Detention Center FY24                 | 783,420            | 1,110,108       | 1,065,939  | 44,169    | 327,606        |
| Juvenile Detention Center FY25                 | 335,752            | 447,299         | 411,898    | 35,401    | -              |
| McKinney Homeless FY23                         | -                  | -               | -          | -         | 8,339          |
| McKinney Homeless FY24                         | 22,513             | 20,881          | 20,881     | -         | 68,819         |
| McKinney Homeless FY25                         | 89,584             | 84,703          | 56,301     | 28,402    | -              |
| Middle School Maritime Exploration FY 24       | -                  | 47,175          | 45,456     | 1,719     | -              |
| Middle School Maritime Exploration FY 25       | -                  | 69,789          | 66,482     | 3,307     | -              |
| MyCAA-ALC Program FY25                         | 2,298              | -               | -          | -         | -              |
| MyCAA-LPN Program FY25                         | 1,000              | -               | -          | -         | -              |
| National Board Certified Teachers Stipend FY24 | -                  | -               | -          | -         | 345,000        |
| National Board Certified Teachers Stipend FY25 | 345,000            | 393,960         | 388,555    | 5,405     | -              |
| National Math & Science Initiative (NMSI) FY24 | -                  | -               | -          | -         | 18,824         |
| New Teacher Mentor FY24                        | -                  | -               | -          | -         | 33,000         |
| New Teacher Mentor FY25                        | 34,768             | 27,918          | 27,918     | -         | -              |
| NJROTC FY24                                    | -                  | -               | -          | -         | 79,253         |
| NJROTC FY25                                    | 109,744            | 94,188          | 94,188     | -         | -              |
| NYLF Grief - Senitive Schools FY24             | -                  | 37,500          | 18,556     | 18,944    | -              |
| Post 9-11 GI Bill FY24                         | -                  | -               | -          | -         | 3,650          |
| Post 9-11 GI Bill FY25                         | 3,650              | -               | -          | -         | -              |
| Pre-K - Grade 2 Active Learning FY23           | -                  | -               | -          | -         | 1,523          |
| Pre-K - Grade 2 Active Learning FY24           | -                  | 114             | 114        | -         | 43,674         |
| Preschool - IDEA Section 619 FY23              | -                  | -               | -          | -         | 465,361        |
| Preschool - IDEA Section 619 FY24              | 439,151            | 475,336         | 472,436    | 2,900     | 46,360         |
| Preschool - IDEA Section 619 FY25              | 534,697            | 532,081         | 57,783     | 474,298   | -              |
| Project Graduation FY21                        | -                  | -               | -          | -         | 750            |
| Project Graduation FY22                        | -                  | -               | -          | -         | 217            |
| Project Graduation FY23                        | 5,333              | -               | -          | -         | 3,897          |
| Project Graduation FY24                        | 5,383              | 14,094          | 14,094     | -         | -              |
| Project Graduation FY25                        | 5,383              | 5,383           | -          | 5,383     | -              |
| Project Hope City Wide SCA FY14                | -                  | 2,454           | 2,454      | -         | -              |
| Race To GED FY24                               | -                  | -               | -          | -         | 46,539         |
| Race To GED FY25                               | 47,639             | 46,539          | 46,539     | -         | -              |
| Recovery High School FY25                      | -                  | 327,282         | 319        | 326,963   | -              |
| School - Based Mental Health Services FY24     | -                  | 328,235         | 328,235    | -         | 37,920         |
| Startalk FY22                                  | -                  | -               | -          | -         | 45,136         |
| Startalk FY23                                  | 87,570             | 77,069          | 56,711     | 20,358    | 21,099         |
| Startalk FY24                                  | 99,139             | -               | -          | -         | -              |
| Startalk FY25                                  | 99,139             | -               | -          | -         | -              |
| STEM Competition Team Initiative FY24          | -                  | 10,000          | 9,621      | 379       | -              |
| STEM Teacher Recruitment & Retention FY24      | -                  | -               | -          | -         | 40,000         |
| STEM Teacher Recruitment & Retention FY25      | -                  | 55,000          | 55,000     | -         | -              |
| Title I Part A FY22                            | -                  | 71,132          | 71,132     | -         | 955,091        |
| Title I Part A FY23                            | 551,624            | 609,366         | 609,366    | -         | 1,822,660      |
| Title I Part A FY24                            | 6,028,576          | 5,814,824       | 4,170,891  | 1,643,933 | 10,044,636     |
| Title I Part A FY25                            | 16,293,431         | 15,434,958      | 10,109,225 | 5,325,733 | -              |
| Title I Part D Subpart 1 FY20                  | -                  | 4,966           | 4,966      | -         | -              |
| Title I Part D Subpart 1 FY21                  | -                  | 10,510          | 10,510     | -         | -              |
| Title I Part D Subpart 1 FY22                  | -                  | -               | -          | -         | 10,583         |
| Title I Part D Subpart 1 FY23                  | 5,624              | 9,025           | 9,025      | -         | 7,861          |
| Title I Part D Subpart 1 FY24                  | 19,000             | 15,500          | 6,672      | 8,828     | -              |
| Title I Part D Subpart 1 FY25                  | 19,000             | -               | -          | -         | -              |
| Title I Part D Subpart 2 FY21                  | -                  | -               | -          | -         | 1,275          |
| Title I Part D Subpart 2 FY22                  | -                  | -               | -          | -         | 59,082         |
| Title I Part D Subpart 2 FY23                  | -                  | 10,012          | 10,012     | -         | 170,430        |
| Title I Part D Subpart 2 FY24                  | 154,758            | 153,594         | 128,665    | 24,929    | -              |
| Title I Part D Subpart 2 FY25                  | 154,758            | 175,015         | -          | 175,015   | -              |
| Title II Part A FY21                           | -                  | -               | -          | -         | 4,249          |

(continued)

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL GRANTS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**with comparative actual amounts for the year ended June 30, 2024**

|                                                | (continued)        |                 |               |               |                |
|------------------------------------------------|--------------------|-----------------|---------------|---------------|----------------|
|                                                | Original<br>Budget | Final<br>Budget | Actual        | Variance      | 2024<br>Actual |
| Title II Part A FY22                           | -                  | -               | -             | -             | 73,698         |
| Title II Part A FY23                           | 10,000             | 29,071          | 29,071        | -             | 1,019,918      |
| Title II Part A FY24                           | 1,106,453          | 1,138,263       | 1,003,946     | 134,317       | 883,362        |
| Title II Part A FY25                           | 2,012,060          | 2,123,959       | 1,104,448     | 1,019,511     | -              |
| Title III Part A Language Acquisition FY22     | -                  | -               | -             | -             | 5,055          |
| Title III Part A Language Acquisition FY23     | -                  | -               | -             | -             | 168,453        |
| Title III Part A Language Acquisition FY24     | 196,906            | 212,844         | 192,240       | 20,604        | 4,949          |
| Title III Part A Language Acquisition FY25     | 219,634            | 230,340         | 6,782         | 223,558       | -              |
| Title III Part A Immigrant & Youth FY24        | 23,506             | 20,108          | -             | 20,108        | -              |
| Title III Part A Immigrant & Youth FY25        | 27,442             | -               | -             | -             | -              |
| Title IV Part A FY21                           | -                  | -               | -             | -             | 25,793         |
| Title IV Part A FY22                           | -                  | -               | -             | -             | 200,475        |
| Title IV Part A FY23                           | 62,823             | 63,040          | 63,040        | -             | 637,076        |
| Title IV Part A FY24                           | 997,696            | 947,086         | 698,399       | 248,687       | 77,846         |
| Title IV Part A FY25                           | 1,026,184          | 1,180,467       | 13,907        | 1,166,560     | -              |
| Title IV Pell FY24                             | -                  | -               | -             | -             | 65,125         |
| Title IV Pell FY25                             | 50,060             | 75,260          | 75,260        | -             | -              |
| Title VI-B IDEA Section 611 FY22               | -                  | -               | -             | -             | 130,346        |
| Title VI-B IDEA Section 611 FY23               | 167,928            | 224,571         | 224,571       | -             | 5,132,077      |
| Title VI-B IDEA Section 611 FY24               | 5,174,062          | 5,298,810       | 5,100,938     | 197,872       | 11,009,287     |
| Title VI-B IDEA Section 611 FY25               | 16,317,985         | 16,129,758      | 11,178,002    | 4,951,756     | -              |
| Title VI-B IDEA Section 611 ARP FY22           | -                  | -               | -             | -             | 1,549,179      |
| Title VI-B IDEA Section 619 ARP FY22           | -                  | -               | -             | -             | 46,127         |
| United Way - Summer Enrichment FY23            | -                  | 1,057           | 1,057         | -             | 88,909         |
| United Way - Mentor & Enrichment FY24          | -                  | 182,261         | 177,446       | 4,815         | 1,379          |
| United Way - Mentor & Enrichment FY25          | -                  | 173,730         | 28,674        | 145,056       | -              |
| VA Humanities Beneath the Surface FY21         | -                  | -               | -             | -             | 4,905          |
| VA Initiative At Risk Four Year Olds FY23      | -                  | -               | -             | -             | 1,979,311      |
| VA Initiative At Risk Four Year Olds FY24      | 2,115,000          | 2,167,940       | 2,167,940     | -             | 5,263,213      |
| VA Initiative At Risk Four Year Olds FY25      | 8,861,552          | 8,861,554       | 5,290,268     | 3,571,286     | -              |
| Virginia Opioid Abatement Individual FY25      | -                  | 20,000          | -             | 20,000        | -              |
| Virginia Outdoors Foundation FY24              | -                  | -               | -             | -             | 10,020         |
| VFHY Fentanyl Activation Grant FY25            | -                  | 4,000           | 3,249         | 751           | -              |
| Contingency                                    | 10,000,000         | 14,608,870      | -             | 14,608,870    | -              |
| Total Instruction                              | \$ 108,257,668     | \$ 107,894,236  | \$ 61,307,951 | \$ 46,586,285 | \$ 72,395,689  |
| <b>Admin, Attendance &amp; Health</b>          |                    |                 |               |               |                |
| 2 Revolutions FY20                             | \$ -               | \$ 9,389        | \$ -          | \$ 9,389      | \$ 650         |
| ARPA ESSER III FY21                            | 2,076,425          | 129,687         | 129,687       | -             | 694,225        |
| CRRSA Act ESSER II FY21                        | -                  | -               | -             | -             | 1,080          |
| Flexible Per Pupil Funding FY24                | -                  | 251,625         | -             | 251,625       | -              |
| Jail Education Program FY23                    | -                  | -               | -             | -             | 3,326          |
| Jail Education Program FY24                    | -                  | 9,107           | 1,421         | 7,686         | 840            |
| Jail Education Program FY25                    | 6,793              | 9,947           | 904           | 9,043         | -              |
| JUUL Labs FY24                                 | 500,000            | 1,496,429       | -             | 1,496,429     | -              |
| Positive Behavior Interventions & Support FY23 | -                  | -               | -             | -             | 8,652          |
| Positive Behavior Interventions & Support FY24 | 3,500              | 15,791          | -             | 15,791        | 11,709         |
| Positive Behavior Interventions & Support FY25 | 27,500             | 10,000          | -             | 10,000        | -              |
| Prioritized Aspiring Educator Grant FY25       | -                  | 7,332           | 156           | 7,176         | -              |
| Recovery High School FY25                      | -                  | 147,168         | 126,292       | 20,876        | -              |
| Recruitment & Retention - ARP FY23             | -                  | -               | -             | -             | 29,604         |
| Recruitment Incentive-RIPE ESSER III FY24      | -                  | -               | -             | -             | 185,000        |
| Startalk FY23                                  | -                  | 201             | 22            | 179           | 304            |
| School-Based Health Workforce FY23             | -                  | -               | -             | -             | 65,864         |
| Title I Part A FY22                            | -                  | -               | -             | -             | 11,934         |
| Title I Part A FY23                            | -                  | -               | -             | -             | 8,833          |
| Title I Part A FY24                            | 167,231            | 83,761          | 82,813        | 948           | 304,619        |
| Title I Part A FY25                            | 451,977            | 1,352,022       | 1,137,702     | 214,320       | -              |
| Title VI B IDEA Section 611 FY23               | -                  | -               | -             | -             | 112,538        |
| Title VI B IDEA Section 611 FY24               | 67,888             | 116,941         | 116,941       | -             | 220,668        |
| Title VI B IDEA Section 611 FY25               | 327,719            | 278,339         | 209,579       | 68,760        | -              |
| Virginia Tiered Systems of Support FY24        | -                  | -               | 2,174         | (2,174)       | -              |
| Virginia Tiered Systems of Support FY25        | -                  | -               | 5,405         | (5,405)       | -              |
| Total Admin, Attendance & Health               | \$ 3,629,033       | \$ 3,917,739    | \$ 1,813,096  | \$ 2,104,643  | \$ 1,659,846   |

(continued)

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL GRANTS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**with comparative actual amounts for the year ended June 30, 2024**

(continued)

|                                            | Original<br>Budget | Final<br>Budget | Actual       | Variance     | 2024<br>Actual |
|--------------------------------------------|--------------------|-----------------|--------------|--------------|----------------|
| <u>Pupil Transportation</u>                |                    |                 |              |              |                |
| ACT-Bayport Foundation FY25                | 5,000              | 5,000           | -            | 5,000        | -              |
| ARP Before & After School FY22             | -                  | -               | -            | -            | 317            |
| ARPA ESSER III FY21                        | -                  | -               | -            | -            | 179,873        |
| C. Perkins Career & Tech. Act FY24         | -                  | -               | -            | -            | 6,623          |
| C. Perkins Career & Tech. Act FY25         | 10,000             | 8,840           | 8,840        | -            | -              |
| Flexible Per Pupil Funding FY24            | 425,814            | 389,557         | 12,252       | 377,305      | 22,741         |
| Middle School Maritime Exploration FY24    | -                  | 24,875          | 1,600        | 23,275       | 4,475          |
| Startalk FY22                              | -                  | -               | -            | -            | 6,922          |
| Startalk FY23                              | 8,794              | 7,736           | 6,090        | 1,646        | 1,676          |
| Startalk FY24                              | 8,794              | -               | -            | -            | -              |
| Startalk FY25                              | 8,794              | -               | -            | -            | -              |
| Title I Part A FY23                        | -                  | -               | -            | -            | 63,546         |
| Title I Part A FY24                        | 30,842             | 56,136          | 56,136       | -            | 44,874         |
| Title I Part A FY25                        | 83,354             | 91,428          | 58,701       | 32,727       | -              |
| Title IV Part A FY24                       | 1,577              | -               | -            | -            | -              |
| Title IV Part A FY25                       | 1,577              | -               | -            | -            | -              |
| United Way - Summer Enrichment FY23        | -                  | -               | -            | -            | 4,815          |
| United Way - Mentor & Enrichment FY24      | -                  | 2,432           | 2,432        | -            | -              |
| United Way - Mentor & Enrichment FY25      | -                  | 6,344           | -            | 6,344        | -              |
| Total Pupil Transportation                 | \$ 584,546         | \$ 592,348      | \$ 146,051   | \$ 446,297   | \$ 335,862     |
| <u>Operations and Maintenance</u>          |                    |                 |              |              |                |
| ARPA ESSER III FY21                        | \$ 3,515,072       | \$ 1,083,797    | \$ 1,083,797 | \$ -         | \$ 8,330,414   |
| Blueforge - TCEC Welding Lab FY23          | 1,135,000          | 682,252         | 412,481      | 269,771      | 952,748        |
| Blueforge - TCEC Welding Lab FY24          | 1,635,000          | -               | -            | -            | -              |
| Blueforge - TCEC Welding Lab FY25          | -                  | 1,220,957       | 37,411       | 1,183,546    | -              |
| CARES Act ESSER FY21                       | -                  | -               | -            | -            | 48,853         |
| Cops School Violence Prevention FY23       | 54,482             | 176,281         | 176,281      | -            | -              |
| HVAC CSLFRF FY22                           | 5,229,893          | 4,779,966       | 3,658,493    | 1,121,473    | 8,033,756      |
| Jail Education Program FY23                | -                  | -               | -            | -            | 10,321         |
| Jail Education Program FY24                | 3,765              | 12,022          | 10,038       | 1,984        | 4,683          |
| Jail Education Program FY25                | 24,395             | 21,978          | 6,827        | 15,151       | -              |
| School Safety & Security CSLFRF FY24       | -                  | 7,947           | 7,947        | -            | -              |
| School Security Equipment FY22             | -                  | -               | -            | -            | 1,452          |
| School Security Equipment FY23             | -                  | 690             | 690          | -            | -              |
| School Security Equipment FY24             | -                  | 1,959           | 1,959        | -            | 8,629          |
| School Security Equipment FY25             | 52,239             | 18,974          | 18,974       | -            | -              |
| School Security Officer Program FY23       | -                  | -               | -            | -            | -              |
| School Security Officer Program FY24       | -                  | 10,774          | 10,774       | -            | -              |
| Startalk FY22                              | -                  | -               | -            | -            | 946            |
| Startalk FY23                              | 749                | 749             | -            | 749          | -              |
| Startalk FY24                              | 749                | -               | -            | -            | -              |
| Startalk FY25                              | 749                | -               | -            | -            | -              |
| Title I Part A FY24                        | 4,979              | -               | -            | -            | -              |
| Title I Part A FY25                        | 13,456             | -               | -            | -            | -              |
| United Way - Mentor & Enrichment FY25      | -                  | 807             | -            | 807          | -              |
| Total Operations and Maintenance           | \$ 11,670,528      | \$ 8,019,153    | \$ 5,425,672 | \$ 2,593,481 | \$ 17,391,802  |
| <u>Technology</u>                          |                    |                 |              |              |                |
| 2 Revolutions                              | \$ -               | \$ 6,257        | \$ -         | \$ 6,257     | \$ -           |
| Adult Education & Family Literacy Act FY23 | -                  | -               | -            | -            | 22,965         |
| Algebra Readiness FY22                     | -                  | -               | -            | -            | 105,638        |
| Algebra Readiness FY23                     | 4,572              | 259,274         | 259,274      | -            | -              |
| Algebra Readiness FY24                     | 140,000            | 140,000         | -            | 140,000      | -              |
| Algebra Readiness FY25                     | 140,000            | 144,000         | -            | 144,000      | -              |
| ARP Before & After School FY22             | -                  | 24,879          | 24,879       | -            | 24,000         |
| ARP Unfinished Learning FY22               | -                  | -               | -            | -            | 352,935        |
| ARPA ESSER III FY21                        | -                  | 41,400          | 41,400       | -            | 3,517,552      |
| Bayport Foundation FY23                    | -                  | -               | -            | -            | 7,057          |
| Bayport Foundation FY24                    | -                  | 83,385          | 83,385       | -            | 1,005          |
| Bayport Foundation FY25                    | 10,000             | 10,000          | -            | 10,000       | -              |
| Blueforge - TCEC Welding Lab FY23          | 30,000             | 30,000          | 2,450        | 27,550       | -              |
| Blueforge - TCEC Welding Lab FY24          | 30,000             | -               | -            | -            | -              |

(continued)

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL GRANTS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**with comparative actual amounts for the year ended June 30, 2024**

(continued)

|                                                   | Original<br>Budget | Final<br>Budget | Actual    | Variance  | 2024<br>Actual |
|---------------------------------------------------|--------------------|-----------------|-----------|-----------|----------------|
| C. Perkins Career & Tech. Act FY24                | -                  | 3,542           | 3,542     | -         | 386,977        |
| C. Perkins Career & Tech. Act FY25                | 359,255            | 522,972         | 522,972   | -         | -              |
| C. Perkins Reserve Fund FY23                      | -                  | -               | -         | -         | 13,000         |
| C. Perkins Reserve Fund FY24                      | -                  | 12,359          | 12,359    | -         | -              |
| C. Perkins Reserve Fund FY25                      | -                  | 10,478          | 10,478    | -         | -              |
| Career & Tech Ed. Special Equip Allocation FY24   | -                  | -               | -         | -         | 57,070         |
| Career & Tech Ed. Special Equip Allocation FY25   | 58,096             | 58,078          | 58,078    | -         | -              |
| Career & Tech Ed. State Equip Allocation FY24     | -                  | -               | -         | -         | 74,212         |
| Career & Tech Ed. State Equip Allocation FY25     | 74,212             | 74,199          | 74,199    | -         | -              |
| Cops School Violence Prevention FY23              | 134,635            | 67,317          | 33,659    | 33,658    | 134,635        |
| CRRSA Act ESSER II FY21                           | -                  | -               | -         | -         | 673            |
| DODEA Spanish Immersion FY23                      | -                  | -               | -         | -         | 1,418          |
| DODEA Spanish Immersion FY24                      | 1,209              | 1,075           | 1,075     | -         | 6,845          |
| DODEA Spanish Immersion FY25                      | 6,965              | 25,517          | 25,517    | -         | -              |
| DODEA WLARP FY24                                  | 1,188,733          | 1,140,279       | 203,020   | 937,259   | 348,454        |
| Early Reading Intervention FY22                   | 0                  | 0               | -         | -         | 16,272         |
| Early Reading Intervention FY23                   | 63,000             | -               | -         | -         | 16,118         |
| Early Reading Intervention FY24                   | 75,000             | 75,000          | 297       | 74,703    | -              |
| Early Reading Intervention FY25                   | 75,000             | 90,000          | -         | 90,000    | -              |
| Flexible Per Pupil Funding FY24                   | 1,030,000          | 3,040,736       | 1,083,336 | 1,957,400 | 392,169        |
| Hampton Roads Workforce Council - Stem (OSY) FY24 | -                  | -               | -         | -         | 915            |
| Hampton Roads Workforce Council - Stem (OSY) FY25 | 4,570              | 2,050           | 1,070     | 980       | -              |
| Industry Certification Examinations FY24          | -                  | -               | -         | -         | 64,877         |
| Industry Certification Examinations FY25          | 64,877             | 64,690          | 64,690    | -         | -              |
| Industry Certification Examinations STEM H FY24   | -                  | -               | -         | -         | 24,363         |
| Industry Certification Examinations STEM H FY25   | 24,363             | 24,293          | 24,293    | -         | -              |
| ISAP FY24                                         | -                  | -               | -         | -         | 8,541          |
| ISAP FY25                                         | 10,800             | 7,700           | 7,700     | -         | -              |
| Jail Education Program FY23                       | -                  | -               | -         | -         | 1,707          |
| Jail Education Program FY24                       | 1,774              | 1,962           | 236       | 1,726     | -              |
| Jail Education Program FY25                       | 1,855              | 2,134           | 144       | 1,990     | -              |
| Juvenile Detention Center FY23                    | -                  | -               | -         | -         | 9,255          |
| Juvenile Detention Center FY24                    | 11,716             | 23,351          | 21,303    | 2,048     | 882            |
| Juvenile Detention Center FY25                    | 5,022              | 870             | 870       | -         | -              |
| McKinney Homeless FY23                            | -                  | -               | -         | -         | (300)          |
| McKinney Homeless FY24                            | -                  | 300             | 300       | -         | -              |
| McKinney Homeless FY25                            | 416                | 416             | -         | 416       | -              |
| No Kid Hungry FY24                                | -                  | 3,412           | 3,412     | -         | -              |
| No Kid Hungry FY25                                | -                  | 2,120           | 2,120     | -         | -              |
| Preschool - IDEA Section 619 FY23                 | -                  | -               | -         | -         | 1,240          |
| Preschool - IDEA Section 619 FY24                 | 1,712              | 13,070          | 13,070    | -         | 10,814         |
| Preschool - IDEA Section 619 FY25                 | 10,883             | 13,070          | -         | 13,070    | -              |
| Prioritized Aspiring Educator Grant FY25          | -                  | 2,668           | 220       | 2,448     | -              |
| Project Graduation FY21                           | -                  | -               | -         | -         | 6,493          |
| Project Graduation FY22                           | -                  | 10,083          | 10,083    | -         | 27,165         |
| Project Graduation FY23                           | 6,760              | 33,603          | 33,603    | -         | -              |
| Project Graduation FY24                           | 32,117             | 23,406          | 12,586    | 10,820    | -              |
| Project Graduation FY25                           | 32,117             | 32,117          | -         | 32,117    | -              |
| Race To GED FY24                                  | -                  | -               | -         | -         | 6,500          |
| Race To GED FY25                                  | 5,400              | 6,500           | 6,500     | -         | -              |
| Recovery High School FY25                         | -                  | 25,550          | -         | 25,550    | -              |
| School Safety and Security CSLFRF FY24            | -                  | 63,784          | 63,784    | -         | -              |
| School Security Equipment FY22                    | -                  | -               | -         | -         | 13,795         |
| School Security Equipment FY23                    | -                  | 26,567          | 26,567    | -         | -              |
| School Security Equipment FY24                    | -                  | 24,959          | 24,959    | -         | 123,252        |
| School Security Equipment FY25                    | 79,642             | 135,689         | 135,689   | -         | -              |
| School-Based Health Workforce FY24                | -                  | 20,099          | 20,099    | -         | 2,779          |
| School Safety & Security FY24                     | -                  | 74,643          | 74,643    | -         | -              |
| Startalk FY22                                     | -                  | -               | -         | -         | 152            |
| Startalk FY23                                     | 328                | 164             | 164       | -         | 12             |
| Startalk FY24                                     | 328                | -               | -         | -         | -              |
| Startalk FY25                                     | 328                | -               | -         | -         | -              |

(continued)

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL GRANTS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**with comparative actual amounts for the year ended June 30, 2024**

(continued)

|                                            | Original<br>Budget | Final<br>Budget | Actual         | Variance      | 2024<br>Actual |
|--------------------------------------------|--------------------|-----------------|----------------|---------------|----------------|
| Technology Initiative FY20                 | -                  | -               | -              | -             | 37,294         |
| Technology Initiative FY21                 | -                  | 93,670          | 93,670         | -             | 15,439         |
| Technology Initiative FY22                 | 109,100            | 109,100         | 8,178          | 100,922       | 33             |
| Technology Initiative FY23                 | 1,718,592          | 1,718,594       | 1,609,493      | 109,101       | 899,807        |
| Technology Initiative FY24                 | 2,618,400          | 2,618,400       | 2,470,157      | 148,243       | -              |
| Technology Initiative FY25                 | 2,618,400          | 2,618,400       | -              | 2,618,400     | -              |
| Title I Part A FY22                        | -                  | -               | -              | -             | 1,886          |
| Title I Part A FY23                        | -                  | 10,206          | 10,206         | -             | 512,111        |
| Title I Part A FY24                        | 292,702            | 796,693         | 796,513        | 180           | 488,335        |
| Title I Part A FY25                        | 791,078            | 812,309         | 264,976        | 547,333       | -              |
| Title I Part D Subpart 1 FY22              | -                  | -               | -              | -             | 13,582         |
| Title I Part D Subpart 1 FY23              | -                  | 6,614           | 6,614          | -             | -              |
| Title I Part D Subpart 2 FY22              | -                  | -               | -              | -             | 8,117          |
| Title I Part D Subpart 2 FY23              | 8,116              | 3,000           | 3,000          | -             | -              |
| Title I Part D Subpart 2 FY24              | 6,411              | 7,580           | 3,790          | 3,790         | -              |
| Title I Part D Subpart 2 FY25              | 6,411              | 6,790           | -              | 6,790         | -              |
| Title II Part A FY23                       | -                  | -               | -              | -             | 2,000          |
| Title III Part A Language Acquisition FY22 | -                  | -               | -              | -             | -              |
| Title III Part A Language Acquisition FY23 | -                  | -               | -              | -             | 31,486         |
| Title III Part A Language Acquisition FY24 | 35,750             | 37,761          | 37,761         | -             | -              |
| Title III Part A Language Acquisition FY25 | 35,750             | 43,400          | -              | 43,400        | -              |
| Title IV Part A FY20                       | -                  | -               | -              | -             | -              |
| Title IV Part A FY21                       | -                  | -               | -              | -             | -              |
| Title IV Part A FY22                       | -                  | -               | -              | -             | -              |
| Title IV Part A FY23                       | 18,070             | -               | -              | -             | 185,286        |
| Title IV Part A FY24                       | 5,224              | 8,455           | 8,455          | -             | 4,771          |
| Title IV Part A FY25                       | 10,398             | 164,555         | 13,172         | 151,383       | -              |
| Title VI-B IDEA Section 611 FY22           | -                  | -               | -              | -             | 33,165         |
| Title VI-B IDEA Section 611 FY23           | -                  | -               | -              | -             | 912            |
| Title VI-B IDEA Section 611 ARP FY22       | -                  | -               | -              | -             | 53,646         |
| VA Humanities Beneath the Surface FY21     | -                  | -               | -              | -             | -              |
| VA Opioid Abatement Individual FY25        | -                  | 50,000          | -              | 50,000        | -              |
| United Way - Summer Enrichment FY23        | -                  | -               | -              | -             | 8,511          |
| United Way - Mentor & Enrichment FY24      | -                  | 13,928          | 7,642          | 6,286         | -              |
| United Way - Mentor & Enrichment FY25      | -                  | 19,115          | 862            | 18,253        | -              |
| Workplace Readiness Skills Comm Exam FY23  | -                  | -               | -              | -             | -              |
| Workplace Readiness Skills Comm Exam FY24  | -                  | -               | 0              | -             | 15,039         |
| Workplace Readiness Skills Comm Exam FY25  | 15,040             | 14,995          | 14,996         | (1)           | -              |
| Total Technology                           | \$ 12,005,127      | \$ 15,653,582   | \$ 8,337,510   | \$ 7,316,072  | \$ 8,092,857   |
| <u>Cafeterias</u>                          |                    |                 |                |               |                |
| ARPA ESSER III FY21                        | \$ -               | \$ 14,033       | \$ 14,032      | \$ 1          | \$ 1,749,669   |
| CARES Act ESSER FY21                       | -                  | -               | -              | -             | -              |
| CRRSA Act ESSER II FY21                    | -                  | -               | -              | -             | -              |
| No Kid Hungry FY24                         | -                  | -               | -              | -             | 32,588         |
| No Kid Hungry FY25                         | -                  | 33,880          | 30,797         | 3,083         | -              |
| NSLP Equipment Assistance FY23             | -                  | -               | -              | -             | 85,153         |
| NSLP Equipment Assistance FY24             | -                  | 13,887          | 13,887         | -             | -              |
| VDOE-SCNP Team Nutrition Training FY24     | -                  | 8,044           | 7,991          | 53            | -              |
| Total Food Services                        | \$ -               | \$ 69,844       | \$ 66,707      | \$ 3,137      | \$ 1,867,410   |
| Total Expenditures                         | \$ 136,146,902     | \$ 136,146,902  | \$ 77,096,987  | \$ 59,049,915 | \$ 101,743,466 |
| <u>EXCESS (DEFICIENCY) OF REVENUES</u>     |                    |                 |                |               |                |
| <u>OVER (UNDER) EXPENDITURES</u>           | \$ (5,836,986)     | \$ (10,889,665) | \$ (5,409,025) | \$ 5,480,640  | \$ (4,853,603) |
| <u>OTHER FINANCING SOURCES</u>             |                    |                 |                |               |                |
| Transfers In                               | 5,836,986          | 10,889,665      | 6,094,054      | (4,795,611)   | 4,886,769      |
| <u>NET CHANGE IN FUND BALANCE</u>          | \$ -               | \$ -            | \$ 685,029     | \$ 685,029    | \$ 33,166      |
| <u>FUND BALANCE - JULY 1</u>               | 4,795,611          | 4,795,611       | 4,795,611      | -             | 4,762,445      |
| <u>FUND BALANCE - JUNE 30</u>              | \$ 4,795,611       | \$ 4,795,611    | \$ 5,480,640   | \$ 685,029    | \$ 4,795,611   |

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL CAFETERIAS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**with comparative actual amounts for the year ended June 30, 2024**

|                                   | Original<br>Budget    | Final<br>Budget       | Actual                | Variance              | 2024<br>Actual        |
|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>REVENUES</b>                   |                       |                       |                       |                       |                       |
| From Use of Money<br>and Property | \$ 100,000            | \$ 100,000            | \$ 776,761            | \$ 676,761            | \$ 655,448            |
| Charges for Services              | 13,050,890            | 13,050,890            | 8,314,815             | (4,736,075)           | 8,200,336             |
| Miscellaneous                     | 700,000               | 700,000               | 731,179               | 31,179                | 847,755               |
| From Commonwealth                 | 655,000               | 655,000               | 1,403,675             | 748,675               | 831,646               |
| From Federal Government           | 29,468,034            | 29,468,034            | 28,071,459            | (1,396,575)           | 27,839,326            |
| Total Revenues                    | <u>\$ 43,973,924</u>  | <u>\$ 43,973,924</u>  | <u>\$ 39,297,889</u>  | <u>\$ (4,676,035)</u> | <u>\$ 38,374,511</u>  |
| <b>EXPENDITURES</b>               |                       |                       |                       |                       |                       |
| <u>Cafeterias</u>                 |                       |                       |                       |                       |                       |
| Personnel Services                | \$ 16,934,497         | \$ 16,934,497         | \$ 14,083,946         | \$ 2,850,551          | \$ 13,367,050         |
| Fringe Benefits                   | 6,912,572             | 6,912,572             | 5,505,897             | 1,406,675             | 4,988,735             |
| Purchased Services                | 1,276,500             | 2,967,809             | 2,645,873             | 321,936               | 1,387,002             |
| Other Charges                     | 70,394                | 70,394                | 25,258                | 45,136                | 39,669                |
| Materials and Supplies            | 19,709,259            | 19,726,048            | 19,966,817            | (240,769)             | 20,586,583            |
| Capital Outlay                    | 3,414,560             | 4,625,779             | 1,857,820             | 2,767,959             | 1,541,869             |
| Total Cafeterias                  | <u>\$ 48,317,782</u>  | <u>\$ 51,237,099</u>  | <u>\$ 44,085,611</u>  | <u>\$ 7,151,488</u>   | <u>\$ 41,910,908</u>  |
| <u>Technology</u>                 |                       |                       |                       |                       |                       |
| Purchased Services                | \$ 95,000             | \$ 95,000             | \$ 67,422             | \$ 27,578             | \$ 75,422             |
| Materials and Supplies            | 251,915               | 251,915               | 171,652               | 80,263                | 160,833               |
| Total Technology                  | <u>\$ 346,915</u>     | <u>\$ 346,915</u>     | <u>\$ 239,074</u>     | <u>\$ 107,841</u>     | <u>\$ 236,255</u>     |
| Total Expenditures                | <u>\$ 48,664,697</u>  | <u>\$ 51,584,014</u>  | <u>\$ 44,324,685</u>  | <u>\$ 7,259,329</u>   | <u>\$ 42,147,163</u>  |
| <b>EXCESS (DEFICIENCY) OF</b>     |                       |                       |                       |                       |                       |
| <b>REVENUES OVER (UNDER)</b>      |                       |                       |                       |                       |                       |
| <b>EXPENDITURES</b>               | <u>\$ (4,690,773)</u> | <u>\$ (7,610,090)</u> | <u>\$ (5,026,796)</u> | <u>\$ 2,583,294</u>   | <u>\$ (3,772,652)</u> |
| <b>NET CHANGE IN FUND BALANCE</b> | <u>\$ (4,690,773)</u> | <u>\$ (7,610,090)</u> | <u>\$ (5,026,796)</u> | <u>\$ 2,583,294</u>   | <u>\$ (3,772,652)</u> |
| <b>FUND BALANCE - JULY 1</b>      | <u>17,762,787</u>     | <u>17,762,787</u>     | <u>17,762,787</u>     | <u>-</u>              | <u>21,535,439</u>     |
| <b>FUND BALANCE - JUNE 30</b>     | <u>\$ 13,072,014</u>  | <u>\$ 10,152,697</u>  | <u>\$ 12,735,991</u>  | <u>\$ 2,583,294</u>   | <u>\$ 17,762,787</u>  |

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2025**

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**A. Budget Information**

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

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

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2025**

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7. The Superintendent is authorized to transfer appropriations up to a maximum of \$250,000 between cost centers or within cost centers. Transfers in excess of \$250,000 require one reading by the School Board for approval.
8. The accounting system is employed as a budgetary management control device to monitor the individual schools and departments. In addition, certain controls are exercised administratively on the General Fund (e.g., cost centers, personnel positions, and certain line-items; and the appropriations related thereto). A cost center is an activity (e.g., Elementary Classroom, Gifted Education and Academy Programs) of a category (e.g., Instruction). In addition, certain controls are exercised on the Special Revenue Funds (e.g., federal and state grants; and the appropriations related thereto).
9. Unexpended appropriations lapse (except for the School Capital Projects Fund) and are closed to the proper fund balances at the end of each fiscal year (June 30). However, the General Fund's fund balance (i.e., total assets (e.g., cash) less liabilities (e.g., salaries payable), outstanding encumbrances and prepaid items) is paid back (i.e., reverts) to the City (\$38,094,580 Fiscal Year 2025) 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 \$16,152,511 for the General Fund during fiscal year 2025. The General Fund budget amendment was funded through an increase in revenue from the state government of \$16,152,511 for an additional 3.0% compensation increase for all employees.

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2025**

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**C. Pension and Other Employee Benefits**

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

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

**D. VRS OPEB Plan Changes of Benefits and Funding Terms**

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

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

The actuarially determined contribution rates are determined every two years. The last determination of the actuarial contribution rates was as of June 30, 2023 payable for the fiscal years 2025 and 2026. 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, 2025

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F. VRS OPEB Plan Changes of Assumptions

There have been no changes to the actuarial assumptions since the prior measurement date. The updated assumptions adopted based on the experience study for the period July 1, 2016 to June 30, 2020 were reflected for the June 30, 2023 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, 2024 actuarial valuations:

|                                                                               |                                                                                                      |
|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| Actuarial cost method                                                         | Entry age normal                                                                                     |
| Amortization method                                                           | Level percentage of payroll, closed                                                                  |
| Remaining amortization period                                                 | 13 years – 22 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<br>Political Subdivisions:<br>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                                                                                                  |

## **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, 2025**  
**with comparative totals for June 30, 2024**

|                                                                           | School<br>Textbooks  | School<br>Communication<br>Towers/<br>Technology | School<br>Vending<br>Operations | School<br>Equipment<br>Replacement | School<br>Activity  | Totals               |                      |
|---------------------------------------------------------------------------|----------------------|--------------------------------------------------|---------------------------------|------------------------------------|---------------------|----------------------|----------------------|
|                                                                           |                      |                                                  |                                 |                                    |                     | 2025                 | 2024                 |
| <b>ASSETS</b>                                                             |                      |                                                  |                                 |                                    |                     |                      |                      |
| Cash and Investments                                                      | \$ 10,904,008        | \$ 7,005,659                                     | \$ 400,012                      | \$ 297,826                         | \$ 5,774,297        | \$ 24,381,802        | \$ 19,965,692        |
| Lease Receivable                                                          | -                    | 977,716                                          | -                               | -                                  | -                   | 977,716              | 1,555,731            |
| Prepaid Items                                                             | 2,000                | -                                                | -                               | -                                  | -                   | 2,000                | 286,868              |
| <b>TOTAL ASSETS</b>                                                       | <b>\$ 10,906,008</b> | <b>\$ 7,983,375</b>                              | <b>\$ 400,012</b>               | <b>\$ 297,826</b>                  | <b>\$ 5,774,297</b> | <b>\$ 25,361,518</b> | <b>\$ 21,808,291</b> |
| <b>LIABILITIES, DEFERRED INFLOWS,<br/>AND FUND BALANCES</b>               |                      |                                                  |                                 |                                    |                     |                      |                      |
| Liabilities:                                                              |                      |                                                  |                                 |                                    |                     |                      |                      |
| Salaries Payable                                                          | \$ 1,127             | \$ -                                             | \$ -                            | \$ -                               | \$ -                | \$ 1,127             | \$ 131               |
| Vouchers and                                                              |                      |                                                  |                                 |                                    |                     |                      |                      |
| Accounts Payable                                                          | -                    | -                                                | -                               | 4,241                              | -                   | 4,241                | -                    |
| Deposits Payable                                                          | -                    | 65,000                                           | -                               | -                                  | -                   | 65,000               | 75,000               |
| Unearned Revenue                                                          | -                    | -                                                | -                               | -                                  | -                   | -                    | 40,673               |
| <b>TOTAL LIABILITIES</b>                                                  | <b>\$ 1,127</b>      | <b>\$ 65,000</b>                                 | <b>\$ -</b>                     | <b>\$ 4,241</b>                    | <b>\$ -</b>         | <b>\$ 70,368</b>     | <b>\$ 115,804</b>    |
| Deferred Inflows of                                                       |                      |                                                  |                                 |                                    |                     |                      |                      |
| of Resources - Leases                                                     | \$ -                 | \$ 938,719                                       | \$ -                            | \$ -                               | \$ -                | \$ 938,719           | \$ 1,464,776         |
| Fund Balances:                                                            |                      |                                                  |                                 |                                    |                     |                      |                      |
| Nonspendable                                                              | \$ 2,000             | \$ -                                             | \$ -                            | \$ -                               | \$ -                | \$ 2,000             | \$ 286,868           |
| Restricted                                                                | 10,902,881           | -                                                | -                               | -                                  | 5,774,297           | 16,677,178           | 13,309,559           |
| Committed                                                                 | -                    | 6,979,656                                        | 400,012                         | 293,585                            | -                   | 7,673,253            | 6,631,284            |
| <b>TOTAL FUND<br/>BALANCES</b>                                            | <b>\$ 10,904,881</b> | <b>\$ 6,979,656</b>                              | <b>\$ 400,012</b>               | <b>\$ 293,585</b>                  | <b>\$ 5,774,297</b> | <b>\$ 24,352,431</b> | <b>\$ 20,227,711</b> |
| <b>TOTAL LIABILITIES ,<br/>DEFERRED INFLOWS<br/>AND FUND<br/>BALANCES</b> |                      |                                                  |                                 |                                    |                     |                      |                      |
|                                                                           | <b>\$ 10,906,008</b> | <b>\$ 7,983,375</b>                              | <b>\$ 400,012</b>               | <b>\$ 297,826</b>                  | <b>\$ 5,774,297</b> | <b>\$ 25,361,518</b> | <b>\$ 21,808,291</b> |

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**with comparative totals for the fiscal year ended June 30, 2024**

|                                   | School<br>Textbooks  | School<br>Communication<br>Towers/<br>Technology | School<br>Vending<br>Operations | School<br>Equipment<br>Replacement | School<br>Activity  | Totals               |                      |
|-----------------------------------|----------------------|--------------------------------------------------|---------------------------------|------------------------------------|---------------------|----------------------|----------------------|
|                                   |                      |                                                  |                                 |                                    |                     | 2025                 | 2024                 |
| <b>REVENUES</b>                   |                      |                                                  |                                 |                                    |                     |                      |                      |
| From Use of Money<br>and Property | \$ 452,106           | \$ 1,075,890                                     | \$ 57,603                       | \$ 18,791                          | \$ 7,808            | \$ 1,612,198         | \$ 1,077,186         |
| Charges for Services              | -                    | -                                                | 198,568                         | -                                  | -                   | 198,568              | 115,105              |
| Miscellaneous                     | 13,051               | -                                                | -                               | -                                  | 7,164,353           | 7,177,404            | 7,555,715            |
| From Commonwealth                 | 5,879,387            | -                                                | -                               | -                                  | -                   | 5,879,387            | 4,949,030            |
| Total Revenues                    | <u>\$ 6,344,544</u>  | <u>\$ 1,075,890</u>                              | <u>\$ 256,171</u>               | <u>\$ 18,791</u>                   | <u>\$ 7,172,161</u> | <u>\$ 14,867,557</u> | <u>\$ 13,697,036</u> |
| <b>EXPENDITURES</b>               |                      |                                                  |                                 |                                    |                     |                      |                      |
| Current:                          |                      |                                                  |                                 |                                    |                     |                      |                      |
| Instruction                       | \$ 694,717           | \$ -                                             | \$ 142,181                      | \$ -                               | \$ 6,913,576        | \$ 7,750,474         | \$ 8,275,788         |
| Technology                        | 2,651,591            | -                                                | -                               | 166,702                            | -                   | 2,818,293            | 2,707,509            |
| Debt Service:                     |                      |                                                  |                                 |                                    |                     |                      |                      |
| Principal                         | 159,774              | -                                                | -                               | -                                  | -                   | 159,774              | 251,299              |
| Interest                          | 14,296               | -                                                | -                               | -                                  | -                   | 14,296               | 7,282                |
| Total Expenditures                | <u>\$ 3,520,378</u>  | <u>\$ -</u>                                      | <u>\$ 142,181</u>               | <u>\$ 166,702</u>                  | <u>\$ 6,913,576</u> | <u>\$ 10,742,837</u> | <u>\$ 11,241,878</u> |
| <b>EXCESS (DEFICIENCY) OF</b>     |                      |                                                  |                                 |                                    |                     |                      |                      |
| <b>REVENUES OVER (UNDER)</b>      |                      |                                                  |                                 |                                    |                     |                      |                      |
| <b>EXPENDITURES</b>               | <u>\$ 2,824,166</u>  | <u>\$ 1,075,890</u>                              | <u>\$ 113,990</u>               | <u>\$ (147,911)</u>                | <u>\$ 258,585</u>   | <u>\$ 4,124,720</u>  | <u>\$ 2,455,158</u>  |
| <b>NET CHANGES IN</b>             |                      |                                                  |                                 |                                    |                     |                      |                      |
| <b>FUND BALANCES</b>              | \$ 2,824,166         | \$ 1,075,890                                     | \$ 113,990                      | \$ (147,911)                       | \$ 258,585          | \$ 4,124,720         | \$ 2,455,158         |
| <b>FUND BALANCES - JULY 1</b>     | <u>8,080,715</u>     | <u>5,903,766</u>                                 | <u>286,022</u>                  | <u>441,496</u>                     | <u>5,515,712</u>    | <u>20,227,711</u>    | <u>17,772,553</u>    |
| <b>FUND BALANCES - JUNE 30</b>    | <u>\$ 10,904,881</u> | <u>\$ 6,979,656</u>                              | <u>\$ 400,012</u>               | <u>\$ 293,585</u>                  | <u>\$ 5,774,297</u> | <u>\$ 24,352,431</u> | <u>\$ 20,227,711</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, 2025**  
**with comparative actual amounts for the year ended June 30, 2024**

|                                   | Original<br>Budget         | Final<br>Budget            | Actual                      | Variance                   | 2024<br>Actual             |
|-----------------------------------|----------------------------|----------------------------|-----------------------------|----------------------------|----------------------------|
| <b>REVENUES</b>                   |                            |                            |                             |                            |                            |
| From Use of Money                 |                            |                            |                             |                            |                            |
| and Property                      | \$ 42,104                  | \$ 42,104                  | \$ 452,106                  | \$ 410,002                 | \$ 178,125                 |
| Miscellaneous                     | 18,121                     | 18,121                     | 13,051                      | (5,070)                    | 16,395                     |
| From Commonwealth                 | 5,881,957                  | 5,881,957                  | 5,879,387                   | (2,570)                    | 4,949,030                  |
| Total Revenues                    | <u>\$ 5,942,182</u>        | <u>\$ 5,942,182</u>        | <u>\$ 6,344,544</u>         | <u>\$ 402,362</u>          | <u>\$ 5,143,550</u>        |
| <b>EXPENDITURES</b>               |                            |                            |                             |                            |                            |
| <b>Instruction</b>                |                            |                            |                             |                            |                            |
| Personnel Services                | \$ 102,934                 | \$ 102,934                 | \$ 108,745                  | \$ (5,811)                 | \$ 107,107                 |
| Fringe Benefits                   | 40,288                     | 40,288                     | 40,135                      | 153                        | 39,767                     |
| Materials and Supplies            | 6,652,781                  | 6,652,781                  | 545,837                     | 6,106,944                  | 731,093                    |
| Total Instruction                 | <u>\$ 6,796,003</u>        | <u>\$ 6,796,003</u>        | <u>\$ 694,717</u>           | <u>\$ 6,101,286</u>        | <u>\$ 877,967</u>          |
| <b>Technology</b>                 |                            |                            |                             |                            |                            |
| Materials and Supplies            | \$ 1,552,678               | \$ 1,557,718               | \$ 2,825,661                | \$ (1,267,943)             | \$ 2,750,047               |
| Total Technology                  | <u>\$ 1,552,678</u>        | <u>\$ 1,557,718</u>        | <u>\$ 2,825,661</u>         | <u>\$ (1,267,943)</u>      | <u>\$ 2,750,047</u>        |
| Total Expenditures                | <u>\$ 8,348,681</u>        | <u>\$ 8,353,721</u>        | <u>\$ 3,520,378</u>         | <u>\$ 4,833,343</u>        | <u>\$ 3,628,014</u>        |
| <b>EXCESS (DEFICIENCY) OF</b>     |                            |                            |                             |                            |                            |
| <b>REVENUES OVER (UNDER)</b>      |                            |                            |                             |                            |                            |
| <b>EXPENDITURES</b>               | <u>\$ (2,406,499)</u>      | <u>\$ (2,411,539)</u>      | <u>\$ 2,824,166</u>         | <u>\$ 5,235,705</u>        | <u>\$ 1,515,536</u>        |
| <b>NET CHANGE IN FUND BALANCE</b> | <u>\$ (2,406,499)</u>      | <u>\$ (2,411,539)</u>      | <u>\$ 2,824,166</u>         | <u>\$ 5,235,705</u>        | <u>\$ 1,515,536</u>        |
| <b>FUND BALANCE - JULY 1</b>      | <u>8,080,715</u>           | <u>8,080,715</u>           | <u>8,080,715</u>            | <u>-</u>                   | <u>6,565,179</u>           |
| <b>FUND BALANCE - JUNE 30</b>     | <u><u>\$ 5,674,216</u></u> | <u><u>\$ 5,669,176</u></u> | <u><u>\$ 10,904,881</u></u> | <u><u>\$ 5,235,705</u></u> | <u><u>\$ 8,080,715</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, 2025**  
**with comparative actual amounts for the year ended June 30, 2024**

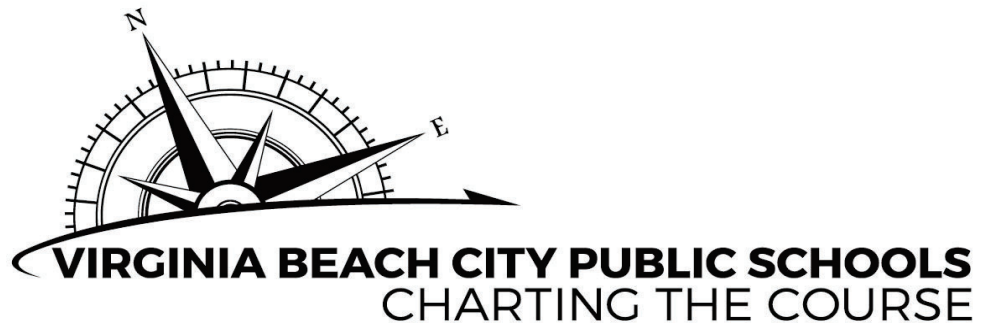
|                                   | Original<br>Budget         | Final<br>Budget            | Actual                     | Variance                   | 2024<br>Actual             |
|-----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <u>REVENUES</u>                   |                            |                            |                            |                            |                            |
| From Use of Money<br>and Property | \$ 628,000                 | \$ 628,000                 | \$ 1,075,890               | \$ 447,890                 | \$ 840,009                 |
| <u>EXPENDITURES</u>               |                            |                            |                            |                            |                            |
| <u>Technology</u>                 |                            |                            |                            |                            |                            |
| Purchased Services                | \$ -                       | \$ -                       | \$ -                       | \$ -                       | \$ 40,000                  |
| Materials and Supplies            | 1,000,000                  | 1,000,000                  | -                          | 1,000,000                  | -                          |
| Total Expenditures                | <u>\$ 1,000,000</u>        | <u>\$ 1,000,000</u>        | <u>\$ -</u>                | <u>\$ 1,000,000</u>        | <u>\$ 40,000</u>           |
| <u>EXCESS (DEFICIENCY) OF</u>     |                            |                            |                            |                            |                            |
| <u>REVENUES OVER (UNDER)</u>      |                            |                            |                            |                            |                            |
| <u>EXPENDITURES</u>               | <u>\$ (372,000)</u>        | <u>\$ (372,000)</u>        | <u>\$ 1,075,890</u>        | <u>\$ 1,447,890</u>        | <u>\$ 800,009</u>          |
| <u>NET CHANGE IN FUND BALANCE</u> | <u>\$ (372,000)</u>        | <u>\$ (372,000)</u>        | <u>\$ 1,075,890</u>        | <u>\$ 1,447,890</u>        | <u>\$ 800,009</u>          |
| <u>FUND BALANCE - JULY 1</u>      | <u>5,903,766</u>           | <u>5,903,766</u>           | <u>5,903,766</u>           | <u>-</u>                   | <u>5,103,757</u>           |
| <u>FUND BALANCE - JUNE 30</u>     | <u><u>\$ 5,531,766</u></u> | <u><u>\$ 5,531,766</u></u> | <u><u>\$ 6,979,656</u></u> | <u><u>\$ 1,447,890</u></u> | <u><u>\$ 5,903,766</u></u> |

**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, 2025**  
**with comparative actual amounts for the year ended June 30, 2024**

|                                   | Original<br>Budget       | Final<br>Budget          | Actual                   | Variance                 | 2024<br>Actual           |
|-----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>REVENUES</b>                   |                          |                          |                          |                          |                          |
| From Use of Money<br>and Property | \$ -                     | \$ -                     | \$ 57,603                | \$ 57,603                | \$ 31,636                |
| Charges for Services              | 150,000                  | 150,000                  | 198,568                  | 48,568                   | 115,105                  |
| Total Revenues                    | <u>\$ 150,000</u>        | <u>\$ 150,000</u>        | <u>\$ 256,171</u>        | <u>\$ 106,171</u>        | <u>\$ 146,741</u>        |
| <b>EXPENDITURES</b>               |                          |                          |                          |                          |                          |
| <u>Instruction</u>                |                          |                          |                          |                          |                          |
| Purchased Services                | \$ 800                   | \$ 800                   | \$ -                     | \$ 800                   | \$ -                     |
| Other Charges                     | 149,200                  | 149,200                  | 142,223                  | 6,977                    | 123,576                  |
| Materials and Supplies            | -                        | -                        | (42)                     | 42                       | (23)                     |
| Total Expenditures                | <u>\$ 150,000</u>        | <u>\$ 150,000</u>        | <u>\$ 142,181</u>        | <u>\$ 7,819</u>          | <u>\$ 123,553</u>        |
| <b>EXCESS (DEFICIENCY) OF</b>     |                          |                          |                          |                          |                          |
| <b>REVENUES OVER (UNDER)</b>      |                          |                          |                          |                          |                          |
| <b>EXPENDITURES</b>               | <u>\$ -</u>              | <u>\$ -</u>              | <u>\$ 113,990</u>        | <u>\$ 113,990</u>        | <u>\$ 23,188</u>         |
| <b>NET CHANGE IN FUND BALANCE</b> | <u>\$ -</u>              | <u>\$ -</u>              | <u>\$ 113,990</u>        | <u>\$ 113,990</u>        | <u>\$ 23,188</u>         |
| <b>FUND BALANCE - JULY 1</b>      | <u>286,022</u>           | <u>286,022</u>           | <u>286,022</u>           | <u>-</u>                 | <u>262,834</u>           |
| <b>FUND BALANCE - JUNE 30</b>     | <u><u>\$ 286,022</u></u> | <u><u>\$ 286,022</u></u> | <u><u>\$ 400,012</u></u> | <u><u>\$ 113,990</u></u> | <u><u>\$ 286,022</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, 2025**  
**with comparative actual amounts for the year ended June 30, 2024**

|                                   | Original<br>Budget | Final<br>Budget | Actual       | Variance   | 2024<br>Actual |
|-----------------------------------|--------------------|-----------------|--------------|------------|----------------|
| <u>REVENUES</u>                   |                    |                 |              |            |                |
| From Use of Money<br>and Property | \$ -               | \$ -            | \$ 18,791    | \$ 18,791  | \$ 18,973      |
| <u>EXPENDITURES</u>               |                    |                 |              |            |                |
| <u>Instruction</u>                |                    |                 |              |            |                |
| Capital Outlay                    | \$ -               | \$ -            | \$ -         | \$ -       | \$ 14,681      |
| Total Expenditures                | \$ -               | \$ -            | \$ -         | \$ -       | \$ 14,681      |
| <u>Technology</u>                 |                    |                 |              |            |                |
| Purchased Services                | \$ -               | \$ 78,371       | \$ 22,300    | \$ 56,071  | \$ 41,013      |
| Materials and Supplies            | 400,000            | 494,683         | 50,722       | 443,961    | 74,776         |
| Capital Outlay                    | -                  | 103,940         | 93,680       | 10,260     | 60,254         |
| Total Technology                  | \$ 400,000         | \$ 676,994      | \$ 166,702   | \$ 510,292 | \$ 176,043     |
| Total Expenditures                | \$ 400,000         | \$ 676,994      | \$ 166,702   | \$ 510,292 | \$ 190,724     |
| <u>EXCESS (DEFICIENCY) OF</u>     |                    |                 |              |            |                |
| <u>REVENUES OVER (UNDER)</u>      |                    |                 |              |            |                |
| <u>EXPENDITURES</u>               | \$ (400,000)       | \$ (676,994)    | \$ (147,911) | \$ 529,083 | \$ (171,751)   |
| <u>NET CHANGE IN FUND BALANCE</u> | \$ (400,000)       | \$ (676,994)    | \$ (147,911) | \$ 529,083 | \$ (171,751)   |
| <u>FUND BALANCE - JULY 1</u>      | 441,496            | 441,496         | 441,496      | -          | 613,247        |
| <u>FUND BALANCE - JUNE 30</u>     | \$ 41,496          | \$ (235,498)    | \$ 293,585   | \$ 529,083 | \$ 441,496     |



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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, 2025**  
**with comparative totals for June 30, 2024**

|                            | School<br>Risk<br>Management | School<br>Health<br>Insurance | Totals                      |                             |
|----------------------------|------------------------------|-------------------------------|-----------------------------|-----------------------------|
|                            |                              |                               | 2025                        | 2024                        |
| <b><u>ASSETS</u></b>       |                              |                               |                             |                             |
| Current Assets:            |                              |                               |                             |                             |
| Cash and Investments       | \$ 21,636,972                | \$ 68,990,555                 | \$ 90,627,527               | \$ 99,546,154               |
| Accounts Receivable        | 2,102                        | 688                           | 2,790                       | 5,310,882                   |
| Prepaid Items              | 367,573                      | -                             | 367,573                     | 287,143                     |
|                            | <u>367,573</u>               | <u>-</u>                      | <u>367,573</u>              | <u>287,143</u>              |
| TOTAL ASSETS               | <u>\$ 22,006,647</u>         | <u>\$ 68,991,243</u>          | <u>\$ 90,997,890</u>        | <u>\$ 105,144,179</u>       |
| <b><u>LIABILITIES</u></b>  |                              |                               |                             |                             |
| Current Liabilities:       |                              |                               |                             |                             |
| Salaries Payable           | \$ 1,343                     | \$ 15                         | \$ 1,358                    | \$ 2,425                    |
| Vouchers and               |                              |                               |                             |                             |
| Accounts Payable           | 576,426                      | 3,996,820                     | 4,573,246                   | 8,436,302                   |
| Unearned Revenues          | -                            | 10,124,592                    | 10,124,592                  | 8,946,933                   |
| Estimated Claims and       |                              |                               |                             |                             |
| Judgments (due within      |                              |                               |                             |                             |
| one year)                  | 6,912,701                    | 6,342,000                     | 13,254,701                  | 12,593,984                  |
| Total Current Liabilities  | <u>\$ 7,490,470</u>          | <u>\$ 20,463,427</u>          | <u>\$ 27,953,897</u>        | <u>\$ 29,979,644</u>        |
| Noncurrent Liabilities:    |                              |                               |                             |                             |
| Estimated Claims and       |                              |                               |                             |                             |
| Judgments (due in more     |                              |                               |                             |                             |
| than one year)             | 2,304,234                    | 2,114,000                     | 4,418,234                   | 4,197,995                   |
|                            | <u>2,304,234</u>             | <u>2,114,000</u>              | <u>4,418,234</u>            | <u>4,197,995</u>            |
| TOTAL LIABILITIES          | <u>\$ 9,794,704</u>          | <u>\$ 22,577,427</u>          | <u>\$ 32,372,131</u>        | <u>\$ 34,177,639</u>        |
| <b><u>NET POSITION</u></b> |                              |                               |                             |                             |
| Unrestricted               | <u>\$ 12,211,943</u>         | <u>\$ 46,413,816</u>          | <u>\$ 58,625,759</u>        | <u>\$ 70,966,540</u>        |
| TOTAL NET POSITION         | <u><u>\$ 12,211,943</u></u>  | <u><u>\$ 46,413,816</u></u>   | <u><u>\$ 58,625,759</u></u> | <u><u>\$ 70,966,540</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, 2025**  
**with comparative totals for the year ended June 30, 2024**

|                                            | School<br>Risk<br>Management | School<br>Health<br>Insurance | Totals                      |                             |
|--------------------------------------------|------------------------------|-------------------------------|-----------------------------|-----------------------------|
|                                            |                              |                               | 2025                        | 2024                        |
| <b><u>OPERATING REVENUES</u></b>           |                              |                               |                             |                             |
| Charges for Services                       | \$ 8,995,919                 | \$ 173,053,448                | \$ 182,049,367              | \$ 172,453,720              |
| Miscellaneous Revenue                      | 21,047                       | -                             | 21,047                      | 373,287                     |
| Total Operating Revenues                   | <u>\$ 9,016,966</u>          | <u>\$ 173,053,448</u>         | <u>\$ 182,070,414</u>       | <u>\$ 172,827,007</u>       |
| <b><u>OPERATING EXPENSES</u></b>           |                              |                               |                             |                             |
| Personnel Services                         | \$ 425,965                   | \$ 628,025                    | \$ 1,053,990                | \$ 1,020,529                |
| Fringe Benefits                            | 139,967                      | 236,828                       | 376,795                     | 375,008                     |
| Purchased Services                         | 509,923                      | 1,936,911                     | 2,446,834                   | 2,150,487                   |
| Other Charges                              | 8,481,794                    | 186,728,104                   | 195,209,898                 | 185,780,913                 |
| Total Operating Expenses                   | <u>\$ 9,557,649</u>          | <u>\$ 189,529,868</u>         | <u>\$ 199,087,517</u>       | <u>\$ 189,326,937</u>       |
| <b><u>OPERATING INCOME (LOSS)</u></b>      | <u>\$ (540,683)</u>          | <u>\$ (16,476,420)</u>        | <u>\$ (17,017,103)</u>      | <u>\$ (16,499,930)</u>      |
| <b><u>NONOPERATING REVENUES</u></b>        |                              |                               |                             |                             |
| Interest Income                            | \$ 1,267,671                 | \$ 3,408,651                  | \$ 4,676,322                | \$ 3,518,529                |
| Total Nonoperating Revenues                | <u>\$ 1,267,671</u>          | <u>\$ 3,408,651</u>           | <u>\$ 4,676,322</u>         | <u>\$ 3,518,529</u>         |
| <b><u>CHANGES IN NET POSITION</u></b>      | \$ 726,988                   | \$ (13,067,769)               | \$ (12,340,781)             | \$ (12,981,401)             |
| <b><u>TOTAL NET POSITION - JULY 1</u></b>  | <u>11,484,955</u>            | <u>59,481,585</u>             | <u>70,966,540</u>           | <u>83,947,941</u>           |
| <b><u>TOTAL NET POSITION - JUNE 30</u></b> | <u><u>\$ 12,211,943</u></u>  | <u><u>\$ 46,413,816</u></u>   | <u><u>\$ 58,625,759</u></u> | <u><u>\$ 70,966,540</u></u> |

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**with comparative totals for the year ended June 30, 2024**

|                                                  | School<br>Risk<br>Management | School<br>Health<br>Insurance | Totals          |                 |
|--------------------------------------------------|------------------------------|-------------------------------|-----------------|-----------------|
|                                                  |                              |                               | 2025            | 2024            |
| <b><u>CASH FLOWS FROM OPERATING</u></b>          |                              |                               |                 |                 |
| <b><u>ACTIVITIES:</u></b>                        |                              |                               |                 |                 |
| Receipts from Customers and Users                | \$ 9,015,295                 | \$ 179,540,870                | \$ 188,556,165  | \$ 172,517,986  |
| Payments to Vendors for Goods/Services           | (8,801,273)                  | (191,917,989)                 | (200,719,262)   | (185,084,898)   |
| Payments to Employees for Services               | (567,014)                    | (864,838)                     | (1,431,852)     | (1,394,253)     |
| Net Cash Provided By (Used In)                   |                              |                               |                 |                 |
| Operating Activities                             | \$ (352,992)                 | \$ (13,241,957)               | \$ (13,594,949) | \$ (13,961,165) |
| <b><u>CASH FLOWS FROM INVESTING</u></b>          |                              |                               |                 |                 |
| <b><u>ACTIVITIES:</u></b>                        |                              |                               |                 |                 |
| Interest Received on Investments                 | 1,267,671                    | 3,408,651                     | 4,676,322       | 3,518,529       |
| <b><u>NET INCREASE (DECREASE) IN</u></b>         |                              |                               |                 |                 |
| <b><u>CASH AND INVESTMENTS</u></b>               | \$ 914,679                   | \$ (9,833,306)                | \$ (8,918,627)  | \$ (10,442,636) |
| <b><u>CASH AND INVESTMENTS,</u></b>              |                              |                               |                 |                 |
| <b><u>BEGINNING OF YEAR</u></b>                  | 20,722,293                   | 78,823,861                    | 99,546,154      | 109,988,790     |
| <b><u>CASH AND INVESTMENTS,</u></b>              |                              |                               |                 |                 |
| <b><u>END OF YEAR</u></b>                        | \$ 21,636,972                | \$ 68,990,555                 | \$ 90,627,527   | \$ 99,546,154   |
| <b><u>RECONCILIATION OF OPERATING INCOME</u></b> |                              |                               |                 |                 |
| <b><u>(LOSS) TO NET CASH PROVIDED BY</u></b>     |                              |                               |                 |                 |
| <b><u>(USED IN) OPERATING ACTIVITIES:</u></b>    |                              |                               |                 |                 |
| Operating Income (Loss)                          | \$ (540,683)                 | \$ (16,476,420)               | \$ (17,017,103) | \$ (16,499,930) |
| Adjustments to Reconcile Operating               |                              |                               |                 |                 |
| Income (Loss) to Net Cash Provided By            |                              |                               |                 |                 |
| (Used In) Operating Activities                   |                              |                               |                 |                 |
| (Increase) Decrease in Assets                    |                              |                               |                 |                 |
| Accounts Receivable                              | \$ (1,671)                   | \$ 5,309,763                  | \$ 5,308,092    | \$ (790,949)    |
| Prepaid Items                                    | (80,430)                     | -                             | (80,430)        | (17,214)        |
| Increase (Decrease) in Liabilities               |                              |                               |                 |                 |
| Salaries Payable                                 | (1,082)                      | 15                            | (1,067)         | 1,284           |
| Vouchers and Accounts Payable                    | 199,918                      | (4,062,974)                   | (3,863,056)     | 4,162,023       |
| Unearned Revenue                                 | -                            | 1,177,659                     | 1,177,659       | 481,928         |
| Estimated Claims and Judgments                   | 70,956                       | 810,000                       | 880,956         | (1,298,307)     |
| Total Adjustments                                | \$ 187,691                   | \$ 3,234,463                  | \$ 3,422,154    | \$ 2,538,765    |
| Net Cash Provided By                             |                              |                               |                 |                 |
| (Used In) Operating Activities                   | \$ (352,992)                 | \$ (13,241,957)               | \$ (13,594,949) | \$ (13,961,165) |

## STATISTICAL SECTION

This part of the School Board of the City of Virginia Beach Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School Board's financial health. These tables are unaudited.

| <u>Contents</u>                                                                                                                                                                                                                                                                                       | <u>Tables</u>  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>Financial Trends</b>                                                                                                                                                                                                                                                                               | <b>1 – 10</b>  |
| These tables contain trend information to help the reader understand how the School Board's financial performance and well-being have changed over time.                                                                                                                                              |                |
| <b>Operating Information</b>                                                                                                                                                                                                                                                                          | <b>11 – 24</b> |
| These tables contain service and infrastructure data to help the reader understand how the information in the School Board's financial report relates to the services the School Board provides and the activities it performs.                                                                       |                |
| <b>Demographic and Economic Information</b>                                                                                                                                                                                                                                                           | <b>25 – 29</b> |
| These tables offer demographic and economic indicators to help the reader understand the environment within which the School Board's financial activities take place.                                                                                                                                 |                |
| <b>Revenue Capacity</b>                                                                                                                                                                                                                                                                               | <b>30 – 33</b> |
| These tables contain information to help the reader assess the factors affecting the City's ability to generate property taxes. Additional information can be found in the City of Virginia Beach Annual Comprehensive Financial Report.                                                              |                |
| <b>Debt Capacity</b>                                                                                                                                                                                                                                                                                  | <b>34 – 36</b> |
| These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. Additional information can be found in the City of Virginia Beach Annual Comprehensive Financial Report. |                |

**Sources:** Unless otherwise noted, the information in these tables is derived from the Annual Comprehensive Financial Report for the relevant year.

Table 1

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**GOVERNMENT-WIDE NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years (unaudited)**

|                                      | Fiscal Year                    |                                |                                |                                |
|--------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                                      | 2016                           | 2017                           | 2018                           | 2019                           |
| <b><u>NET POSITION (DEFICIT)</u></b> |                                |                                |                                |                                |
| Investment in Capital Assets         | \$ 503,106,097                 | \$ 532,437,468                 | \$ 535,329,375                 | \$ 593,456,835                 |
| Restricted for:                      |                                |                                |                                |                                |
| Capital Projects                     | 20,731,125                     | -                              | 6,661,276                      | -                              |
| Grants                               | 759,498                        | 954,050                        | 1,431,040                      | 1,693,515                      |
| Cafeterias                           | 7,029,421                      | 9,290,189                      | 11,657,774                     | 13,099,712                     |
| Textbooks                            | 8,447,356                      | 7,120,780                      | 8,013,741                      | 6,929,607                      |
| School Activities                    | -                              | -                              | -                              | -                              |
| Net Pension/OPEB Asset               | -                              | -                              | -                              | -                              |
| Unrestricted (Deficit)               | <u>(658,386,368)</u>           | <u>(793,944,228)</u>           | <u>(758,447,740)</u>           | <u>(751,880,933)</u>           |
| <b>TOTAL NET POSITION (DEFICIT)</b>  | <b><u>\$ (118,312,871)</u></b> | <b><u>\$ (244,141,741)</u></b> | <b><u>\$ (195,354,534)</u></b> | <b><u>\$ (136,701,264)</u></b> |

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            |                        |                      |                       |                       |                       |
|------------------------|------------------------|----------------------|-----------------------|-----------------------|-----------------------|
| 2020                   | 2021                   | 2022                 | 2023                  | 2024                  | 2025                  |
| \$ 551,914,392         | \$ 598,165,240         | \$ 564,465,917       | \$ 557,050,053        | \$ 630,341,593        | \$ 658,207,863        |
| 32,377,544             | -                      | -                    | -                     | -                     | -                     |
| 2,352,340              | 2,911,234              | 3,856,966            | 4,762,445             | 4,795,611             | 5,480,640             |
| 9,787,357              | 8,899,538              | 19,014,788           | 20,802,112            | 17,074,952            | 12,070,827            |
| 7,873,370              | 8,291,593              | 5,509,053            | 5,991,443             | 7,793,847             | 10,902,881            |
| -                      | 4,458,622              | 4,983,205            | 5,227,536             | 5,515,712             | 5,774,297             |
| -                      | -                      | -                    | 45,743                | 74,288                | 324,924               |
| <u>(689,768,867)</u>   | <u>(674,674,445)</u>   | <u>(510,601,277)</u> | <u>(406,482,434)</u>  | <u>(382,097,279)</u>  | <u>(436,616,175)</u>  |
| <u>\$ (85,463,864)</u> | <u>\$ (51,948,218)</u> | <u>\$ 87,228,652</u> | <u>\$ 187,396,898</u> | <u>\$ 283,498,724</u> | <u>\$ 256,145,257</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             |                         |                         |                         |
|------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                            | 2016                    | 2017                    | 2018                    | 2019                    |
| <b>Expenses:</b>                                           |                         |                         |                         |                         |
| Governmental Activities:                                   |                         |                         |                         |                         |
| Instruction                                                | \$ 568,912,291          | \$ 556,632,508          | \$ 606,761,992          | \$ 566,224,421          |
| Admin, Attendance, & Health                                | 20,989,423              | 22,840,163              | 22,901,450              | 23,307,229              |
| Pupil Transportation                                       | 30,739,249              | 32,950,076              | 35,690,694              | 37,344,627              |
| Operations and Maintenance                                 | 86,966,670              | 91,477,591              | 91,293,238              | 95,683,167              |
| Cafeterias                                                 | 26,288,628              | 27,285,112              | 27,773,627              | 28,573,857              |
| Technology                                                 | 38,714,083              | 43,036,289              | 45,753,930              | 47,195,554              |
| Total Expenses                                             | <u>\$ 772,610,344</u>   | <u>\$ 774,221,739</u>   | <u>\$ 830,174,931</u>   | <u>\$ 798,328,855</u>   |
| <b>Program Revenues:</b>                                   |                         |                         |                         |                         |
| Governmental Activities:                                   |                         |                         |                         |                         |
| Charges for Services:                                      |                         |                         |                         |                         |
| Instruction                                                | \$ 2,696,121            | \$ 1,814,028            | \$ 2,062,220            | \$ 1,983,371            |
| Admin, Attendance, & Health                                | -                       | -                       | -                       | -                       |
| Pupil Transportation                                       | -                       | -                       | -                       | 214,355                 |
| Operations and Maintenance                                 | 628,300                 | 452,171                 | 499,341                 | 432,731                 |
| Cafeterias                                                 | 11,266,046              | 10,911,183              | 10,620,849              | 10,406,240              |
| Technology                                                 | 485,887                 | 1,240,136               | 1,142,166               | 1,498,880               |
| Operating Grants and Contributions                         | 142,463,184             | 146,611,635             | 164,134,388             | 164,873,615             |
| Capital Grants and Contributions                           | -                       | -                       | -                       | -                       |
| Total Program Revenues                                     | <u>\$ 157,539,538</u>   | <u>\$ 161,029,153</u>   | <u>\$ 178,458,964</u>   | <u>\$ 179,409,192</u>   |
| Net Expenses                                               | <u>\$ (615,070,806)</u> | <u>\$ (613,192,586)</u> | <u>\$ (651,715,967)</u> | <u>\$ (618,919,663)</u> |
| <b>General Revenues:</b>                                   |                         |                         |                         |                         |
| Local Sources:                                             |                         |                         |                         |                         |
| Local Government                                           | \$ 403,461,767          | \$ 369,406,287          | \$ 437,309,444          | \$ 402,681,270          |
| Miscellaneous                                              | 399,783                 | 450,772                 | 649,331                 | 5,784,893               |
| Federal and State Aid not Restricted to Specific Purposes: |                         |                         |                         |                         |
| State Basic Aid                                            | 172,363,914             | 178,909,703             | 178,412,666             | 178,656,354             |
| State Sales Tax                                            | 72,382,607              | 73,084,563              | 74,264,875              | 76,320,888              |
| Federal Impact Aid                                         | 8,886,385               | 11,264,563              | 9,452,678               | 13,180,576              |
| Interest Earnings                                          | 153,334                 | 245,828                 | 414,180                 | 948,952                 |
| Total General Revenues                                     | <u>\$ 657,647,790</u>   | <u>\$ 633,361,716</u>   | <u>\$ 700,503,174</u>   | <u>\$ 677,572,933</u>   |
| Change in Net Position                                     | <u>\$ 42,576,984</u>    | <u>\$ 20,169,130</u>    | <u>\$ 48,787,207</u>    | <u>\$ 58,653,270</u>    |

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             |                         |                         |                         |                         |                         |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 2020                    | 2021                    | 2022                    | 2023                    | 2024                    | 2025                    |
| \$ 703,745,203          | \$ 614,301,579          | \$ 662,288,101          | \$ 661,318,464          | \$ 695,976,251          | \$ 726,222,904          |
| 24,107,377              | 39,059,615              | 37,088,876              | 36,864,956              | 42,118,861              | 45,616,715              |
| 36,973,229              | 38,763,178              | 45,739,040              | 53,277,359              | 52,727,075              | 56,742,646              |
| 92,626,699              | 105,015,813             | 109,185,578             | 121,182,598             | 136,709,778             | 129,895,020             |
| 29,492,968              | 29,494,063              | 36,566,426              | 37,165,648              | 42,107,415              | 42,623,348              |
| 47,543,325              | 54,919,511              | 61,418,845              | 62,660,454              | 50,471,278              | 56,432,322              |
| <u>\$ 934,488,801</u>   | <u>\$ 881,553,759</u>   | <u>\$ 952,286,866</u>   | <u>\$ 972,469,479</u>   | <u>\$ 1,020,110,658</u> | <u>\$ 1,057,532,955</u> |
|                         |                         |                         |                         |                         |                         |
| \$ 1,540,097            | \$ 1,320,810            | \$ 2,724,249            | \$ 2,850,609            | \$ 2,387,484            | \$ 2,884,486            |
| -                       | -                       | 3,880                   | 500                     | 415                     | 382                     |
| 634,957                 | 422,965                 | 1,059,715               | 1,235,478               | 1,053,162               | 629,829                 |
| 281,549                 | 167,000                 | 241,643                 | 332,074                 | 334,400                 | 306,281                 |
| 7,371,901               | 632,945                 | 1,491,699               | 9,298,152               | 9,028,816               | 9,009,213               |
| 1,593,780               | 864,394                 | 1,028,278               | 1,062,803               | 1,308,508               | 1,410,630               |
| 173,532,323             | 201,162,593             | 266,759,796             | 269,510,671             | 291,860,087             | 266,190,416             |
| -                       | -                       | -                       | 15,823,813              | -                       | -                       |
| <u>\$ 184,954,607</u>   | <u>\$ 204,570,707</u>   | <u>\$ 273,309,260</u>   | <u>\$ 300,114,100</u>   | <u>\$ 305,972,872</u>   | <u>\$ 280,431,237</u>   |
| <u>\$ (749,534,194)</u> | <u>\$ (676,983,052)</u> | <u>\$ (678,977,606)</u> | <u>\$ (672,355,379)</u> | <u>\$ (714,137,786)</u> | <u>\$ (777,101,718)</u> |
|                         |                         |                         |                         |                         |                         |
| \$ 528,069,094          | \$ 416,765,494          | \$ 520,622,167          | \$ 456,010,900          | \$ 484,102,134          | \$ 466,036,878          |
| 1,005,987               | 3,141,506               | 7,015,951               | 8,736,741               | 9,705,464               | 14,775,979              |
| 176,893,073             | 183,758,757             | 177,729,756             | 192,465,613             | 204,051,071             | 231,430,357             |
| 79,610,836              | 87,120,778              | 98,227,243              | 98,633,260              | 90,678,103              | 91,643,485              |
| 13,724,963              | 14,948,341              | 14,339,468              | 15,699,124              | 19,680,896              | 14,616,783              |
| 1,467,641               | 313,213                 | 219,891                 | 977,987                 | 2,021,944               | 3,717,772               |
| <u>\$ 800,771,594</u>   | <u>\$ 706,048,089</u>   | <u>\$ 818,154,476</u>   | <u>\$ 772,523,625</u>   | <u>\$ 810,239,612</u>   | <u>\$ 822,221,254</u>   |
| <u>\$ 51,237,400</u>    | <u>\$ 29,065,037</u>    | <u>\$ 139,176,870</u>   | <u>\$ 100,168,246</u>   | <u>\$ 96,101,826</u>    | <u>\$ 45,119,536</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-<br>tration,<br>Attendance<br>& Health |     | Pupil<br>Trans-<br>portation |     | Operations<br>and<br>Maintenance |      | Cafeterias   |     | Technology   |     |
|-------------|----------------|---------------|------|------------------------------------------------|-----|------------------------------|-----|----------------------------------|------|--------------|-----|--------------|-----|
|             |                |               | %    |                                                | %   |                              | %   |                                  | %    |              | %   |              | %   |
| 2016        | \$772,610,344  | \$568,912,291 | 73.6 | \$20,989,423                                   | 2.7 | \$30,739,249                 | 4.0 | \$86,966,670                     | 11.3 | \$26,288,628 | 3.4 | \$38,714,083 | 5.0 |
| 2017        | 774,221,739    | 556,632,508   | 71.9 | 22,840,163                                     | 3.0 | 32,950,076                   | 4.3 | 91,477,591                       | 11.8 | 27,285,112   | 3.5 | 43,036,289   | 5.5 |
| 2018        | 830,174,931    | 606,761,992   | 73.1 | 22,901,450                                     | 2.8 | 35,690,694                   | 4.3 | 91,293,238                       | 11.0 | 27,773,627   | 3.3 | 45,753,930   | 5.5 |
| 2019        | 798,328,855    | 566,224,421   | 70.9 | 23,307,229                                     | 2.9 | 37,344,627                   | 4.7 | 95,683,167                       | 12.0 | 28,573,857   | 3.6 | 47,195,554   | 5.9 |
| 2020        | 934,488,801    | 703,745,203   | 75.3 | 24,107,377                                     | 2.6 | 36,973,229                   | 4.0 | 92,626,699                       | 9.9  | 29,492,968   | 3.2 | 47,543,325   | 5.0 |
| 2021        | 881,553,759    | 614,301,579   | 69.7 | 39,059,615                                     | 4.4 | 38,763,178                   | 4.4 | 105,015,813                      | 11.9 | 29,494,063   | 3.3 | 54,919,511   | 6.3 |
| 2022        | 952,286,866    | 662,288,101   | 69.5 | 37,088,876                                     | 3.9 | 45,739,040                   | 4.8 | 109,185,578                      | 11.5 | 36,566,426   | 3.8 | 61,418,845   | 6.5 |
| 2023        | 972,469,479    | 661,318,464   | 68.0 | 36,864,956                                     | 3.8 | 53,277,359                   | 5.5 | 121,182,598                      | 12.5 | 37,165,648   | 3.8 | 62,660,454   | 6.4 |
| 2024        | 1,020,110,658  | 695,976,251   | 68.2 | 42,118,861                                     | 4.1 | 52,727,075                   | 5.2 | 136,709,778                      | 13.4 | 42,107,415   | 4.1 | 50,471,278   | 5.0 |
| 2025        | 1,057,532,955  | 726,222,904   | 68.7 | 45,616,715                                     | 4.3 | 56,742,646                   | 5.4 | 129,895,020                      | 12.3 | 42,623,348   | 4.0 | 56,432,322   | 5.3 |

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 | %   |
|             |                |                       |     |                                                |      |                  |      |                         |      |                   |     |
| 2016        | \$815,187,328  | \$15,076,354          | 1.8 | \$142,463,184                                  | 17.5 | \$403,861,550    | 49.5 | \$253,632,906           | 31.1 | 153,334           | 0.1 |
| 2017        | 794,390,869    | 14,417,518            | 1.8 | 146,611,635                                    | 18.5 | 369,857,059      | 46.6 | 263,258,829             | 33.1 | 245,828           | 0.0 |
| 2018        | 878,962,138    | 14,324,576            | 1.6 | 164,134,388                                    | 18.7 | 437,958,775      | 49.8 | 262,130,219             | 29.8 | 414,180           | 0.1 |
| 2019        | 856,982,125    | 14,535,577            | 1.7 | 164,873,615                                    | 19.2 | 408,466,163      | 47.7 | 268,157,818             | 31.3 | 948,952           | 0.1 |
| 2020        | 985,726,201    | 11,422,284            | 1.2 | 173,532,323                                    | 17.6 | 529,075,081      | 53.7 | 270,228,872             | 27.4 | 1,467,641         | 0.1 |
| 2021        | 910,618,796    | 3,408,114             | 0.4 | 201,162,593                                    | 22.1 | 419,907,000      | 46.1 | 285,827,876             | 31.4 | 313,213           | 0.0 |
| 2022        | 1,091,463,736  | 6,549,464             | 0.6 | 266,759,796                                    | 24.4 | 527,638,118      | 48.3 | 290,296,467             | 26.6 | 219,891           | 0.1 |
| 2023        | 1,072,637,725  | 14,779,616            | 1.4 | 285,334,484                                    | 26.6 | 464,747,641      | 43.3 | 306,797,997             | 28.6 | 977,987           | 0.1 |
| 2024        | 1,116,212,484  | 14,112,785            | 1.3 | 291,860,087                                    | 26.1 | 493,807,598      | 44.2 | 314,410,070             | 28.2 | 2,021,944         | 0.2 |
| 2025        | 1,102,652,491  | 14,240,821            | 1.3 | 266,190,416                                    | 24.1 | 480,812,857      | 43.6 | 337,690,625             | 30.6 | 3,717,772         | 0.4 |

\* 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          |                      |                      |                       |
|------------------------------------------------------|----------------------|----------------------|----------------------|-----------------------|
|                                                      | 2016                 | 2017                 | 2018                 | 2019                  |
| <b>General Fund:</b>                                 |                      |                      |                      |                       |
| <i>Nonspendable</i>                                  | \$ 844,003           | \$ 1,078,381         | \$ 645,312           | \$ 661,659            |
| <i>Assigned</i>                                      | 8,392,352            | 8,735,155            | 7,873,059            | 11,144,533            |
| <b>Total Fund Balance - General Fund</b>             | <b>\$ 9,236,355</b>  | <b>\$ 9,813,536</b>  | <b>\$ 8,518,371</b>  | <b>\$ 11,806,192</b>  |
| <b>All Other Governmental Funds:</b>                 |                      |                      |                      |                       |
| <i>Nonspendable:</i>                                 |                      |                      |                      |                       |
| <i>Special Revenue Funds</i>                         | \$ 1,734,207         | \$ 638,339           | \$ 633,098           | \$ 614,895            |
| <i>Restricted:</i>                                   |                      |                      |                      |                       |
| <i>Special Revenue Funds</i>                         | 16,236,275           | 17,365,019           | 21,102,555           | 21,722,834            |
| <i>Capital Projects Funds</i>                        | 20,731,125           | -                    | 6,661,276            | -                     |
| <i>Committed:</i>                                    |                      |                      |                      |                       |
| <i>Special Revenue Funds</i>                         | 4,295,854            | 4,029,283            | 3,791,806            | 3,919,462             |
| <i>Capital Projects Funds</i>                        | 528,628              | -                    | 5,204,160            | -                     |
| <i>Unassigned:</i>                                   |                      |                      |                      |                       |
| <i>Capital Projects Funds</i>                        | -                    | (2,469,152)          | -                    | (32,003,760)          |
| <b>Total Fund Balance - Other Governmental Funds</b> | <b>\$ 43,526,089</b> | <b>\$ 19,563,489</b> | <b>\$ 37,392,895</b> | <b>\$ (5,746,569)</b> |

Table 5

SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA  
FUND BALANCES OF GOVERNMENTAL FUNDS  
Last Ten Fiscal Years (unaudited)

| Fiscal Year          |                      |                       |                       |                       |                       |
|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2020                 | 2021                 | 2022                  | 2023                  | 2024                  | 2025                  |
| \$ 614,133           | \$ 396,015           | \$ 1,424,158          | \$ 309,327            | \$ 597,105            | \$ 992,828            |
| 14,496,327           | 37,001,173           | 27,613,231            | 17,565,592            | 11,775,595            | 9,717,584             |
| <u>\$ 15,110,460</u> | <u>\$ 37,397,188</u> | <u>\$ 29,037,389</u>  | <u>\$ 17,874,919</u>  | <u>\$ 12,372,700</u>  | <u>\$ 10,710,412</u>  |
|                      |                      |                       |                       |                       |                       |
| \$ 789,416           | \$ 803,943           | \$ 2,689,353          | \$ 1,373,198          | \$ 974,703            | \$ 667,164            |
| 20,013,067           | 24,560,987           | 33,364,012            | 36,783,536            | 35,180,122            | 34,228,645            |
| 32,377,544           | -                    | -                     | -                     | -                     | -                     |
| 4,245,222            | 4,772,946            | 5,259,535             | 5,913,703             | 6,631,284             | 7,673,253             |
| 8,332,161            | 14,827,424           | 106,654,155           | 119,214,125           | 114,849,118           | 110,671,630           |
| -                    | -                    | -                     | -                     | -                     | -                     |
| <u>\$ 65,757,410</u> | <u>\$ 44,965,300</u> | <u>\$ 147,967,055</u> | <u>\$ 163,284,562</u> | <u>\$ 157,635,227</u> | <u>\$ 153,240,692</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           |                        |                       |                        |
|---------------------------------------------------------|-----------------------|------------------------|-----------------------|------------------------|
|                                                         | 2016                  | 2017                   | 2018                  | 2019                   |
| <b><u>REVENUES</u></b>                                  |                       |                        |                       |                        |
| From Use of Money and Property                          | \$ 1,187,026          | \$ 1,093,227           | \$ 1,238,870          | \$ 1,614,614           |
| Charges for Services                                    | 12,273,570            | 11,541,968             | 11,462,227            | 11,315,564             |
| Miscellaneous                                           | 2,366,701             | 2,637,731              | 2,863,240             | 3,931,864              |
| From Local Government                                   | 403,461,767           | 365,906,287            | 437,309,444           | 402,681,269            |
| From Commonwealth                                       | 335,531,412           | 345,823,565            | 362,609,420           | 365,166,526            |
| From Federal Government                                 | 60,351,137            | 63,760,864             | 63,260,548            | 67,416,059             |
| Total Revenues                                          | <u>\$ 815,171,613</u> | <u>\$ 790,763,642</u>  | <u>\$ 878,743,749</u> | <u>\$ 852,125,896</u>  |
| <b><u>EXPENDITURES</u></b>                              |                       |                        |                       |                        |
| Current:                                                |                       |                        |                       |                        |
| Instruction                                             | \$ 566,161,730        | \$ 574,348,290         | \$ 592,155,106        | \$ 604,306,042         |
| Admin, Attendance, & Health                             | 21,867,909            | 23,250,610             | 23,789,953            | 24,321,706             |
| Pupil Transportation                                    | 30,772,076            | 35,791,636             | 46,032,851            | 40,296,039             |
| Operations and Maintenance                              | 91,231,416            | 93,264,383             | 94,283,880            | 98,804,758             |
| Cafeterias                                              | 27,118,359            | 27,623,959             | 28,378,336            | 29,159,727             |
| Technology                                              | 37,060,489            | 41,769,006             | 45,954,174            | 46,793,397             |
| Capital Outlay                                          | 34,015,383            | 21,728,403             | 31,833,597            | 51,152,099             |
| Debt Service:                                           |                       |                        |                       |                        |
| Principal-Subscription Liability                        | -                     | -                      | -                     | -                      |
| Interest-Subscription Liability                         | -                     | -                      | -                     | -                      |
| Total Expenditures                                      | <u>\$ 808,227,362</u> | <u>\$ 817,776,287</u>  | <u>\$ 862,427,897</u> | <u>\$ 894,833,768</u>  |
| <b><u>EXCESS (DEFICIENCY) OF</u></b>                    |                       |                        |                       |                        |
| <b><u>REVENUES OVER (UNDER)</u></b>                     |                       |                        |                       |                        |
| <b><u>EXPENDITURES</u></b>                              | <u>\$ 6,944,251</u>   | <u>\$ (27,012,645)</u> | <u>\$ 16,315,852</u>  | <u>\$ (42,707,872)</u> |
| <b><u>OTHER FINANCING SOURCES</u></b>                   |                       |                        |                       |                        |
| <b><u>(USES)</u></b>                                    |                       |                        |                       |                        |
| Transfers In                                            | \$ 3,213,930          | \$ 3,323,272           | \$ 3,653,090          | \$ 3,798,609           |
| Transfers Out                                           | (3,213,930)           | (3,323,272)            | (3,653,090)           | (5,798,609)            |
| Sale of Capital Assets                                  | 15,715                | 3,627,226              | 218,389               | 4,856,229              |
| Subscription Liability                                  |                       |                        |                       |                        |
| Lease Asset                                             | -                     | -                      | -                     | -                      |
| Total Other Financing                                   | <u>-</u>              | <u>-</u>               | <u>-</u>              | <u>-</u>               |
| Sources (Uses), net                                     | <u>\$ 15,715</u>      | <u>\$ 3,627,226</u>    | <u>\$ 218,389</u>     | <u>\$ 2,856,229</u>    |
| <b><u>NET CHANGE IN</u></b>                             |                       |                        |                       |                        |
| <b><u>FUND BALANCES</u></b>                             | <u>\$ 6,959,966</u>   | <u>\$ (23,385,419)</u> | <u>\$ 16,534,241</u>  | <u>\$ (39,851,643)</u> |
| Debt service as a percentage of noncapital expenditures | -                     | -                      | -                     | -                      |

Note: Governmental Accounting Standards Board Statement Number 96 "Subscription-Based Information Technology Arrangements" was implemented in fiscal year 2023. The subscriptions are recorded as a liability at the present value of the term payments and then amortization of the remaining subscription term is recognized as an outflow of resources.

Table 6

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years (unaudited)**

| Fiscal Year           |                       |                         |                         |                         |                         |
|-----------------------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 2020                  | 2021                  | 2022                    | 2023                    | 2024                    | 2025                    |
| \$ 1,909,409          | \$ 966,954            | \$ 1,010,931            | \$ 1,641,104            | \$ 2,087,488            | \$ 2,946,241            |
| 8,101,947             | 785,386               | 1,486,301               | 9,743,546               | 9,243,591               | 9,634,340               |
| 4,083,737             | 5,222,803             | 11,083,390              | 12,785,897              | 15,896,613              | 14,978,742              |
| 528,069,094           | 416,765,494           | 520,621,545             | 456,017,199             | 484,102,134             | 466,036,878             |
| 378,703,344           | 396,103,494           | 411,657,244             | 459,247,402             | 475,384,273             | 507,262,331             |
| 64,681,005            | 90,425,362            | 144,976,657             | 132,594,921             | 129,214,748             | 94,671,770              |
| <u>\$ 985,548,536</u> | <u>\$ 910,269,493</u> | <u>\$ 1,090,836,068</u> | <u>\$ 1,072,030,069</u> | <u>\$ 1,115,928,847</u> | <u>\$ 1,095,530,302</u> |
| \$ 614,838,147        | \$ 616,937,934        | \$ 672,368,027          | \$ 701,933,891          | \$ 754,129,696          | \$ 756,385,700          |
| 24,526,915            | 37,440,277            | 40,207,972              | 42,330,491              | 43,325,334              | 45,642,185              |
| 37,039,105            | 35,517,280            | 53,426,828              | 53,348,280              | 51,664,119              | 52,268,355              |
| 92,837,418            | 100,127,252           | 113,317,602             | 129,126,572             | 137,899,075             | 128,251,457             |
| 29,191,803            | 27,853,960            | 37,430,936              | 38,436,090              | 43,778,318              | 44,152,318              |
| 46,306,027            | 52,889,114            | 61,293,474              | 62,792,518              | 49,954,013              | 55,513,094              |
| 66,178,539            | 40,808,970            | 18,776,941              | 40,445,228              | 45,721,176              | 27,717,174              |
| -                     | -                     | -                       | 892,307                 | 845,252                 | 653,403                 |
| -                     | -                     | -                       | -                       | 47,055                  | 96,969                  |
| <u>\$ 910,917,954</u> | <u>\$ 911,574,787</u> | <u>\$ 996,821,780</u>   | <u>\$ 1,069,305,377</u> | <u>\$ 1,127,364,038</u> | <u>\$ 1,110,680,655</u> |
| \$ 74,630,582         | \$ (1,305,294)        | \$ 94,014,288           | \$ 2,724,692            | \$ (11,435,191)         | \$ (15,150,353)         |
| \$ 4,001,247          | \$ 3,994,446          | \$ 4,869,945            | \$ 5,140,987            | \$ 4,886,769            | \$ 6,094,054            |
| (4,001,247)           | (5,994,446)           | (4,869,945)             | (5,140,987)             | (4,886,769)             | (6,094,054)             |
| 177,665               | 349,303               | 627,668                 | 607,655                 | 283,637                 | 7,122,188               |
| -                     | -                     | -                       | 822,690                 | -                       | 1,971,342               |
| <u>\$ 177,665</u>     | <u>\$ (1,650,697)</u> | <u>\$ 627,668</u>       | <u>\$ 1,430,345</u>     | <u>\$ 283,637</u>       | <u>\$ 9,093,530</u>     |
| <u>\$ 74,808,247</u>  | <u>\$ (2,955,991)</u> | <u>\$ 94,641,956</u>    | <u>\$ 4,155,037</u>     | <u>\$ (11,151,554)</u>  | <u>\$ (6,056,823)</u>   |
| -                     | -                     | -                       | 0.1%                    | 0.1%                    | 0.1%                    |

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   |     |
|-------------|---------------------------------------------|---------------|------|--------------------------------------|-----|----------------------|-----|----------------------------|------|--------------|-----|-------------|-----|
|             |                                             |               | %    |                                      | %   |                      | %   |                            | %    |              | %   |             | %   |
| 2016        | \$693,674,811                               | \$522,827,006 | 75.4 | \$21,867,909                         | 3.2 | \$30,772,076         | 4.4 | \$85,640,251               | 12.3 | \$29,353,639 | 4.2 | \$3,213,930 | 0.5 |
| 2017        | 710,946,618                                 | 531,207,956   | 74.7 | 23,250,610                           | 3.3 | 35,791,636           | 5.0 | 85,737,273                 | 12.1 | 31,635,871   | 4.4 | 3,323,272   | 0.5 |
| 2018        | 748,530,406                                 | 551,099,344   | 73.6 | 23,789,953                           | 3.2 | 46,032,851           | 6.1 | 86,706,179                 | 11.6 | 37,248,989   | 5.0 | 3,653,090   | 0.5 |
| 2019        | 757,385,699                                 | 561,124,557   | 74.1 | 24,321,706                           | 3.2 | 40,296,039           | 5.3 | 88,042,622                 | 11.6 | 37,802,166   | 5.0 | 5,798,609   | 0.8 |
| 2020        | 766,633,124                                 | 573,394,750   | 74.8 | 24,526,915                           | 3.2 | 37,039,105           | 4.8 | 87,816,421                 | 11.5 | 39,854,686   | 5.2 | 4,001,247   | 0.5 |
| 2021        | 771,310,406                                 | 570,086,492   | 73.9 | 35,037,931                           | 4.5 | 35,476,247           | 4.6 | 87,876,518                 | 11.4 | 36,838,772   | 4.8 | 5,994,446   | 0.8 |
| 2022        | 827,551,911                                 | 597,668,220   | 72.2 | 36,895,804                           | 4.5 | 52,017,634           | 6.3 | 98,295,182                 | 11.9 | 37,805,126   | 4.6 | 4,869,945   | 0.5 |
| 2023        | 868,652,853                                 | 618,857,056   | 71.2 | 39,236,548                           | 4.5 | 50,149,031           | 5.8 | 107,459,456                | 12.4 | 47,809,775   | 5.5 | 5,140,987   | 0.6 |
| 2024        | 924,720,767                                 | 673,148,637   | 72.8 | 41,665,488                           | 4.5 | 51,328,257           | 5.6 | 114,164,588                | 12.3 | 39,527,028   | 4.3 | 4,886,769   | 0.5 |
| 2025        | 949,168,291                                 | 687,258,784   | 72.4 | 43,829,089                           | 4.6 | 52,122,304           | 5.5 | 113,231,445                | 11.9 | 46,632,615   | 4.9 | 6,094,054   | 0.7 |

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 | %   |
|-------------|----------------|------------------------|------|---------------------------|------|-----------------|------|--------------------|-----|----------------|-----|
| 2016        | \$692,132,090  | \$355,706,910          | 51.4 | \$249,585,001             | 36.1 | \$72,382,607    | 10.5 | \$10,984,116       | 1.6 | \$3,473,456    | 0.4 |
| 2017        | 711,396,573    | 361,314,303            | 50.8 | 260,283,753               | 36.6 | 73,084,563      | 10.3 | 13,464,377         | 1.9 | 3,249,577      | 0.4 |
| 2018        | 747,016,852    | 383,296,606            | 51.3 | 273,210,535               | 36.6 | 74,264,875      | 9.9  | 12,614,392         | 1.7 | 3,630,444      | 0.5 |
| 2019        | 760,448,528    | 388,810,269            | 51.1 | 274,756,360               | 36.1 | 76,320,888      | 10.0 | 15,961,332         | 2.1 | 4,599,679      | 0.7 |
| 2020        | 769,759,727    | 383,837,199            | 49.9 | 285,102,568               | 37.0 | 79,610,836      | 10.3 | 16,671,591         | 2.2 | 4,537,533      | 0.6 |
| 2021        | 793,249,279    | 389,560,485            | 49.1 | 295,922,939               | 37.3 | 87,120,778      | 11.0 | 18,243,225         | 2.3 | 2,401,852      | 0.3 |
| 2022        | 818,564,444    | 401,758,124            | 49.1 | 296,840,759               | 36.3 | 98,227,243      | 12.0 | 17,115,878         | 2.1 | 4,622,440      | 0.5 |
| 2023        | 856,060,038    | 407,913,456            | 47.7 | 325,809,562               | 38.1 | 98,633,260      | 11.5 | 18,437,704         | 2.2 | 5,266,056      | 0.5 |
| 2024        | 918,958,911    | 436,114,062            | 47.5 | 363,155,427               | 39.5 | 90,678,103      | 9.9  | 21,926,762         | 2.4 | 7,084,557      | 0.7 |
| 2025        | 945,453,205    | 442,005,354            | 46.8 | 387,937,734               | 41.0 | 91,643,485      | 9.7  | 17,257,339         | 1.8 | 6,609,293      | 0.7 |

Note: This table represents financial data of the School Operating Fund.

| Other Financial Data |                                 |                            |                 |
|----------------------|---------------------------------|----------------------------|-----------------|
| Fiscal Year          | June 30<br>Reversion<br>to City | June 30<br>Fund<br>Balance | Debt<br>Service |
| 2016                 | 15,583,197                      | 9,236,355                  | 44,115,909      |
| 2017                 | 17,063,890                      | 9,813,536                  | 45,704,383      |
| 2018                 | 22,881,964                      | 8,518,371                  | 42,173,255      |
| 2019                 | 26,824,198                      | 11,806,192                 | 41,768,217      |
| 2020                 | 39,027,626                      | 15,110,460                 | 42,933,085      |
| 2021                 | 25,708,678                      | 37,397,188                 | 45,227,006      |
| 2022                 | 21,071,766                      | 29,037,389                 | 45,696,046      |
| 2023                 | 30,388,833                      | 17,874,919                 | 46,171,521      |
| 2024                 | 31,693,624                      | 12,372,700                 | 44,499,761      |
| 2025                 | 38,094,580                      | 10,710,412                 | 44,198,911      |

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<br>Year | Local Revenues |                          | State Revenues |                          | State Sales Tax Revenues |                          |
|----------------|----------------|--------------------------|----------------|--------------------------|--------------------------|--------------------------|
|                | Per Pupil      | Per Pupil                | Per Pupil      | Per Pupil                | Per Pupil                | Per Pupil                |
|                |                | <i>State<br/>Average</i> |                | <i>State<br/>Average</i> |                          | <i>State<br/>Average</i> |
| 2016           | 5,450          | 6,084                    | 3,835          | 3,813                    | 1,051                    | 1,036                    |
| 2017           | 5,563          | 6,249                    | 3,986          | 3,997                    | 1,063                    | 1,055                    |
| 2018           | 5,848          | 6,462                    | 4,219          | 4,166                    | 1,079                    | 1,052                    |
| 2019           | 5,920          | 6,642                    | 4,235          | 4,280                    | 1,115                    | 1,108                    |
| 2020           | 5,813          | 6,770                    | 4,387          | 4,438                    | 1,161                    | 1,165                    |
| 2021           | 5,783          | 6,669                    | 4,787          | 4,858                    | 1,341                    | 1,327                    |
| 2022           | 6,307          | 7,150                    | 4,818          | 4,938                    | 1,504                    | 1,516                    |
| 2023           | 6,744          | 7,802                    | 5,316          | 5,473                    | 1,513                    | 1,483                    |
| 2024           | 7,442          | 8,403                    | 5,722          | 6,093                    | 1,400                    | 1,381                    |
| 2025           | -              | -                        | -              | -                        | -                        | -                        |

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

**Note:** This table represents the per pupil cost of operations of the Virginia Beach City Public Schools broken down by source of support. The per pupil amount for the Total Expenditures for Operations is the total expenditures of the Local Educational Agency (LEA) minus the amount for the Facilities Function (e.g., Capital Improvement Program), Debt Service, Non LEA Programs, and Capital Outlay Additions to yield Total Expenditures for Operations. The Total Expenditures for Operations include regular day school, school food services, summer school, adult education, athletics, textbooks, and other educational functions.

The aforementioned methodology and computations were developed by the Commonwealth of Virginia Department of Education (DOE). The assumption taken by the DOE is that the LEA would spend all of its State money received, all of the Sales Tax money received, and all of its Federal money received, before spending any of the local appropriations and other local receipts. Therefore, the Total Expenditures for Operations is the sum of the State portion, the Sales Tax portion, and the Federal portion, with the local portion (City appropriations and other local receipts) being the remainder after the others have been deducted.

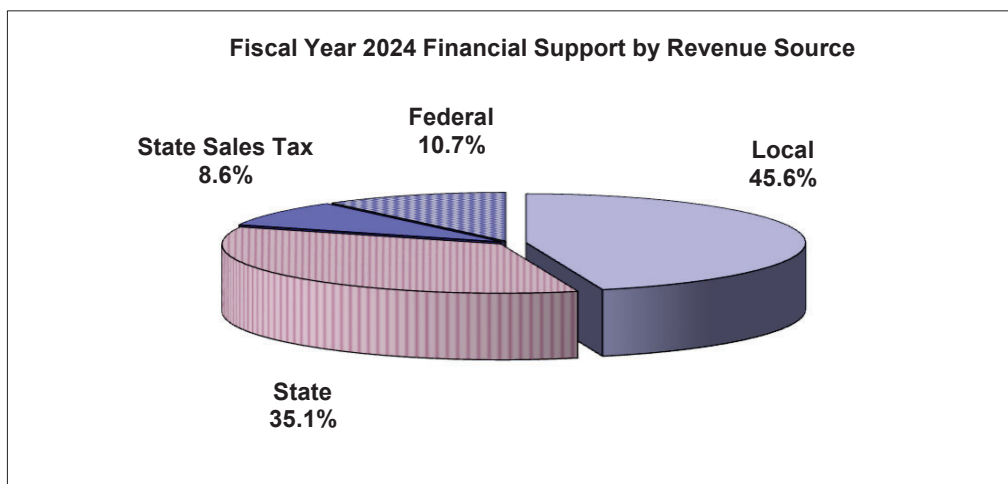
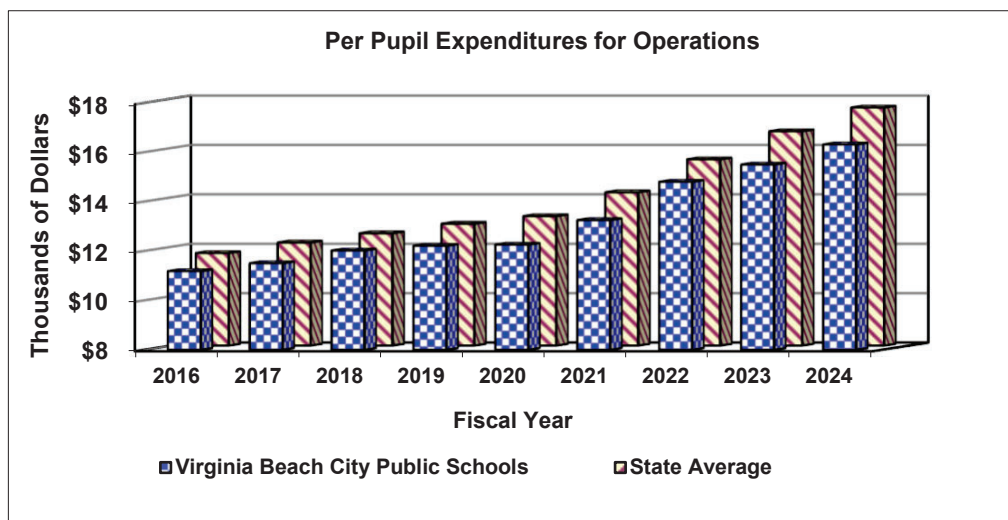
The State amount includes all the monies sent to the LEA by the DOE minus an amount sent by the DOE for the running of the Hospital, Clinics, and Detention Home project and an amount sent by the DOE for vocational equipment. The State Sales Tax is the 1 cent tax on goods and services allocated to a particular LEA (plus a 1/8 of one percent increase allocation). The Federal portion includes all federal funds sent to the LEA directly from the Federal Government or through the State to the LEA minus an amount for additional capital outlay paid for by Federal funds. The local funds portion is equal to the Total Expenditures for Operations minus the amounts for State funds, State Sales Tax, and Federal funds.

Source: Commonwealth of Virginia, Superintendent's Annual Report for Virginia

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**PER PUPIL FINANCIAL SUPPORT FOR EXPENDITURES BY MAJOR REVENUE SOURCE**  
**Last Ten Fiscal Years (unaudited)**

| Fiscal Year | Federal Revenues |               | Total Expenditures for Operations |               | ADM for Determining Cost Per Pupil |
|-------------|------------------|---------------|-----------------------------------|---------------|------------------------------------|
|             | Per Pupil        | Per Pupil     | Per Pupil                         | Per Pupil     |                                    |
|             |                  | State Average |                                   | State Average |                                    |
| 2016        | 849              | 812           | 11,185                            | 11,745        | 68,880                             |
| 2017        | 895              | 871           | 11,507                            | 12,172        | 68,738                             |
| 2018        | 876              | 867           | 12,022                            | 12,548        | 68,808                             |
| 2019        | 943              | 901           | 12,213                            | 12,931        | 68,436                             |
| 2020        | 899              | 867           | 12,260                            | 13,241        | 68,588                             |
| 2021        | 1,343            | 1,352         | 13,254                            | 14,206        | 64,951                             |
| 2022        | 2,175            | 1,936         | 14,804                            | 15,541        | 65,326                             |
| 2023        | 1,932            | 1,918         | 15,504                            | 16,676        | 65,176                             |
| 2024        | 1,751            | 1,759         | 16,316                            | 17,636        | 64,755                             |
| 2025        | -                | -             | -                                 | -             | -                                  |

- 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)**

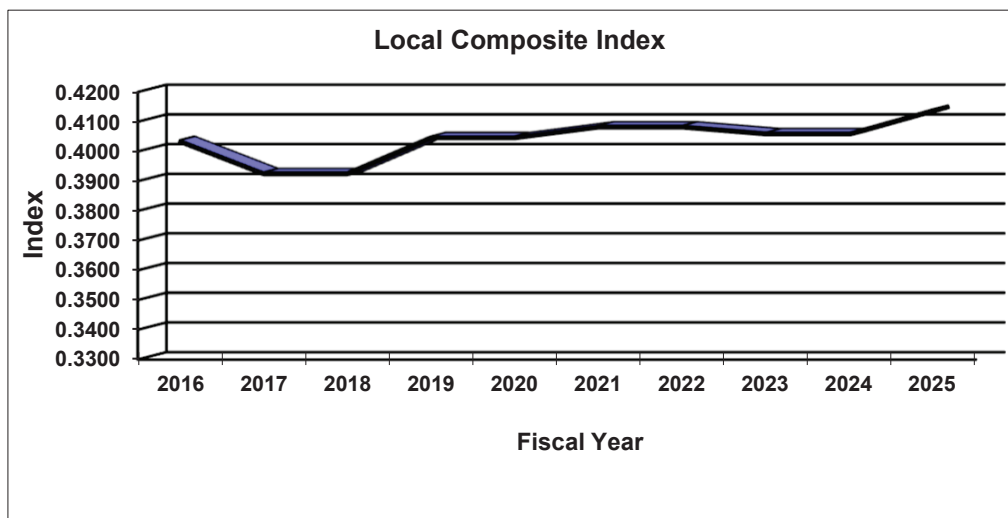
| Fiscal Year | Indicators of Ability Base Year | Local Composite Index | Local Share of SOQ Factor |
|-------------|---------------------------------|-----------------------|---------------------------|
| 2016        | 2011                            | .4034                 | .4500                     |
| 2017        | 2013                            | .3925                 | .4500                     |
| 2018        | 2013                            | .3925                 | .4500                     |
| 2019        | 2015                            | .4046                 | .4500                     |
| 2020        | 2015                            | .4046                 | .4500                     |
| 2021        | 2017                            | .4082                 | .4500                     |
| 2022        | 2017                            | .4082                 | .4500                     |
| 2023        | 2019                            | .4059                 | .4500                     |
| 2024        | 2019                            | .4059                 | .4500                     |
| 2025        | 2021                            | .4138                 | .4500                     |

**Note:** The components used in the formula for calculating the school divisions' composite index (used to distribute basic aid, standards of quality, and various other state payments) are:

True Value of Real Property  
Adjusted Gross Income  
Taxable Retail Sales  
March 31 ADM (year after base year)  
Total Population

The Local Share of Standards of Quality (SOQ) Factor is multiplied by the original calculated local composite index of each school division. This factor provides the apportioned cost of the SOQ between the State and school divisions of average ability to pay as established by the Appropriations Act.

Source: Commonwealth of Virginia, Superintendent's Annual Report for Virginia



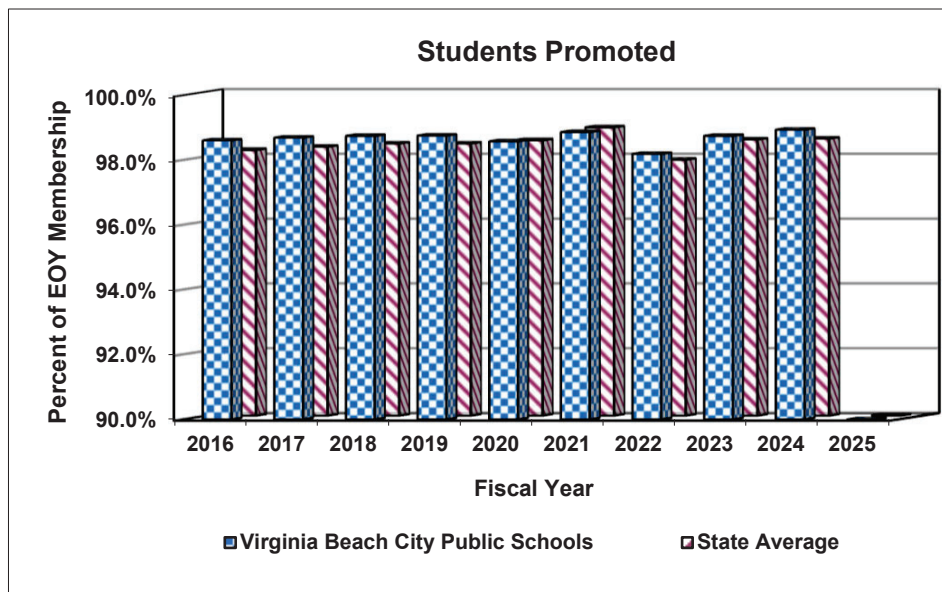
**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STUDENTS PROMOTED**  
 Last Ten Fiscal Years (unaudited)

| Fiscal Year | End-of-Year Membership | Number Promoted | Percent Promoted | Percent Promoted<br><i>State Average</i> |
|-------------|------------------------|-----------------|------------------|------------------------------------------|
| 2016        | 68,568                 | 67,616          | 98.6%            | 98.2%                                    |
| 2017        | 67,868                 | 66,983          | 98.7%            | 98.3%                                    |
| 2018        | 67,620                 | 66,775          | 98.8%            | 98.4%                                    |
| 2019        | 67,181                 | 66,349          | 98.8%            | 98.4%                                    |
| 2020        | 67,262                 | 66,309          | 98.6%            | 98.5%                                    |
| 2021        | 64,289                 | 63,561          | 98.9%            | 98.9%                                    |
| 2022        | 64,120                 | 62,962          | 98.2%            | 97.9%                                    |
| 2023        | 64,050                 | 63,250          | 98.8%            | 98.5%                                    |
| 2024        | 63,572                 | 62,899          | 98.9%            | 98.6%                                    |
| 2025        | -                      | -               | -                | -                                        |

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

**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



**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  |
| 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 |
| 2023        | 180                   | 38,359                   | 25,303    | 63,662 | 35,979                   | 23,589    | 59,568 |
| 2024        | 181                   | 38,239                   | 25,003    | 63,242 | 36,126                   | 23,527    | 59,653 |
| 2025        | -                     | -                        | -         | -      | -                        | -         | -      |

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

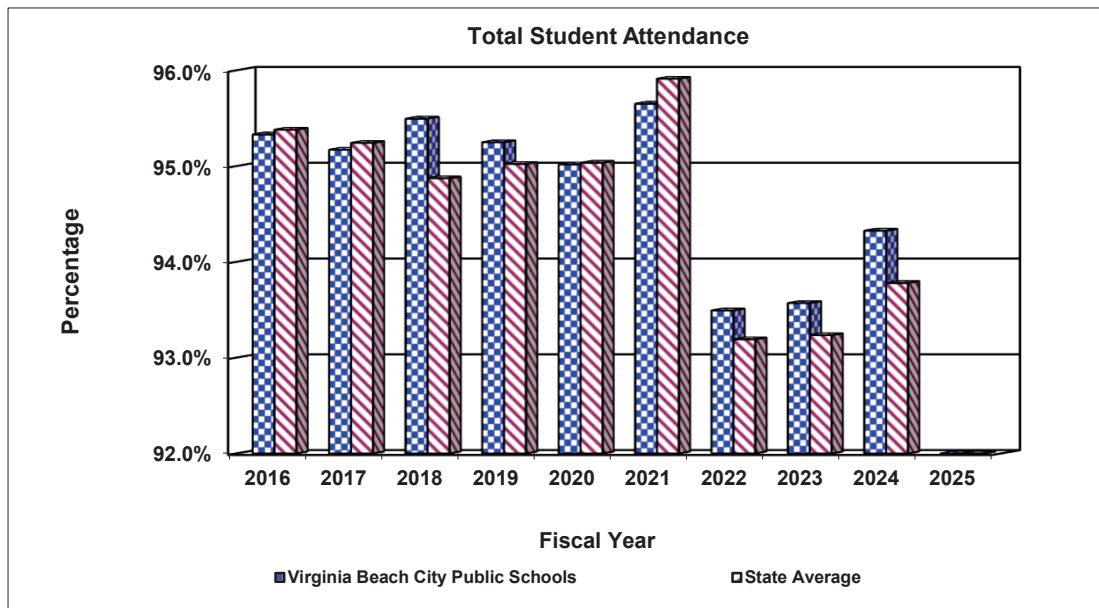
**Note:** This table represents the average daily membership and the average daily attendance along with the percentage of attendance to membership. Average Daily Membership (ADM) is the average number of students belonging each day in a school system for the period of report. ADM is determined by dividing 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<br><i>State Average</i> |           |               |
|-------------|----------------------------|-----------|---------------|----------------------------------------------------|-----------|---------------|
|             | Elementary                 | Secondary | Local Average | Elementary                                         | Secondary | State Average |
| 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%         |
| 2023        | 93.8%                      | 93.2%     | 93.6%         | 93.7%                                              | 92.6%     | 93.2%         |
| 2024        | 94.5%                      | 94.1%     | 94.3%         | 94.3%                                              | 93.1%     | 93.8%         |
| 2025        | -                          | -         | -             | -                                                  | -         | -             |



**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STUDENT DROPOUTS**  
 Last Ten Fiscal Years (unaudited)

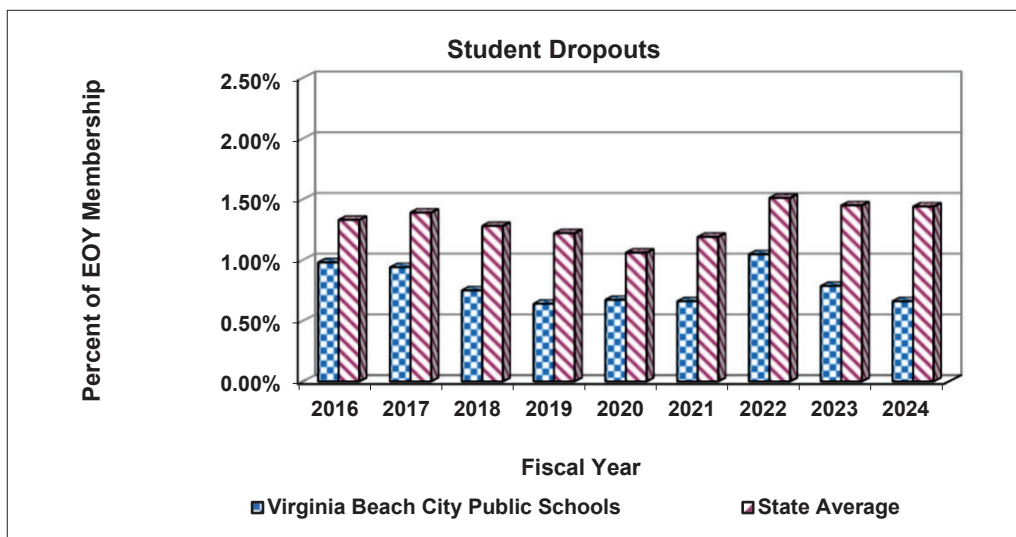
| Fiscal Year | September 30 Membership (Grades 7-12) | Number of Dropouts | Percent | Percent State Average |
|-------------|---------------------------------------|--------------------|---------|-----------------------|
| 2016        | 31,839                                | 313                | 0.98%   | 1.33%                 |
| 2017        | 31,614                                | 296                | 0.94%   | 1.39%                 |
| 2018        | 31,630                                | 237                | 0.75%   | 1.28%                 |
| 2019        | 31,443                                | 201                | 0.64%   | 1.22%                 |
| 2020        | 31,298                                | 210                | 0.67%   | 1.06%                 |
| 2021        | 30,973                                | 204                | 0.66%   | 1.19%                 |
| 2022        | 30,765                                | 322                | 1.05%   | 1.51%                 |
| 2023        | 30,567                                | 240                | 0.79%   | 1.45%                 |
| 2024        | 30,178                                | 199                | 0.66%   | 1.44%                 |
| 2025        | -                                     | -                  | -       | -                     |

- 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 |
| 2016        | 511                       | 517      | 508         | 514                                                       | 520      | 494          | 490                     | 498      | 482      |
| 2017*       | 534                       | 541      | 527         | 557                                                       | 561      | 533          | -                       | -        | -        |
| 2018        | 545                       | 547      | 520         | 563                                                       | 563      | 529          | -                       | -        | -        |
| 2019        | 542                       | 548      | 515         | 561                                                       | 564      | 524          | -                       | -        | -        |
| 2020        | 539                       | 546      | 523         | 562                                                       | 564      | 528          | -                       | -        | -        |
| 2021        | 551                       | 566      | 528         | 573                                                       | 582      | 533          | -                       | -        | -        |
| 2022        | 537                       | 550      | 521         | 568                                                       | 569      | 529          | -                       | -        | -        |
| 2023        | 538                       | 541      | 508         | 575                                                       | 565      | 520          | -                       | -        | -        |
| 2024        | 541                       | 534      | 505         | 576                                                       | 560      | 519          | -                       | -        | -        |
| 2025        | 559                       | 542      | 508         | 585                                                       | 563      | 521          | -                       | -        | -        |

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<br>Ninth Grade<br>Four Years<br>Earlier | Standard<br>Diploma | Advanced<br>Studies<br>Diploma | Modified/<br>Special/Other<br>Diploma | Certificate<br>of Program<br>Completion/<br>GAD/GED/<br>ISAEP | Total<br>Graduates<br>and<br>Completers | Percentage | Percentage<br>State<br>Average |
|-------------|----------------------------------------------------|---------------------|--------------------------------|---------------------------------------|---------------------------------------------------------------|-----------------------------------------|------------|--------------------------------|
| 2016        | 5,815                                              | 1,831               | 2,857                          | 186                                   | 113                                                           | 4,987                                   | 85.8%      | 88.7%                          |
| 2017        | 5,825                                              | 1,793               | 2,947                          | 181                                   | 91                                                            | 5,012                                   | 86.0%      | 87.8%                          |
| 2018        | 5,887                                              | 1,884               | 3,066                          | 203                                   | 94                                                            | 5,247                                   | 89.1%      | 87.9%                          |
| 2019        | 5,718                                              | 1,870               | 2,880                          | 236                                   | 97                                                            | 5,083                                   | 88.9%      | 86.9%                          |
| 2020        | 5,528                                              | 1,899               | 2,875                          | 191                                   | 51                                                            | 5,016                                   | 90.7%      | 89.9%                          |
| 2021        | 5,507                                              | 1,933               | 2,849                          | 170                                   | 19                                                            | 4,971                                   | 90.3%      | 88.8%                          |
| 2022        | 5,468                                              | 1,841               | 2,849                          | 178                                   | 55                                                            | 4,923                                   | 90.0%      | 89.2%                          |
| 2023        | 5,485                                              | 1,976               | 2,910                          | 142                                   | 61                                                            | 5,089                                   | 92.8%      | 86.2%                          |
| 2024        | 5,453                                              | 2,057               | 2,798                          | 128                                   | 41                                                            | 5,024                                   | 92.1%      | 91.6%                          |
| 2025        | -                                                  | -                   | -                              | -                                     | -                                                             | -                                       | -          | -                              |

- 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

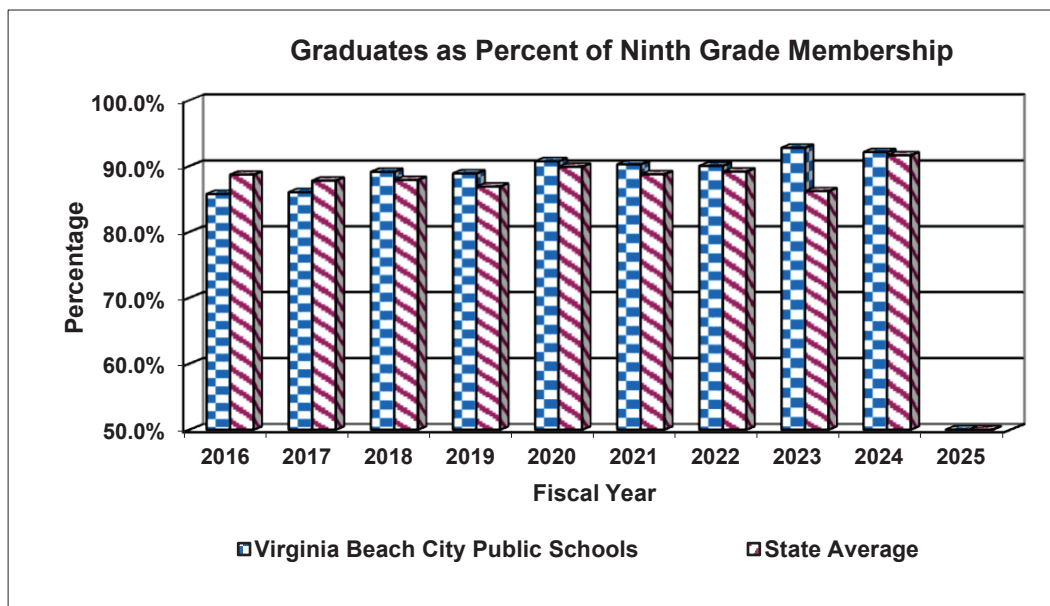


Table 16

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**GRADUATES CONTINUING EDUCATION**  
 Last Ten Fiscal Years (unaudited)

| Fiscal Year | Attending Two-year Colleges Percent | Attending Two-year Colleges 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 |
|-------------|-------------------------------------|-------------------------------------------|--------------------------------------|--------------------------------------------|------------------------------------|------------------------------------------|------------------------------------|------------------------------------------|
| 2016        | 33.3%                               | 29.8%                                     | 48.4%                                | 48.4%                                      | 4.7%                               | 4.1%                                     | 86.4%                              | 82.3%                                    |
| 2017        | 27.6%                               | 28.7%                                     | 55.6%                                | 49.4%                                      | 4.1%                               | 4.0%                                     | 87.3%                              | 82.1%                                    |
| 2018        | 27.0%                               | 28.7%                                     | 55.8%                                | 49.2%                                      | 4.2%                               | 4.2%                                     | 87.0%                              | 82.1%                                    |
| 2019        | 25.0%                               | 26.8%                                     | 53.9%                                | 48.8%                                      | 4.5%                               | 4.5%                                     | 83.4%                              | 80.1%                                    |
| 2020        | 26.2%                               | 25.2%                                     | 55.3%                                | 47.8%                                      | 4.4%                               | 4.5%                                     | 86.0%                              | 77.5%                                    |
| 2021        | 25.7%                               | 22.8%                                     | 56.2%                                | 47.9%                                      | 4.4%                               | 4.8%                                     | 86.3%                              | 75.5%                                    |
| 2022        | 20.6%                               | 23.1%                                     | 54.5%                                | 48.9%                                      | 5.5%                               | 5.2%                                     | 80.6%                              | 77.2%                                    |
| 2023        | 21.0%                               | 22.4%                                     | 56.6%                                | 49.3%                                      | 5.8%                               | 5.8%                                     | 83.4%                              | 77.4%                                    |
| 2024        | 19.6%                               | 19.4%                                     | 57.0%                                | 49.2%                                      | 6.7%                               | 6.2%                                     | 83.3%                              | 74.8%                                    |
| 2025        | -                                   | -                                         | -                                    | -                                          | -                                  | -                                        | -                                  | -                                        |

- 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

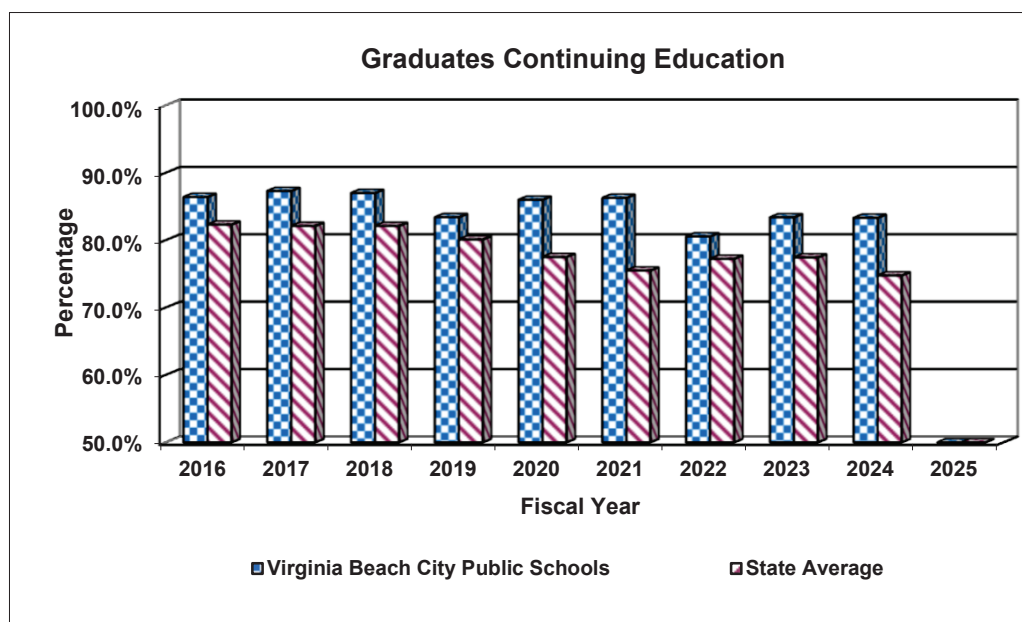


Table 17

**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                    |                             |                                 |
|-------------|--------------------|----------------------------|-----------------------|----------------------------------------------------------|------------------------------|-----------------------------|---------------------------------|
|             | Teaching Positions | End-of-Year Membership K-7 | Student/Teacher Ratio | Elementary Student/Teacher Ratio<br><i>State Average</i> | Secondary Teaching Positions | End-of-Year Membership 8-12 | Secondary Student/Teacher Ratio |
| 2016        | 2,897              | 41,668                     | 14.4                  | 13.1                                                     | 2,003                        | 25,926                      | 12.9                            |
| 2017        | 2,910              | 41,191                     | 14.2                  | 13.1                                                     | 1,997                        | 25,684                      | 12.9                            |
| 2018        | 2,963              | 41,106                     | 13.9                  | 13.1                                                     | 1,988                        | 25,700                      | 12.9                            |
| 2019        | 3,019              | 40,904                     | 13.6                  | 13.0                                                     | 1,874                        | 25,411                      | 13.6                            |
| 2020        | 2,998              | 40,952                     | 13.7                  | 13.0                                                     | 1,862                        | 25,565                      | 13.7                            |
| 2021        | 2,995              | 38,053                     | 12.7                  | 12.2                                                     | 1,856                        | 24,990                      | 13.5                            |
| 2022        | 2,949              | 37,533                     | 12.7                  | 12.3                                                     | 1,817                        | 24,717                      | 13.6                            |
| 2023        | 2,892              | 37,893                     | 13.1                  | 12.4                                                     | 1,783                        | 24,737                      | 13.9                            |
| 2024        | 2,939              | 37,855                     | 12.9                  | 12.4                                                     | 1,789                        | 24,413                      | 13.6                            |
| 2025        | -                  | -                          | -                     | -                                                        | -                            | -                           | -                               |

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

**Note:** This table represents student teacher ratios based on End-of-Year Average Daily Membership to full-time equivalent teaching positions, excluding special education teachers, principals, assistant principals, guidance counselors, and librarians.

**Source:** Commonwealth of Virginia, Superintendent's Annual Report for Virginia

Table 17

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**RATIO OF STUDENTS TO TEACHING/INSTRUCTIONAL PERSONNEL**  
 Last Ten Fiscal Years (unaudited)

| <b>Fiscal Year</b> | <b>Secondary Student/Teacher Ratio<br/>State Average</b> | <b>Total Student/Teacher Ratio</b> | <b>Total Student/Teacher Ratio<br/>State Average</b> |
|--------------------|----------------------------------------------------------|------------------------------------|------------------------------------------------------|
| 2016               | 12.5                                                     | 13.79                              | 12.83                                                |
| 2017               | 12.3                                                     | 13.63                              | 12.78                                                |
| 2018               | 12.4                                                     | 13.49                              | 12.80                                                |
| 2019               | 12.5                                                     | 13.55                              | 12.81                                                |
| 2020               | 12.7                                                     | 13.69                              | 12.85                                                |
| 2021               | 12.5                                                     | 12.99                              | 12.30                                                |
| 2022               | 12.6                                                     | 13.06                              | 12.43                                                |
| 2023               | 12.5                                                     | 13.40                              | 12.46                                                |
| 2024               | 12.3                                                     | 13.17                              | 12.34                                                |
| 2025               | -                                                        | -                                  | -                                                    |

- Not Available (officially published by the Commonwealth of Virginia, Department of Education)

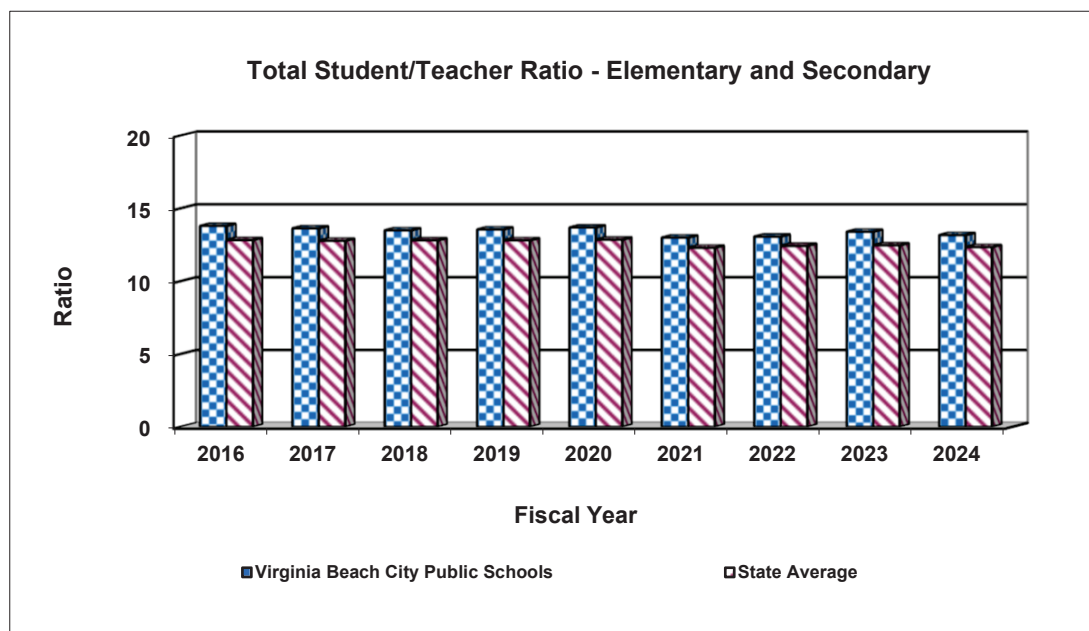


Table 18

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**PERSONNEL POSITIONS**  
**Last Ten Fiscal Years (unaudited)**

|                               | Fiscal Year  |              |              |              |
|-------------------------------|--------------|--------------|--------------|--------------|
|                               | 2016         | 2017         | 2018         | 2019         |
| <b><u>Full-Time Staff</u></b> |              |              |              |              |
| Office/Admin/Managers         | 47           | 47           | 45           | 46           |
| Principals                    | 87           | 87           | 87           | 86           |
| Assistant Principals          | 157          | 156          | 158          | 158          |
| Elementary Classroom Teachers | 2,096        | 2,073        | 2,113        | 2,146        |
| Secondary Classroom Teachers  | 2,298        | 2,301        | 2,340        | 2,325        |
| Other Classroom Teachers      | 297          | 358          | 361          | 350          |
| Guidance                      | 176          | 179          | 188          | 199          |
| Psychological                 | 76           | 85           | 85           | 101          |
| Librarians/AV                 | 106          | 106          | 106          | 106          |
| Supervisory                   | 86           | 93           | 93           | 97           |
| Other Professionals           | 380          | 379          | 381          | 386          |
| Teacher Aides                 | 1,127        | 1,160        | 1,188        | 1,236        |
| Technicians                   | 203          | 197          | 210          | 207          |
| Clerical/Secretarial          | 530          | 527          | 524          | 525          |
| Service Workers               | 1,061        | 1,060        | 1,042        | 1,031        |
| Skilled Crafts                | 232          | 227          | 220          | 228          |
| Total Full-Time Staff         | <u>8,959</u> | <u>9,035</u> | <u>9,141</u> | <u>9,227</u> |
| <b><u>Part-Time Staff</u></b> |              |              |              |              |
| Professional/Instructional    | 142          | 135          | 120          | 114          |
| Other                         | 1,050        | 1,030        | 997          | 1,047        |
| Total Part-Time Staff         | <u>1,192</u> | <u>1,165</u> | <u>1,117</u> | <u>1,161</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  |              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 2020         | 2021         | 2022         | 2023         | 2024         | 2025         |
| 45           | 46           | 45           | 46           | 46           | 46           |
| 87           | 88           | 87           | 86           | 87           | 86           |
| 161          | 167          | 176          | 177          | 177          | 173          |
| 2,186        | 2,162        | 2,117        | 2,143        | 2,139        | 2,140        |
| 2,350        | 2,322        | 2,255        | 2,266        | 2,191        | 2,200        |
| 302          | 317          | 310          | 342          | 341          | 338          |
| 197          | 209          | 220          | 225          | 227          | 228          |
| 105          | 109          | 108          | 109          | 105          | 107          |
| 103          | 105          | 105          | 104          | 102          | 103          |
| 96           | 95           | 94           | 95           | 92           | 93           |
| 385          | 401          | 404          | 415          | 427          | 423          |
| 1,243        | 1,243        | 1,258        | 1,286        | 1,272        | 1,287        |
| 210          | 212          | 203          | 214          | 215          | 210          |
| 521          | 523          | 526          | 527          | 524          | 526          |
| 981          | 1,002        | 1,025        | 1,025        | 1,072        | 1,094        |
| 235          | 230          | 231          | 225          | 226          | 218          |
| <u>9,207</u> | <u>9,231</u> | <u>9,164</u> | <u>9,285</u> | <u>9,243</u> | <u>9,272</u> |
| 107          | 101          | 102          | 120          | 108          | 119          |
| 989          | 924          | 925          | 969          | 960          | 1,024        |
| <u>1,096</u> | <u>1,025</u> | <u>1,027</u> | <u>1,089</u> | <u>1,068</u> | <u>1,143</u> |

Table 19

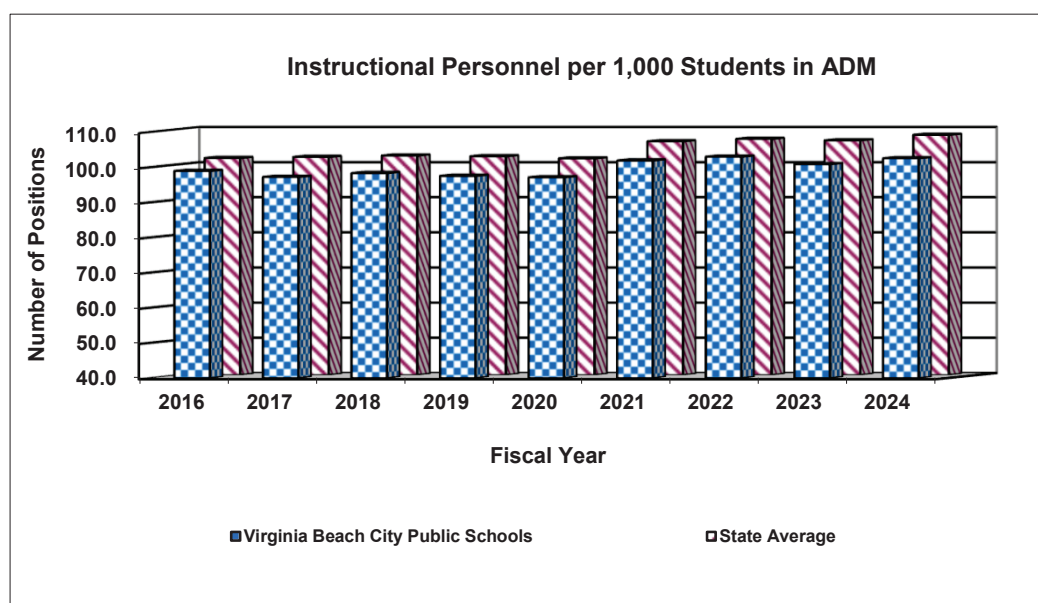
**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**INSTRUCTIONAL PERSONNEL POSITIONS PER 1,000 STUDENTS IN ADM**  
**Last Ten Fiscal Years (unaudited)**

| 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<br><i>State Average</i> |
|-------------|-----------------------------------------------------------|------------------------------------------------|--------------------------------------------|--------------------------------------------------------------------|
| 2016        | 6,758                                                     | 68,265                                         | 99.0                                       | 101.8                                                              |
| 2017        | 6,627                                                     | 68,137                                         | 97.3                                       | 102.1                                                              |
| 2018        | 6,716                                                     | 68,271                                         | 98.4                                       | 102.5                                                              |
| 2019        | 6,628                                                     | 67,893                                         | 97.6                                       | 102.3                                                              |
| 2020        | 6,614                                                     | 68,037                                         | 97.2                                       | 101.7                                                              |
| 2021        | 6,573                                                     | 64,457                                         | 102.0                                      | 106.6                                                              |
| 2022        | 6,572                                                     | 63,772                                         | 103.1                                      | 107.2                                                              |
| 2023        | 6,487                                                     | 64,260                                         | 100.9                                      | 106.8                                                              |
| 2024        | 6,556                                                     | 63,892                                         | 102.6                                      | 108.4                                                              |
| 2025        | -                                                         | -                                              | -                                          | -                                                                  |

- 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)

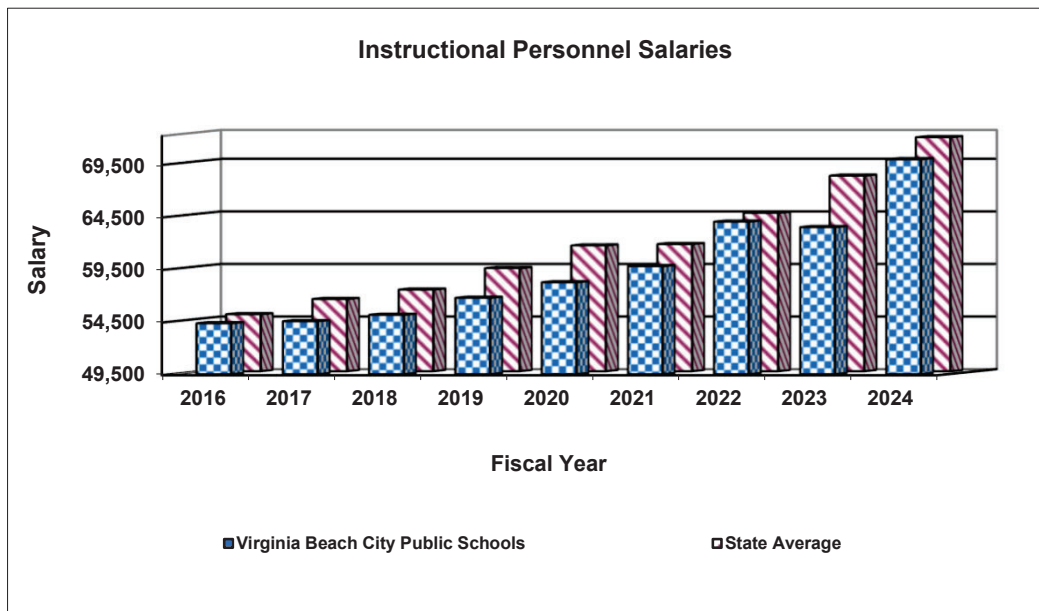
| Fiscal Year | Minimum Salary | Maximum Salary | Average Salary | State Average |
|-------------|----------------|----------------|----------------|---------------|
| 2016        | 43,559         | 75,294         | 54,342         | 54,910        |
| 2017        | 44,796         | 77,809         | 54,541         | 56,362        |
| 2018        | 45,759         | 69,703         | 55,147         | 57,261        |
| 2019        | 47,017         | 70,646         | 56,766         | 59,301        |
| 2020        | 47,017         | 69,496         | 58,242         | 61,457        |
| 2021        | 49,256         | 72,126         | 59,779         | 61,595        |
| 2022        | 51,965         | 90,473         | 64,012         | 64,557        |
| 2023        | 51,965         | 100,051        | 63,493         | 68,101        |
| 2024        | 54,065         | 105,660        | 69,951         | 71,758        |
| 2025        | 55,687         | 110,462        | -              | -             |

- 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 30+ years in 2018, ended at 43+ years in 2022, ended at 44 years in 2023, ended at 45+ years in 2024, and ends at 46+years in 2025.

Source: Department of Human Resources and Commonwealth of Virginia, Superintendent's Annual Report for Virginia



**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**TEACHERS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

| Fiscal<br>Year | Number of Teachers |        |       |       | Average Teacher Age |        |      |       | Bachelors |        |      |       |
|----------------|--------------------|--------|-------|-------|---------------------|--------|------|-------|-----------|--------|------|-------|
|                | Elem               | Middle | High  | Other | Elem                | Middle | High | Other | Elem      | Middle | High | Other |
| 2016           | 2,334              | 1,140  | 1,354 | 305   | 43.8                | 44.9   | 45.5 | 45.5  | 1,015     | 528    | 650  | 133   |
| 2017           | 2,351              | 1,148  | 1,345 | 318   | 43.4                | 44.2   | 45.4 | 45.4  | 1,029     | 522    | 635  | 124   |
| 2018           | 2,328              | 1,152  | 1,350 | 320   | 43.3                | 44.0   | 45.5 | 45.9  | 1,017     | 528    | 639  | 121   |
| 2019           | 2,354              | 1,166  | 1,381 | 322   | 42.9                | 43.9   | 44.9 | 45.8  | 999       | 537    | 634  | 101   |
| 2020           | 2,397              | 1,149  | 1,385 | 312   | 42.7                | 43.7   | 45.3 | 45.3  | 1,010     | 530    | 622  | 98    |
| 2021           | 2,313              | 1,094  | 1,284 | 317   | 42.2                | 43.6   | 45.0 | 45.4  | 1,016     | 531    | 610  | 98    |
| 2022           | 2,288              | 1,083  | 1,273 | 319   | 42.1                | 43.2   | 45.0 | 45.4  | 1,045     | 529    | 609  | 100   |
| 2023           | 2,247              | 1,034  | 1,246 | 316   | 42.2                | 43.7   | 45.1 | 45.2  | 1,026     | 525    | 595  | 98    |
| 2024           | 2,279              | 1,032  | 1,280 | 318   | 42.2                | 43.6   | 44.9 | 46.1  | 1,034     | 512    | 610  | 101   |
| 2025           | 2,270              | 1,010  | 1,219 | 325   | 42.5                | 44.1   | 45.6 | 46.5  | 1,018     | 498    | 566  | 107   |

Source: Department of Human Resources

Table 21

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**TEACHERS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

| Fiscal<br>Year | Masters |        |      |       | Certificate Advance Studies |        |      |       | Doctorate |        |      |       |
|----------------|---------|--------|------|-------|-----------------------------|--------|------|-------|-----------|--------|------|-------|
|                | Elem    | Middle | High | Other | Elem                        | Middle | High | Other | Elem      | Middle | High | Other |
| 2016           | 1,203   | 551    | 631  | 151   | 107                         | 53     | 53   | 17    | 9         | 8      | 20   | 4     |
| 2017           | 1,205   | 566    | 631  | 172   | 105                         | 52     | 58   | 17    | 12        | 8      | 21   | 5     |
| 2018           | 1,194   | 557    | 636  | 173   | 104                         | 58     | 52   | 19    | 13        | 9      | 23   | 7     |
| 2019           | 1,207   | 552    | 657  | 178   | 115                         | 61     | 59   | 20    | 14        | 10     | 24   | 6     |
| 2020           | 1,242   | 546    | 656  | 173   | 110                         | 54     | 75   | 19    | 15        | 12     | 21   | 6     |
| 2021           | 1,159   | 500    | 576  | 183   | 100                         | 38     | 59   | 15    | 12        | 14     | 20   | 6     |
| 2022           | 1,138   | 499    | 580  | 184   | 85                          | 37     | 56   | 16    | 12        | 13     | 18   | 6     |
| 2023           | 1,106   | 465    | 570  | 185   | 80                          | 33     | 52   | 14    | 13        | 8      | 17   | 5     |
| 2024           | 1,134   | 462    | 594  | 181   | 67                          | 35     | 46   | 13    | 17        | 13     | 19   | 7     |
| 2025           | 1,125   | 448    | 584  | 181   | 65                          | 34     | 41   | 14    | 19        | 14     | 17   | 7     |

Table 22

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL CAFETERIAS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

|                                                  | Fiscal Year |           |           |           |
|--------------------------------------------------|-------------|-----------|-----------|-----------|
|                                                  | 2016        | 2017      | 2018      | 2019      |
| <b>Student Enrollment (October)</b>              |             |           |           |           |
| <b>in Meal Programs:</b>                         |             |           |           |           |
| Reduced                                          | 5,407       | 5,281     | 5,047     | 5,328     |
| Free                                             | 20,534      | 20,374    | 22,134    | 22,005    |
| <b>Lunch Meals:</b>                              |             |           |           |           |
| Full                                             | 2,321,870   | 2,319,592 | 2,166,088 | 2,055,684 |
| Reduced                                          | 697,649     | 649,776   | 601,089   | 615,137   |
| Free                                             | 2,893,495   | 2,816,749 | 2,891,490 | 2,820,115 |
| <b>Breakfast Meals:</b>                          |             |           |           |           |
| Full                                             | 545,907     | 610,096   | 673,682   | 699,278   |
| Reduced                                          | 305,573     | 291,426   | 311,455   | 343,302   |
| Free                                             | 1,745,450   | 1,762,591 | 1,958,080 | 1,939,371 |
| <b>Lunch Price:</b>                              |             |           |           |           |
| Full:                                            |             |           |           |           |
| Elementary                                       | \$2.75      | \$2.75    | \$2.75    | \$2.85    |
| Middle                                           | \$2.75      | \$2.75    | \$2.75    | \$2.85    |
| High                                             | \$2.75      | \$2.75    | \$2.75    | \$2.85    |
| Adult                                            | \$3.75      | \$3.75    | \$3.75    | \$3.85    |
| Reduced                                          | \$0.40      | \$0.40    | \$0.40    | \$0.40    |
| <b>Seamless Summer Option (SSO)</b>              |             |           |           |           |
| Breakfast Meals                                  | -           | -         | -         | -         |
| Lunch Meals                                      | -           | -         | -         | -         |
| <b>Summer Food Service Program (SFSP)</b>        |             |           |           |           |
| Breakfast Meals                                  | 1,866       | 21,455    | 37,358    | 30,537    |
| Lunch Meals                                      | 2,163       | 17,316    | 22,853    | 25,666    |
| <b>Child and Adult Care Food Program (CACFP)</b> |             |           |           |           |
| Lunch Meals                                      | -           | -         | -         | -         |
| Snacks                                           | -           | -         | -         | -         |
| Supper Meals                                     | -           | 104,699   | 113,801   | 109,188   |

**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 |           |           |           |           |           |
|-------------|-----------|-----------|-----------|-----------|-----------|
| 2020        | 2021      | 2022      | 2023      | 2024      | 2025      |
| 5,675       | 4,529     | 3,947     | 2,803     | 2,135     | 2,428     |
| 21,513      | 24,619    | 25,043    | 27,213    | 30,221    | 30,118    |
| 1,437,723   | -         | 412 *     | 2,200,647 | 2,159,116 | 2,005,579 |
| 433,869     | -         | 76 *      | 325,304   | 241,511   | 250,190   |
| 1,876,434   | -         | 659 *     | 2,978,308 | 3,373,306 | 3,292,058 |
| 495,568     | -         | 97 *      | 816,104   | 881,591   | 835,682   |
| 240,098     | -         | 28 *      | 164,593   | 121,893   | 123,589   |
| 1,295,018   | -         | 232 *     | 1,870,227 | 2,264,843 | 2,222,042 |
| \$2.85      | \$2.85    | \$2.85    | \$2.85    | \$2.85    | \$2.95    |
| \$2.85      | \$2.85    | \$2.85    | \$2.85    | \$2.85    | \$2.95    |
| \$2.85      | \$2.85    | \$2.85    | \$2.85    | \$2.85    | \$2.95    |
| \$3.85      | \$3.85    | \$3.85    | \$3.85    | \$4.50    | \$5.00    |
| \$0.40      | \$0.40    | \$0.40    | \$0.40    | \$0.40    | \$0.40    |
| -           | -         | 3,277,062 | -         | -         | -         |
| -           | -         | 6,434,922 | -         | -         | -         |
| 579,517     | 2,562,848 | 96,842    | 26,428    | 24,376    | 20,188    |
| 583,590     | 3,265,709 | 121,526   | 37,551    | 31,757    | 24,940    |
| -           | -         | -         | 312       | 693       | 910       |
| -           | -         | -         | 123       | 93        | 44        |
| 192,558     | 1,006,353 | 70,738    | 86,590    | 100,074   | 109,859   |

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**CAPITAL ASSETS INFORMATION BY GOVERNMENTAL ACTIVITIES**  
**Last Ten Fiscal Years (unaudited)**

|                                           | Fiscal Year |      |      |      |
|-------------------------------------------|-------------|------|------|------|
|                                           | 2016        | 2017 | 2018 | 2019 |
| <b><u>Instruction:</u></b>                |             |      |      |      |
| Elementary Schools                        | 55          | 55   | 55   | 55   |
| Middle Schools *                          | 14          | 14   | 14   | 14   |
| High Schools                              | 11          | 11   | 11   | 11   |
| Auxiliary Schools/Centers **              | 7           | 6    | 6    | 6    |
| Public Charter School                     | 1           | 1    | 1    | 1    |
| Portables                                 | 149         | 132  | 114  | 114  |
| <b><u>Operations and Maintenance:</u></b> |             |      |      |      |
| Vehicles                                  | 272         | 291  | 291  | 308  |
| <b><u>Pupil Transportation:</u></b>       |             |      |      |      |
| Buses                                     | 791         | 802  | 817  | 809  |
| Other Vehicles                            | 60          | 39   | 51   | 51   |

Source: School Board Capital Assets Inventory Records

\*\* 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 |      |      |      |      |      |
|-------------|------|------|------|------|------|
| 2020        | 2021 | 2022 | 2023 | 2024 | 2025 |
| 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    |
| 57          | 57   | 54   | 54   | 52   | 52   |
| 321         | 325  | 342  | 340  | 346  | 340  |
| 805         | 790  | 821  | 830  | 833  | 795  |
| 53          | 45   | 39   | 42   | 53   | 53   |

Table 24

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL BUILDINGS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

|                                                                                                        | Fiscal Year |         |         |         |         |         |         |         |         |         |
|--------------------------------------------------------------------------------------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                                                                                        | 2016        | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023    | 2024    | 2025    |
| <b><u>Elementary Schools</u></b>                                                                       |             |         |         |         |         |         |         |         |         |         |
| 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                                                                                       | 764         | 702     | 702     | 693     | 698     | 720     | 666     | 653     | 693     | 611     |
| Enrollment                                                                                             | 662         | 650     | 608     | 636     | 647     | 662     | 593     | 628     | 619     | 623     |
| 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                                                                                       | 597         | 486     | 486     | 491     | 487     | 541     | 524     | 510     | 569     | 536     |
| Enrollment                                                                                             | 451         | 447     | 435     | 463     | 466     | 530     | 519     | 523     | 526     | 502     |
| 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                                                                                       | 599         | 585     | 527     | 509     | 515     | 540     | 509     | 491     | 491     | 524     |
| Enrollment                                                                                             | 518         | 472     | 471     | 461     | 502     | 491     | 484     | 476     | 495     | 543     |
| 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                                                                                       | 732         | 787     | 755     | 696     | 741     | 818     | 784     | 723     | 734     | 643     |
| Enrollment                                                                                             | 634         | 568     | 539     | 540     | 519     | 622     | 623     | 647     | 623     | 584     |
| 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                                                                                       | 586         | 617     | 590     | 590     | 556     | 619     | 563     | 539     | 562     | 576     |
| Enrollment                                                                                             | 720         | 641     | 644     | 625     | 580     | 562     | 557     | 560     | 574     | 568     |
| 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                                                                                       | 602         | 669     | 650     | 633     | 652     | 607     | 581     | 572     | 595     | 529     |
| Enrollment                                                                                             | 739         | 732     | 713     | 667     | 699     | 662     | 617     | 616     | 562     | 562     |
| 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                                                                                       | 701         | 738     | 738     | 729     | 680     | 695     | 669     | 714     | 691     | 664     |
| Enrollment                                                                                             | 636         | 677     | 687     | 658     | 657     | 608     | 651     | 631     | 612     | 618     |
| 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                                                                                       | 500         | 506     | 506     | 506     | 506     | 538     | 530     | 544     | 517     | 469     |
| Enrollment                                                                                             | 502         | 469     | 489     | 497     | 492     | 488     | 495     | 484     | 475     | 493     |
| 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                                                                                       | 673         | 570     | 545     | 540     | 540     | 552     | 553     | 558     | 576     | 538     |
| Enrollment                                                                                             | 501         | 513     | 510     | 504     | 488     | 482     | 523     | 520     | 554     | 551     |
| 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                                                                                       | 598         | 585     | 590     | 558     | 549     | 576     | 550     | 480     | 459     | 427     |
| Enrollment                                                                                             | 437         | 426     | 411     | 416     | 412     | 442     | 413     | 388     | 408     | 430     |
| 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                                                                                       | 395         | 432     | 387     | 410     | 410     | 387     | 374     | 387     | 405     | 389     |
| Enrollment                                                                                             | 315         | 306     | 306     | 329     | 327     | 278     | 305     | 313     | 323     | 328     |

Table 24

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL BUILDINGS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

|                                                                                                                                                                   | Fiscal Year |         |         |         |         |         |         |         |         |         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                                                                                                                                                   | 2016        | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023    | 2024    | 2025    |
| John B. Dey Elementary (Opened Sept 1956; Addition Sept 1959; Gym Addition Sept 1978; Addition Sept 1995;<br>Gym Demolition and Modernization Addition July 2019) |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                       | 76,641      | 76,641  | 76,641  | 76,641  | 107,210 | 107,210 | 107,210 | 107,210 | 107,210 | 107,210 |
| Program Capacity                                                                                                                                                  | 756         | 815     | 815     | 815     | 828     | 797     | 797     | 788     | 788     | 713     |
| Enrollment                                                                                                                                                        | 834         | 815     | 812     | 783     | 778     | 731     | 741     | 772     | 728     | 740     |
| 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                                                                                                                                                  | 537         | 581     | 527     | 515     | 508     | 596     | 542     | 523     | 500     | 495     |
| Enrollment                                                                                                                                                        | 587         | 535     | 522     | 487     | 490     | 570     | 524     | 483     | 496     | 467     |
| 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                                                                                                                                                  | 561         | 558     | 594     | 594     | 581     | 612     | 559     | 572     | 527     | 486     |
| Enrollment                                                                                                                                                        | 513         | 517     | 548     | 547     | 578     | 489     | 510     | 475     | 469     | 470     |
| 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                                                                                                                                                  | 945         | 1,053   | 1,004   | 891     | 972     | 1,122   | 1,073   | 1,037   | 1,039   | 878     |
| Enrollment                                                                                                                                                        | 898         | 896     | 920     | 937     | 919     | 1,017   | 989     | 1,012   | 1,010   | 927     |
| 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                                                                                                                                                  | 446         | 432     | 392     | 392     | 375     | 413     | 412     | 376     | 358     | 331     |
| Enrollment                                                                                                                                                        | 403         | 397     | 359     | 347     | 354     | 333     | 314     | 319     | 322     | 351     |
| 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                                                                                                                                                  | 641         | 698     | 698     | 693     | 662     | 661     | 612     | 603     | 603     | 562     |
| Enrollment                                                                                                                                                        | 645         | 678     | 651     | 638     | 619     | 529     | 488     | 502     | 546     | 546     |
| 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                                                                                                                                                  | 558         | 596     | 635     | 635     | 581     | 602     | 547     | 515     | 499     | 449     |
| Enrollment                                                                                                                                                        | 524         | 523     | 581     | 556     | 547     | 535     | 458     | 459     | 456     | 430     |
| 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                                                                                                                                                  | 546         | 563     | 644     | 621     | 657     | 622     | 595     | 586     | 563     | 598     |
| Enrollment                                                                                                                                                        | 539         | 577     | 571     | 599     | 599     | 561     | 549     | 532     | 488     | 510     |
| 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                                                                                                                                                  | 513         | 482     | 486     | 509     | 464     | 558     | 522     | 507     | 529     | 511     |
| Enrollment                                                                                                                                                        | 454         | 429     | 428     | 440     | 427     | 441     | 436     | 467     | 477     | 500     |
| 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                                                                                                                                                  | 509         | 527     | 527     | 459     | 485     | 480     | 503     | 498     | 490     | 473     |
| Enrollment                                                                                                                                                        | 506         | 488     | 471     | 438     | 452     | 479     | 468     | 465     | 440     | 432     |
| 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         | 716     | 617     | 591     | 596     | 564     | 569     | 525     | 537     | 503     |
| Enrollment                                                                                                                                                        | 641         | 608     | 566     | 545     | 561     | 483     | 503     | 505     | 509     | 495     |

Table 24

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL BUILDINGS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

|                                                                                                                                                                                                        | Fiscal Year |        |        |        |        |        |        |        |        |        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                                                                                                                                                                                        | 2016        | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024   | 2025   |
| 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                                                                                                                                                                                       | 624         | 648    | 648    | 608    | 563    | 526    | 549    | 558    | 563    | 518    |
| Enrollment                                                                                                                                                                                             | 531         | 517    | 520    | 538    | 530    | 383    | 490    | 504    | 514    | 516    |
| 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                                                                                                                                                                                       | 816         | 797    | 774    | 837    | 824    | 739    | 695    | 776    | 708    | 638    |
| Enrollment                                                                                                                                                                                             | 760         | 736    | 756    | 767    | 813    | 810    | 707    | 669    | 616    | 628    |
| 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                                                                                                                                                                                       | 689         | 682    | 662    | 662    | 576    | 575    | 598    | 508    | 526    | 542    |
| Enrollment                                                                                                                                                                                             | 685         | 634    | 607    | 530    | 551    | 525    | 506    | 512    | 524    | 512    |
| 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                                                                                                                                                                                       | 567         | 548    | 548    | 548    | 544    | 547    | 516    | 512    | 539    | 472    |
| Enrollment                                                                                                                                                                                             | 537         | 516    | 514    | 492    | 490    | 491    | 456    | 500    | 512    | 470    |
| 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                                                                                                                                                                                       | 489         | 403    | 426    | 426    | 401    | 419    | 391    | 422    | 376    | 348    |
| Enrollment                                                                                                                                                                                             | 407         | 405    | 370    | 369    | 375    | 383    | 358    | 357    | 369    | 339    |
| 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                                                                                                                                                                                       | 414         | 396    | 419    | 423    | 423    | 424    | 386    | 456    | 470    | 403    |
| Enrollment                                                                                                                                                                                             | 374         | 375    | 369    | 375    | 330    | 369    | 353    | 403    | 420    | 397    |
| 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                                                                                                                                                                                       | 824         | 869    | 869    | 801    | 779    | 801    | 729    | 729    | 729    | 700    |
| Enrollment                                                                                                                                                                                             | 763         | 784    | 777    | 735    | 789    | 711    | 693    | 706    | 715    | 720    |
| 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                                                                                                                                                                                       | 497         | 514    | 483    | 483    | 511    | 468    | 445    | 421    | 416    | 391    |
| Enrollment                                                                                                                                                                                             | 511         | 554    | 509    | 514    | 461    | 423    | 425    | 438    | 426    | 398    |
| 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                                                                                                                                                                                       | 443         | 423    | 491    | 536    | 500    | 481    | 482    | 495    | 473    | 454    |
| Enrollment                                                                                                                                                                                             | 464         | 448    | 456    | 441    | 459    | 439    | 449    | 451    | 438    | 459    |
| 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                                                                                                                                                                                       | 626         | 657    | 680    | 626    | 626    | 633    | 670    | 593    | 615    | 551    |
| Enrollment                                                                                                                                                                                             | 533         | 538    | 526    | 555    | 564    | 572    | 575    | 558    | 553    | 521    |
| Old Donation School Grades 2-5 (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                                                                                                                                                                                            | 57,774      | 57,774 | 52,881 | 52,881 | 52,881 | 52,881 | 52,881 | 52,881 | 52,881 | 52,881 |
| Program Capacity                                                                                                                                                                                       | 512         | 378    | 485    | 491    | 477    | 546    | 551    | 551    | 550    | 546    |
| Enrollment                                                                                                                                                                                             | 482         | 459    | 461    | 495    | 519    | 516    | 516    | 518    | 514    | 545    |

Table 24

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL BUILDINGS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

|                                                                                                                             | Fiscal Year |         |         |         |         |         |         |         |         |         |
|-----------------------------------------------------------------------------------------------------------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                                                                                                             | 2016        | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023    | 2024    | 2025    |
| <b>Parkway Elementary (Opened Sept 1987)</b>                                                                                |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                 | 67,840      | 67,840  | 67,840  | 67,840  | 67,840  | 67,840  | 67,840  | 67,840  | 67,840  | 67,840  |
| Program Capacity                                                                                                            | 473         | 467     | 466     | 460     | 465     | 507     | 470     | 505     | 496     | 457     |
| Enrollment                                                                                                                  | 475         | 426     | 438     | 428     | 419     | 464     | 459     | 462     | 455     | 465     |
| <b>Pembroke Elementary (Opened Dec 1962; Addition Sept 1968; Addition Sept 1988; Modernized May 2005)</b>                   |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                 | 108,773     | 108,773 | 108,773 | 108,773 | 108,773 | 108,773 | 108,773 | 108,773 | 108,773 | 108,773 |
| Program Capacity                                                                                                            | 534         | 567     | 612     | 648     | 621     | 690     | 614     | 623     | 614     | 593     |
| Enrollment                                                                                                                  | 477         | 494     | 497     | 494     | 474     | 560     | 500     | 539     | 566     | 552     |
| <b>Pembroke Meadows Elementary (Opened Sept 1969; Modernized Oct 2006)</b>                                                  |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                 | 75,926      | 75,926  | 75,926  | 75,926  | 75,926  | 75,926  | 75,926  | 75,926  | 75,926  | 75,926  |
| Program Capacity                                                                                                            | 539         | 495     | 473     | 509     | 504     | 542     | 525     | 531     | 498     | 493     |
| Enrollment                                                                                                                  | 434         | 443     | 479     | 513     | 505     | 489     | 479     | 489     | 490     | 479     |
| <b>Point O'View Elementary (Opened Sept 1969; Addition Sept 1999)</b>                                                       |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                 | 75,219      | 75,219  | 75,219  | 75,219  | 75,219  | 75,219  | 75,219  | 75,219  | 75,219  | 75,219  |
| Program Capacity                                                                                                            | 765         | 680     | 707     | 693     | 693     | 630     | 686     | 653     | 660     | 635     |
| Enrollment                                                                                                                  | 717         | 670     | 702     | 717     | 736     | 689     | 743     | 719     | 723     | 684     |
| <b>Princess Anne Elementary (Opened Sept 1956; Addition Sept 1969; Gym Added Sept 1990; Addition Sept 1996)</b>             |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                 | 77,953      | 77,953  | 77,953  | 77,953  | 77,953  | 77,953  | 77,953  | 77,953  | 77,953  | 77,953  |
| Program Capacity                                                                                                            | 563         | 612     | 657     | 657     | 707     | 734     | 734     | 703     | 671     | 605     |
| Enrollment                                                                                                                  | 531         | 569     | 573     | 621     | 658     | 610     | 635     | 675     | 622     | 649     |
| <b>Providence Elementary (Opened Sept 1981)</b>                                                                             |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                 | 61,831      | 61,831  | 61,831  | 61,831  | 61,831  | 61,831  | 61,831  | 61,831  | 61,831  | 61,831  |
| Program Capacity                                                                                                            | 648         | 576     | 608     | 576     | 576     | 614     | 606     | 561     | 606     | 571     |
| Enrollment                                                                                                                  | 551         | 552     | 550     | 539     | 561     | 521     | 529     | 530     | 536     | 539     |
| <b>Red Mill Elementary (Opened Sept 1989; Addition Sept 2006)</b>                                                           |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                 | 69,788      | 69,788  | 69,788  | 69,788  | 69,788  | 69,788  | 69,788  | 69,788  | 69,788  | 69,788  |
| Program Capacity                                                                                                            | 734         | 734     | 747     | 725     | 689     | 653     | 631     | 608     | 577     | 554     |
| Enrollment                                                                                                                  | 679         | 662     | 624     | 637     | 624     | 563     | 590     | 563     | 552     | 585     |
| <b>Rosemont Elementary (Opened Sept 1981)</b>                                                                               |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                 | 63,667      | 63,667  | 63,667  | 63,667  | 63,667  | 63,667  | 63,667  | 63,667  | 63,667  | 63,667  |
| Program Capacity                                                                                                            | 433         | 458     | 438     | 458     | 441     | 469     | 482     | 473     | 433     | 408     |
| Enrollment                                                                                                                  | 409         | 411     | 397     | 394     | 375     | 432     | 425     | 430     | 386     | 388     |
| <b>Rosemont Forest Elementary (Opened Jan 1987)</b>                                                                         |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                 | 69,788      | 69,788  | 69,788  | 69,788  | 69,788  | 69,788  | 69,788  | 69,788  | 69,788  | 69,788  |
| Program Capacity                                                                                                            | 562         | 635     | 635     | 635     | 545     | 559     | 605     | 551     | 540     | 497     |
| Enrollment                                                                                                                  | 523         | 502     | 495     | 519     | 508     | 456     | 529     | 520     | 500     | 496     |
| <b>Salem Elementary (Opened Sept 1988)</b>                                                                                  |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                 | 66,890      | 66,890  | 66,890  | 66,890  | 66,890  | 66,890  | 66,890  | 66,890  | 66,890  | 66,890  |
| Program Capacity                                                                                                            | 514         | 491     | 491     | 509     | 545     | 551     | 574     | 574     | 574     | 605     |
| Enrollment                                                                                                                  | 435         | 463     | 470     | 472     | 471     | 468     | 529     | 550     | 568     | 536     |
| <b>Seatack Elementary (Opened Mar 1952; Addition Sept 1955; Addition Sept 1959; Gym Added Sept 1968; Replaced Mar 2000)</b> |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                 | 74,375      | 74,375  | 74,375  | 74,375  | 74,375  | 74,375  | 74,375  | 74,375  | 74,375  | 74,375  |
| Program Capacity                                                                                                            | 425         | 382     | 436     | 436     | 432     | 445     | 419     | 378     | 392     | 371     |
| Enrollment                                                                                                                  | 383         | 398     | 391     | 356     | 446     | 383     | 366     | 379     | 406     | 391     |

Table 24

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL BUILDINGS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

|                                                                                                                                                                         | Fiscal Year |        |        |        |        |        |        |        |        |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                                                                                                                                                         | 2016        | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024   | 2025   |
| 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                                                                                                                                                        | 428         | 414    | 482    | 468    | 437    | 497    | 505    | 468    | 468    | 473    |
| Enrollment                                                                                                                                                              | 372         | 355    | 349    | 356    | 360    | 398    | 420    | 424    | 456    | 411    |
| 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                                                                                                                                                        | 692         | 734    | 743    | 765    | 788    | 765    | 635    | 639    | 617    | 583    |
| Enrollment                                                                                                                                                              | 694         | 665    | 666    | 652    | 672    | 558    | 586    | 614    | 606    | 602    |
| 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                                                                                                                                                        | 590         | 657    | 657    | 644    | 644    | 639    | 603    | 585    | 585    | 571    |
| Enrollment                                                                                                                                                              | 558         | 565    | 581    | 592    | 607    | 585    | 562    | 592    | 536    | 600    |
| 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                                                                                                                                                        | 728         | 662    | 617    | 576    | 536    | 602    | 549    | 592    | 621    | 583    |
| Enrollment                                                                                                                                                              | 625         | 611    | 604    | 579    | 562    | 551    | 559    | 601    | 577    | 585    |
| 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 | 40,032 | 40,032 | 91,913 | 91,913 | 91,913 | 91,913 | 91,913 |
| Program Capacity                                                                                                                                                        | 627         | 666    | 648    | 680    | 747    | 706    | 707    | 783    | 770    | 713    |
| Enrollment                                                                                                                                                              | 708         | 700    | 677    | 618    | 681    | 551    | 723    | 746    | 750    | 763    |
| 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                                                                                                                                                        | 716         | 761    | 810    | 810    | 752    | 718    | 687    | 718    | 723    | 677    |
| Enrollment                                                                                                                                                              | 759         | 733    | 729    | 735    | 695    | 635    | 648    | 654    | 704    | 700    |
| 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                                                                                                                                                        | 533         | 545    | 576    | 594    | 572    | 554    | 573    | 551    | 596    | 560    |
| Enrollment                                                                                                                                                              | 461         | 466    | 477    | 458    | 471    | 447    | 503    | 498    | 521    | 559    |
| 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                                                                                                                                                        | 688         | 626    | 617    | 621    | 639    | 684    | 667    | 653    | 662    | 695    |
| Enrollment                                                                                                                                                              | 651         | 608    | 563    | 600    | 603    | 647    | 628    | 674    | 646    | 648    |
| 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                                                                                                                                                        | 487         | 531    | 531    | 531    | 572    | 580    | 527    | 511    | 466    | 446    |
| Enrollment                                                                                                                                                              | 463         | 476    | 476    | 525    | 466    | 493    | 430    | 407    | 436    | 438    |
| 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                                                                                                                                                        | 591         | 630    | 576    | 554    | 554    | 567    | 491    | 549    | 540    | 508    |
| Enrollment                                                                                                                                                              | 559         | 582    | 593    | 590    | 580    | 527    | 498    | 508    | 490    | 494    |
| 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                                                                                                                                                        | 433         | 473    | 473    | 437    | 396    | 441    | 412    | 476    | 527    | 512    |
| Enrollment                                                                                                                                                              | 357         | 343    | 332    | 342    | 353    | 401    | 439    | 454    | 464    | 519    |

Table 24

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL BUILDINGS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

|                                                                                                                                                                                                                    | Fiscal Year |         |         |         |         |         |         |         |         |         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                                                                                                                                                                                                    | 2016        | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023    | 2024    | 2025    |
| <b>Woodstock Elementary (Opened Sept 1957; Addition Sept 1962; Gym Added Sept 1977; Replaced Nov 2002)</b>                                                                                                         |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                        | 82,707      | 82,707  | 82,707  | 82,707  | 82,707  | 82,707  | 82,707  | 82,707  | 82,707  | 82,707  |
| Program Capacity                                                                                                                                                                                                   | 752         | 765     | 671     | 689     | 675     | 684     | 657     | 635     | 675     | 653     |
| Enrollment                                                                                                                                                                                                         | 688         | 699     | 677     | 702     | 693     | 690     | 652     | 660     | 687     | 687     |
| <b><u>Middle Schools</u></b>                                                                                                                                                                                       |             |         |         |         |         |         |         |         |         |         |
| <b>Bayside Middle (Opened Sept 1969; Addition Sept 2004)</b>                                                                                                                                                       |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                        | 180,134     | 180,134 | 180,134 | 180,134 | 180,134 | 180,134 | 180,134 | 180,134 | 180,134 | 180,134 |
| Program Capacity                                                                                                                                                                                                   | 960         | 918     | 918     | 929     | 979     | 893     | 857     | 857     | 698     | 635     |
| Enrollment                                                                                                                                                                                                         | 649         | 659     | 672     | 722     | 745     | 770     | 745     | 669     | 665     | 594     |
| <b>Bayside 6th (Opened Sept 2014; Formerly Kemps Landing Magnet; 6th grade previously housed at Bayside Middle)</b>                                                                                                |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                        | 56,516.00   | 56,516  | 56,516  | 56,516  | 56,516  | 56,516  | 56,516  | 56,516  | 56,516  | 56,516  |
| Program Capacity                                                                                                                                                                                                   | 500.00      | 346     | 445     | 434     | 454     | 390     | 359     | 350     | 354     | 344     |
| Enrollment                                                                                                                                                                                                         | 375.00      | 348     | 437     | 394     | 433     | 403     | 345     | 322     | 314     | 324     |
| <b>Brandon Middle (Opened Aug 1978)</b>                                                                                                                                                                            |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                        | 190,586     | 190,586 | 190,586 | 190,586 | 190,586 | 190,586 | 190,586 | 190,586 | 190,586 | 190,586 |
| Program Capacity                                                                                                                                                                                                   | 1,286       | 1,247   | 1,283   | 1,292   | 1,225   | 1,135   | 1,167   | 1,050   | 1,092   | 1,025   |
| Enrollment                                                                                                                                                                                                         | 1,155       | 1,214   | 1,205   | 1,234   | 1,167   | 1,087   | 1,077   | 1,048   | 1,008   | 1,038   |
| <b>Corporate Landing Middle (Opened Sept 1997)</b>                                                                                                                                                                 |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                        | 235,093     | 235,093 | 235,093 | 235,093 | 235,093 | 235,093 | 235,093 | 235,093 | 235,093 | 235,093 |
| Program Capacity                                                                                                                                                                                                   | 1,538       | 1,620   | 1,625   | 1,517   | 1,322   | 1,319   | 1,219   | 1,199   | 1,082   | 1,139   |
| Enrollment                                                                                                                                                                                                         | 1,268       | 1,237   | 1,224   | 1,208   | 1,170   | 1,134   | 1,083   | 1,064   | 1,035   | 1,009   |
| <b>Great Neck Middle (Opened Sept 1961; Addition Sept 1963; Replaced Jan 2012)</b>                                                                                                                                 |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                        | 219,370     | 219,370 | 219,370 | 219,370 | 219,370 | 219,370 | 219,370 | 219,370 | 219,370 | 219,370 |
| Program Capacity                                                                                                                                                                                                   | 1,460       | 1,373   | 1,384   | 1,386   | 1,330   | 1,194   | 1,226   | 1,178   | 1,128   | 1,103   |
| Enrollment                                                                                                                                                                                                         | 1,161       | 1,175   | 1,177   | 1,140   | 1,106   | 1,066   | 1,072   | 1,052   | 1,056   | 1,033   |
| <b>Independence Middle (Opened Sept 1974; Addition Sept 1996)</b>                                                                                                                                                  |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                        | 137,656     | 137,656 | 137,656 | 137,656 | 137,656 | 137,656 | 137,656 | 137,656 | 137,656 | 137,656 |
| Program Capacity                                                                                                                                                                                                   | 1,370       | 1,215   | 1,148   | 1,247   | 1,181   | 1,240   | 1,293   | 1,179   | 1,204   | 1,236   |
| Enrollment                                                                                                                                                                                                         | 1,269       | 1,192   | 1,217   | 1,274   | 1,281   | 1,236   | 1,174   | 1,169   | 1,189   | 1,169   |
| <b>Old Donation School Grades 6-8 (Opened Sept. 1974 as Kemps Landing Magnet; Addition Sept. 1995; Relocated former Princess Anne Middle School Sept. 2014; Relocated to new Bldg on Honeygrove Rd. Apr. 2017)</b> |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                        | 80,939      | 80,939  | 82,711  | 82,711  | 82,711  | 82,711  | 82,711  | 82,711  | 82,711  | 82,711  |
| Program Capacity                                                                                                                                                                                                   | 666         | 567     | 675     | 750     | 807     | 868     | 831     | 831     | 832     | 832     |
| Enrollment                                                                                                                                                                                                         | 627         | 688     | 720     | 760     | 772     | 811     | 790     | 817     | 832     | 832     |
| <b>Kempsville Middle (Opened Sept 1969)</b>                                                                                                                                                                        |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                        | 136,287     | 136,287 | 136,287 | 136,287 | 136,287 | 136,287 | 136,287 | 136,287 | 136,287 | 136,287 |
| Program Capacity                                                                                                                                                                                                   | 868         | 797     | 869     | 896     | 842     | 798     | 847     | 865     | 764     | 737     |
| Enrollment                                                                                                                                                                                                         | 805         | 820     | 802     | 770     | 765     | 781     | 783     | 736     | 697     | 720     |
| <b>Landstown Middle (Opened Sept 1992)</b>                                                                                                                                                                         |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                        | 201,000     | 201,000 | 201,000 | 201,000 | 201,000 | 201,000 | 201,000 | 201,000 | 201,000 | 201,000 |
| Program Capacity                                                                                                                                                                                                   | 1,634       | 1,499   | 1,571   | 1,481   | 1,436   | 1,377   | 1,424   | 1,415   | 1,338   | 1,209   |
| Enrollment                                                                                                                                                                                                         | 1,464       | 1,452   | 1,423   | 1,412   | 1,428   | 1,344   | 1,338   | 1,267   | 1,248   | 1,246   |

Table 24

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL BUILDINGS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

|                                                                                                                                                                                                                            | Fiscal Year |         |         |         |         |         |         |         |         |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                                                                                                                                                                                                            | 2016        | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023    | 2024    | 2025    |
| <b>Larkspur Middle (Opened Nov 1994)</b>                                                                                                                                                                                   |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                                | 247,264     | 247,264 | 247,264 | 247,264 | 247,264 | 247,264 | 247,264 | 247,264 | 247,264 | 247,264 |
| Program Capacity                                                                                                                                                                                                           | 1,910       | 1,763   | 1,763   | 1,710   | 1,680   | 1,647   | 1,694   | 1,588   | 1,651   | 1,349   |
| Enrollment                                                                                                                                                                                                                 | 1,520       | 1,544   | 1,523   | 1,557   | 1,599   | 1,563   | 1,555   | 1,529   | 1,452   | 1,473   |
| <b>Lynnhaven Middle (Opened Sept 1974; Addition Sept 1995)</b>                                                                                                                                                             |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                                | 140,099     | 140,099 | 140,099 | 140,099 | 140,099 | 140,099 | 140,099 | 140,099 | 140,099 | 140,099 |
| Program Capacity                                                                                                                                                                                                           | 1,250       | 1,071   | 1,250   | 1,259   | 1,250   | 1,062   | 1,049   | 932     | 775     | 817     |
| Enrollment                                                                                                                                                                                                                 | 863         | 896     | 912     | 898     | 956     | 957     | 974     | 868     | 671     | 683     |
| <b>Plaza Middle (Opened Sept 1969)</b>                                                                                                                                                                                     |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                                | 157,869     | 157,869 | 157,869 | 157,869 | 157,869 | 157,869 | 157,869 | 157,869 | 157,869 | 157,869 |
| Program Capacity                                                                                                                                                                                                           | 1,129       | 1,053   | 1,179   | 1,197   | 1,059   | 1,068   | 1,076   | 1,013   | 1,004   | 941     |
| Enrollment                                                                                                                                                                                                                 | 1,083       | 1,062   | 1,090   | 1,088   | 1,035   | 1,013   | 1,020   | 1,024   | 1,020   | 998     |
| <b>Princess Anne Middle (Opened Sept 1962; Addition Sept 1967; Modernization Sept 1990; Addition Sept 1996;<br/>Relocated to former Floyd E. Kellam HS Bldg on Holland Road April 2014, New Building Opened Sept 2021)</b> |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                                | 222,571     | 222,571 | 222,571 | 222,571 | 222,571 | 222,571 | 222,571 | 222,571 | 222,571 | 222,571 |
| Program Capacity                                                                                                                                                                                                           | 1,671       | 1,449   | 1,584   | 1,503   | 1,378   | 1,315   | 1,363   | 1,315   | 1,313   | 1,261   |
| Enrollment                                                                                                                                                                                                                 | 1,479       | 1,460   | 1,505   | 1,441   | 1,382   | 1,289   | 1,335   | 1,395   | 1,324   | 1,350   |
| <b>Salem Middle (Opened Sept 1988)</b>                                                                                                                                                                                     |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                                | 217,500     | 217,500 | 217,500 | 217,500 | 217,500 | 217,500 | 217,500 | 217,500 | 217,500 | 217,500 |
| Program Capacity                                                                                                                                                                                                           | 1,070       | 1,031   | 1,031   | 1,040   | 1,064   | 1,092   | 1,023   | 1,023   | 982     | 982     |
| Enrollment                                                                                                                                                                                                                 | 1,044       | 1,041   | 1,023   | 1,058   | 1,076   | 1,120   | 1,124   | 1,083   | 1,088   | 1,056   |
| <b>Virginia Beach Middle (Opened Sept 1952; Addition Sept 1964; Gym Added Sept 1977; Modernized Sept 1993; Replaced Mar 2010)</b>                                                                                          |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                                | 189,730     | 189,730 | 189,730 | 189,730 | 189,730 | 189,730 | 189,730 | 189,730 | 189,730 | 189,730 |
| Program Capacity                                                                                                                                                                                                           | 1,040       | 923     | 954     | 896     | 817     | 758     | 671     | 638     | 606     | 631     |
| Enrollment                                                                                                                                                                                                                 | 839         | 835     | 865     | 801     | 739     | 647     | 609     | 577     | 552     | 616     |
| <b>High Schools</b>                                                                                                                                                                                                        |             |         |         |         |         |         |         |         |         |         |
| <b>Bayside High (Opened Sept 1964; Addition Sept 1967; Modernized Sept 1990; Addition Sept 1995)</b>                                                                                                                       |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                                | 200,816     | 200,816 | 200,816 | 200,816 | 200,816 | 200,816 | 200,816 | 200,816 | 200,816 | 200,816 |
| Program Capacity                                                                                                                                                                                                           | 1,912       | 1,827   | 1,827   | 1,859   | 2,056   | 2,061   | 1,985   | 2,109   | 2,094   | 2,039   |
| Enrollment                                                                                                                                                                                                                 | 1,825       | 1,799   | 1,868   | 1,842   | 1,852   | 1,871   | 1,882   | 1,917   | 1,908   | 1,902   |
| <b>Frank W. Cox High (Opened Sept 1961; Replaced Sept 1983)</b>                                                                                                                                                            |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                                | 236,744     | 236,744 | 236,744 | 236,744 | 236,744 | 236,744 | 236,744 | 236,744 | 236,744 | 236,744 |
| Program Capacity                                                                                                                                                                                                           | 1,946       | 1,955   | 1,955   | 1,911   | 1,986   | 1,963   | 1,875   | 1,875   | 1,883   | 1,763   |
| Enrollment                                                                                                                                                                                                                 | 1,889       | 1,784   | 1,816   | 1,783   | 1,746   | 1,772   | 1,697   | 1,663   | 1,614   | 1,597   |
| <b>First Colonial High (Opened Sept 1966; Addition Sept 1968; Addition Sept 1996)</b>                                                                                                                                      |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                                | 178,266     | 178,266 | 178,266 | 178,266 | 178,266 | 178,266 | 178,266 | 178,266 | 178,266 | 178,266 |
| Program Capacity                                                                                                                                                                                                           | 1,813       | 1,919   | 1,811   | 1,883   | 1,874   | 1,614   | 1,621   | 1,631   | 1,560   | 1,531   |
| Enrollment                                                                                                                                                                                                                 | 1,923       | 1,873   | 1,804   | 1,828   | 1,807   | 1,766   | 1,725   | 1,738   | 1,631   | 1,616   |
| <b>Green Run High (Opened Sept 1979; Green Run Collegiate Public Charter School opened in Sept 2013 using part of this building.)</b>                                                                                      |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                                                                                                                                | 225,221     | 225,221 | 225,221 | 225,221 | 225,221 | 225,221 | 225,221 | 225,221 | 225,221 | 225,221 |
| Program Capacity                                                                                                                                                                                                           | 1,556       | 1,663   | 1,526   | 1,512   | 1,522   | 1,486   | 1,313   | 1,350   | 1,316   | 1,306   |
| Enrollment                                                                                                                                                                                                                 | 1,528       | 1,425   | 1,398   | 1,331   | 1,317   | 1,349   | 1,436   | 1,464   | 1,370   | 1,391   |

Table 24

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**SCHOOL BUILDINGS INFORMATION**  
**Last Ten Fiscal Years (unaudited)**

|                                                                                                                   | Fiscal Year |         |         |         |         |         |         |         |         |         |
|-------------------------------------------------------------------------------------------------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                                                                                                   | 2016        | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023    | 2024    | 2025    |
| <b>Floyd E. Kellam High (Opened New Building on West Neck Road Jan 2014)</b>                                      |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                       | 349,350     | 349,350 | 349,350 | 349,350 | 349,350 | 349,350 | 349,350 | 349,350 | 349,350 | 349,350 |
| Program Capacity                                                                                                  | 1,867       | 1,857   | 1,857   | 1,868   | 1,868   | 2,120   | 2,093   | 2,093   | 2,039   | 2,049   |
| Enrollment                                                                                                        | 2,029       | 2,021   | 2,038   | 1,959   | 1,944   | 1,934   | 1,893   | 1,875   | 1,880   | 1,827   |
| <b>Kempsville High (Opened Sept 1966; Addition Sept 1968; Modernized Sept 1991; Addition Sept 1995)</b>           |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                       | 202,665     | 202,665 | 202,665 | 202,665 | 202,665 | 202,665 | 202,665 | 202,665 | 202,665 | 202,665 |
| Program Capacity                                                                                                  | 1,985       | 1,908   | 1,969   | 2,056   | 2,092   | 2,060   | 2,026   | 2,083   | 2,093   | 2,029   |
| Enrollment                                                                                                        | 1,465       | 1,549   | 1,632   | 1,671   | 1,743   | 1,786   | 1,894   | 1,963   | 2,001   | 2,002   |
| <b>Landstown High (Opened Sept 2001; Addition Jan 2007)</b>                                                       |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                       | 308,924     | 308,924 | 308,924 | 308,924 | 308,924 | 308,924 | 308,924 | 308,924 | 308,924 | 308,924 |
| Program Capacity                                                                                                  | 2,385       | 2,543   | 2,594   | 2,569   | 2,512   | 2,031   | 2,354   | 2,373   | 2,278   | 2,277   |
| Enrollment                                                                                                        | 2,208       | 2,183   | 2,139   | 2,163   | 2,162   | 2,177   | 2,185   | 2,212   | 2,207   | 2,147   |
| <b>Ocean Lakes High (Opened Sept 1994; Addition Jan 2007)</b>                                                     |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                       | 330,525     | 330,525 | 330,525 | 330,525 | 330,525 | 330,525 | 330,525 | 330,525 | 330,525 | 330,525 |
| Program Capacity                                                                                                  | 2,586       | 2,705   | 2,731   | 2,668   | 2,642   | 2,353   | 2,348   | 2,375   | 2,248   | 2,225   |
| Enrollment                                                                                                        | 2,126       | 2,102   | 2,074   | 2,040   | 2,011   | 1,964   | 1,962   | 1,843   | 1,791   | 1,805   |
| <b>Princess Anne High (Opened Aug 1954; Modernized Sept 1987; Modernized (due to major fire damage) Jan 1997)</b> |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                       | 228,860     | 228,860 | 228,860 | 228,860 | 228,860 | 228,860 | 228,860 | 228,860 | 228,860 | 228,860 |
| Program Capacity                                                                                                  | 1,737       | 1,945   | 1,917   | 1,880   | 1,835   | 1,585   | 1,599   | 1,599   | 1,599   | 1,617   |
| Enrollment                                                                                                        | 1,800       | 1,833   | 1,779   | 1,751   | 1,732   | 1,740   | 1,708   | 1,724   | 1,713   | 1,612   |
| <b>Salem High (Opened Sept 1989)</b>                                                                              |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                       | 260,889     | 260,889 | 260,889 | 260,889 | 260,889 | 260,889 | 260,889 | 260,889 | 260,889 | 260,889 |
| Program Capacity                                                                                                  | 1,938       | 1,850   | 1,850   | 1,833   | 2,047   | 1,850   | 1,843   | 1,897   | 1,879   | 1,890   |
| Enrollment                                                                                                        | 1,726       | 1,677   | 1,702   | 1,705   | 1,711   | 1,726   | 1,661   | 1,646   | 1,660   | 1,676   |
| <b>Tallwood High (Opened Sept 1992)</b>                                                                           |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                       | 294,457     | 294,457 | 294,457 | 294,457 | 294,457 | 294,457 | 294,457 | 294,457 | 294,457 | 294,457 |
| Program Capacity                                                                                                  | 2,233       | 2,168   | 2,352   | 2,376   | 2,392   | 2,151   | 2,116   | 2,116   | 2,075   | 2,074   |
| Enrollment                                                                                                        | 1,956       | 1,938   | 1,946   | 1,839   | 1,853   | 1,901   | 1,827   | 1,848   | 1,870   | 1,880   |
| <b>Renaissance Academy - Middle/High Campuses (Opened Dec 2009)</b>                                               |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                       | 284,968     | 284,968 | 284,968 | 284,968 | 284,968 | 284,968 | 284,968 | 284,968 | 284,968 | 284,968 |
| Program Capacity                                                                                                  | 1,197       | 1,191   | 1,231   | 1,231   | 1,119   | 1,157   | 1,158   | 1,218   | 851     | 836     |
| Enrollment                                                                                                        | 438         | 429     | 379     | 428     | 399     | 322     | 287     | 394     | 497     | 467     |
| <b>Green Run Collegiate Public Charter School (Opened Sept 2013; located at Green Run High School)</b>            |             |         |         |         |         |         |         |         |         |         |
| Square Feet                                                                                                       | 10,500      | 10,500  | 10,500  | 10,500  | 10,500  | 10,500  | 10,500  | 10,500  | 10,500  | 10,500  |
| Program Capacity                                                                                                  | 400         | 400     | 400     | 400     | 400     | 400     | 400     | 400     | 400     | 400     |
| Enrollment                                                                                                        | 282         | 364     | 337     | 360     | 371     | 395     | 400     | 372     | 379     | 391     |

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).

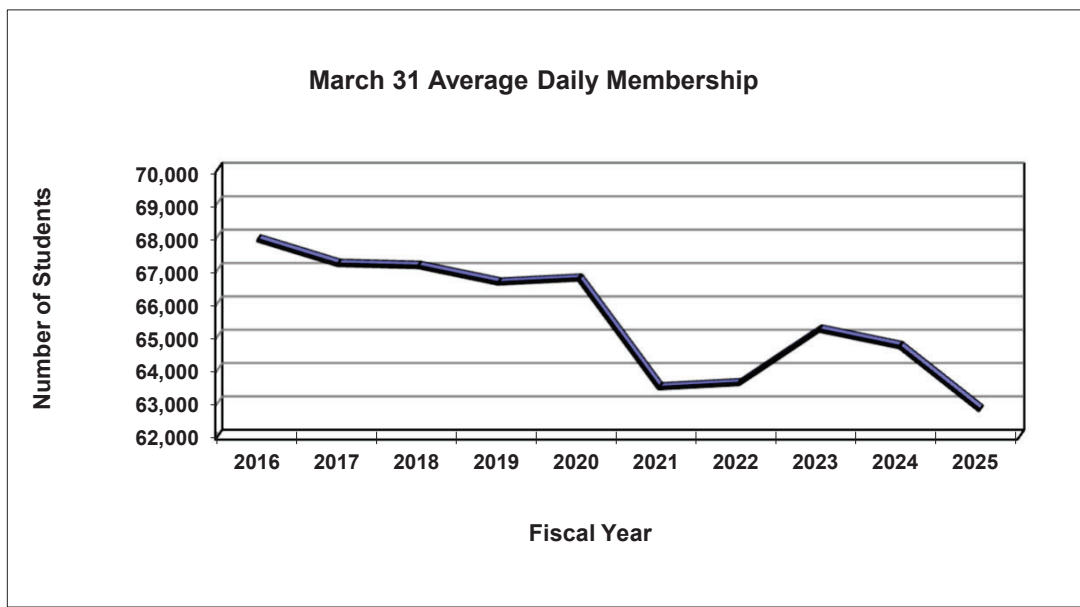
Source: The Department of School Division Services

**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 |
|-------------|-------------------------|-----------------------------------|------------------------|--------------------------------------|
| 2016        | 68,568                  | 67,890                            | 67,719                 | 68,244                               |
| 2017        | 67,868                  | 67,152                            | 67,059                 | 67,502                               |
| 2018        | 67,621                  | 67,091                            | 67,052                 | 67,393                               |
| 2019        | 67,181                  | 66,593                            | 66,599                 | 66,944                               |
| 2020        | 67,262                  | 66,714                            | 66,996                 | 67,172                               |
| 2021        | 64,289                  | 63,452                            | 63,056                 | 63,647                               |
| 2022        | 64,120                  | 63,579                            | 63,640                 | 63,909                               |
| 2023        | 64,050                  | 65,183                            | 63,129                 | 63,661                               |
| 2024        | 63,572                  | 64,687                            | 62,866                 | 63,242                               |
| 2025        | 63,328                  | 62,787                            | 62,307                 | 62,859                               |

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

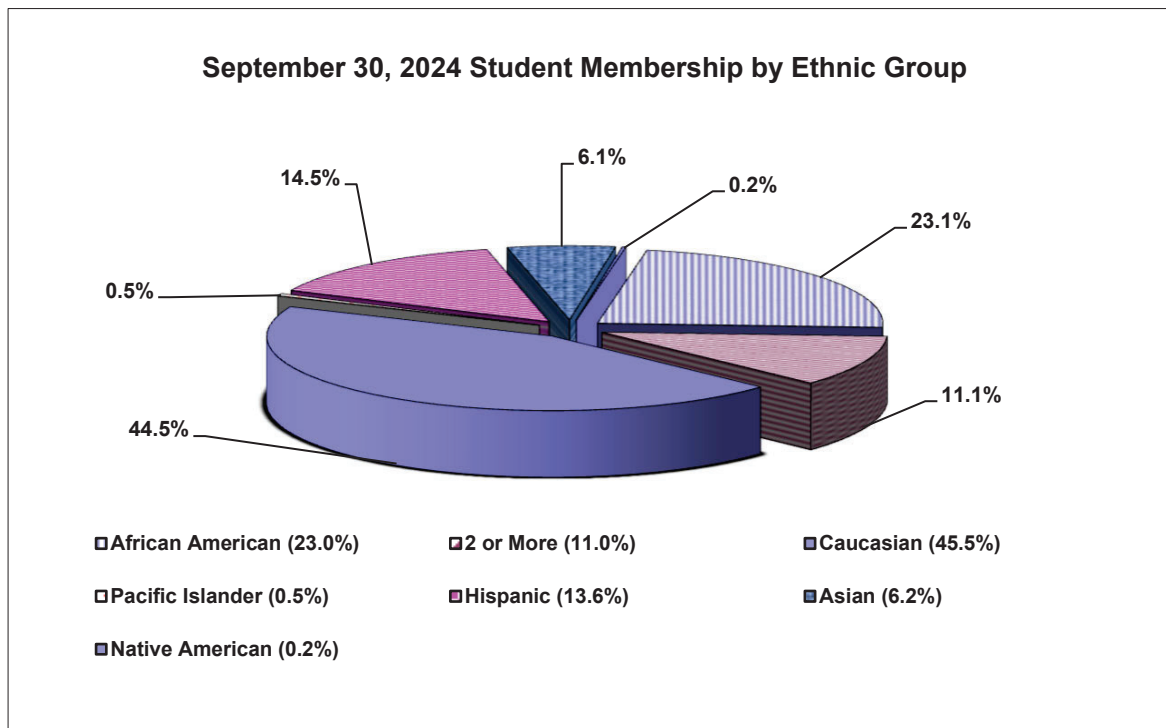


**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**STUDENT MEMBERSHIP BY ETHNIC GROUP**  
**Last Ten Fiscal Years (unaudited)**

| Fiscal Year | African American | %    | Caucasian | %    | Hispanic | %    | Asian | %   | Pacific Islander | %   | Native American | %   | Unspecified or 2 or More |
|-------------|------------------|------|-----------|------|----------|------|-------|-----|------------------|-----|-----------------|-----|--------------------------|
| 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                    |
| 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                    |
| 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                    |
| 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                    |
| 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                    |
| 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                    |
| 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                    |
| 2023        | 15,076           | 23.0 | 29,840    | 45.5 | 8,919    | 13.6 | 4,052 | 6.2 | 316              | 0.5 | 151             | 0.2 | 7,196                    |
| 2024        | 14,941           | 23.0 | 29,290    | 45.1 | 9,143    | 14.1 | 3,986 | 6.1 | 300              | 0.5 | 142             | 0.2 | 7,181                    |
| 2025        | 14,967           | 23.1 | 28,861    | 44.5 | 9,376    | 14.5 | 3,984 | 6.1 | 299              | 0.5 | 155             | 0.2 | 7,181                    |

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, 2024 (unaudited)

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|                              |                   |
|------------------------------|-------------------|
| Date of Incorporation        | January 1, 1963   |
| Form of Government           | Council - Manager |
| Area - Square Miles          | 310               |
| Land                         | 259               |
| Water                        | 51                |
| Culture and Recreation:      |                   |
| Developed District Parks     | 6                 |
| Developed Community Parks    | 12                |
| Developed Neighborhood Parks | 178               |
| Natural Parks                | 6                 |
| Other Park Areas             | 89                |
| Acres in Developed Parks     | 3,635             |
| Golf Courses (City Owned)    | 4                 |
| Recreation Centers           | 7                 |
| Population:                  |                   |
| Census 1970                  | 172,106           |
| Census 1980                  | 262,199           |
| Census 1990                  | 393,069           |
| Census 2000                  | 425,257           |
| Census 2010                  | 437,994           |
| Census 2020                  | 459,470           |
| Current Estimate             | 453,649           |

Table 28

**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<br>Number of<br>Employees | Percent of<br>Total City<br>Employment | Rank | Approximate<br>Number of<br>Employees | Percent of<br>Total City<br>Employment | Rank |
|-------------------------------------------------|---------------------------------------|----------------------------------------|------|---------------------------------------|----------------------------------------|------|
|                                                 | 2025                                  |                                        |      | 2016                                  |                                        |      |
| City of Virginia Beach / Schools                | 18,255                                | 8.16 %                                 | 1    | 16,998                                | 7.40 %                                 | 1    |
| Joint Expeditionary Base Little Creek/Ft. Story | 5,020                                 | 2.25                                   | 2    | 6,000                                 | 2.61                                   | 2    |
| Sentara Healthcare                              | 4,900                                 | 2.19                                   | 3    | 5,189                                 | 2.26                                   | 3    |
| Naval Air Station Oceana/Dam Neck               | 4,500                                 | 2.01                                   | 4    | 3,600                                 | 1.57                                   | 4    |
| GEICO General Insurance company                 | 3,600                                 | 1.61                                   | 5    | 2,700                                 | 1.18                                   | 5    |
| STIHL Inc                                       | 3,300                                 | 1.48                                   | 6    | 2,067                                 | 0.90                                   | 7    |
| Gold Key/PHR Hotels and Resorts                 | 2,365                                 | 1.06                                   | 7    | 1,000                                 | 0.44                                   | 10   |
| Navy Exchange Service Command                   | 1,550                                 | 0.69                                   | 8    | 1,550                                 | 0.67                                   | 9    |
| Westminster-Canterbury on Chesapeake Bay        | 848                                   | 0.38                                   | 9    | -                                     | -                                      | -    |
| LoanCare Servicing Center Inc.                  | 800                                   | 0.36                                   | 10   | -                                     | -                                      | -    |
| Lynnhaven Mall                                  | -                                     | 0.00                                   | -    | 2,600                                 | 1.13                                   | 6    |
| Amerigroup                                      | -                                     | 0.00                                   | -    | 1,850                                 | 0.81                                   | 8    |
| Totals                                          | <u>45,138</u>                         | <u>20.19 %</u>                         |      | <u>43,554</u>                         | <u>18.96 %</u>                         |      |

Source: City of Virginia Beach - Department of Finance, Department of Economic Development and Department of Budget and Management Services

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**CITY OF VIRGINIA BEACH, VIRGINIA - DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years (unaudited)**

| Fiscal Year | Population <sup>1</sup> | Personal Income (thousands)* <sup>2</sup> | Per Capita Personal Income* <sup>2</sup> | Median Age <sup>3</sup> | Number of City Employees <sup>4</sup> | Education Level in Years of Formal Schooling <sup>5</sup> | Local Unemployment Rate <sup>6</sup> |
|-------------|-------------------------|-------------------------------------------|------------------------------------------|-------------------------|---------------------------------------|-----------------------------------------------------------|--------------------------------------|
| 2016        | 453,628                 | 24,061,240                                | 52,697                                   | 35.9                    | 7,370                                 | 13.9                                                      | 3.8%                                 |
| 2017        | 454,448                 | 24,883,158                                | 54,531                                   | 36.4                    | 7,087                                 | 13.9                                                      | 3.8%                                 |
| 2018        | 453,410                 | 24,944,147                                | 54,558                                   | 36.4                    | 7,255                                 | 13.9                                                      | 2.8%                                 |
| 2019        | 452,643                 | 25,808,743                                | 56,315                                   | 36.4                    | 7,332                                 | 13.9                                                      | 2.7%                                 |
| 2020        | 454,209                 | 27,311,315                                | 59,413                                   | 36.9                    | 7,410                                 | 14.0                                                      | 8.2%                                 |
| 2021        | 459,470                 | 29,627,862                                | 64,609                                   | 36.6                    | 7,388                                 | 14.2                                                      | 4.2%                                 |
| 2022        | 458,028                 | 30,833,545                                | 67,756                                   | 37.1                    | 7,419                                 | 14.2                                                      | 3.7%                                 |
| 2023        | 455,385                 | 32,704,161                                | 72,091                                   | 36.7                    | 7,480                                 | 14.2                                                      | 2.8%                                 |
| 2024        | 453,605                 | -                                         | -                                        | 38.2                    | 7,591                                 | 14.2                                                      | 2.4%                                 |
| 2025        | 454,808                 | -                                         | -                                        | -                       | 7,631                                 | 14.2                                                      | -                                    |

Sources: City of Virginia Beach

1 Virginia Demographics by Cubit, Retrieved October 31, 2025.  
[https://www.virginia-demographics.com/cities\\_by\\_population](https://www.virginia-demographics.com/cities_by_population)

2 U.S. Bureau of Economic Analysis, "CAINC1 County and MSA personal income summary: personal income, population, per capita personal income."  
 (accessed Thursday, November 21, 2024). <https://www.bea.gov/itable/regional-gdp-and-personal-income>

3 United States Census Bureau. Median Age by Sex. Retrieved October 29, 2024.  
[https://data.census.gov/table?q=B01002:%20MEDIAN%20AGE%20BY%20SEX&g=010XX00US\\_040XX00US51\\_050XX00US51810&y=2023](https://data.census.gov/table?q=B01002:%20MEDIAN%20AGE%20BY%20SEX&g=010XX00US_040XX00US51_050XX00US51810&y=2023)

4 City of Virginia Beach Budget and Management Services. FY25 Operating Budget. Retrieved October 30, 2025.  
<https://budget.virginiabeach.gov/city-budget/budget-archives>

5 United States Census Bureau. Educational Attainment. Retrieved October 29, 2024.  
[https://data.census.gov/table?q=educational%20attainment&g=010XX00US\\_040XX00US51\\_050XX00US51810&y=2023](https://data.census.gov/table?q=educational%20attainment&g=010XX00US_040XX00US51_050XX00US51810&y=2023)

6 City of Virginia Beach Economic Development. Civilian Workforce Statistics. Retrieved on October 29, 2024.  
<https://www.yesvirginiabeach.com/business-environment/workforce> data on April 2023.

Notes: \*Figures were updated to reflect the latest data released by the Bureau of Economic Analysis on November 14, 2024.  
 - Information Unavailable

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<br>Property<br>Assessed<br>Value | Percent of<br>Total Real<br>Property<br>Assessed<br>Value | Rank |    | Real<br>Property<br>Assessed<br>Value | Percent of<br>Total Real<br>Property<br>Assessed<br>Value | Rank |
|------------------------------------------|---------------------------------------|-----------------------------------------------------------|------|----|---------------------------------------|-----------------------------------------------------------|------|
|                                          | 2025                                  |                                                           |      |    | 2016                                  |                                                           |      |
| Armada Hoffler                           | \$ 776,838,800                        | 0.93 %                                                    | 1    | \$ | 348,578,500                           | 0.55 %                                                    | 2    |
| Ramon W. Breeden, Jr.                    | 772,061,400                           | 0.92                                                      | 2    |    | 345,708,500                           | 0.55                                                      | 3    |
| Dominion Energy, Inc. *                  | 580,253,063                           | 0.69                                                      | 3    |    | 350,475,577                           | 0.55                                                      | 1    |
| A.D. & L.E. Fleder & J. M. & R.J. Caplan | 572,043,000                           | 0.68                                                      | 4    |    | 257,436,900                           | 0.41                                                      | 6    |
| E. C. & A. F. Ruffin & B. L. Thompson    | 378,311,200                           | 0.45                                                      | 5    |    | 266,804,000                           | 0.42                                                      | 5    |
| Amazon.Com Services LLC                  | 309,716,200                           | 0.37                                                      | 6    |    | -                                     | -                                                         | -    |
| Constitution LLC                         | 277,624,000                           | 0.33                                                      | 7    |    | -                                     | -                                                         | -    |
| Lynnhaven Mall LLC                       | 275,928,000                           | 0.33                                                      | 8    |    | 284,948,200                           | 0.45                                                      | 4    |
| W.Taylor Franklin                        | 275,782,900                           | 0.33                                                      | 9    |    | -                                     | -                                                         | -    |
| Pembroke Square Associates               | 262,411,500                           | 0.31                                                      | 10   |    | 187,416,300                           | 0.30                                                      | 7    |
| Watergate Treehouse Assoc. LP            | -                                     | -                                                         | -    |    | 113,616,200                           | 0.18                                                      | 13   |
| Virginia Natural Gas, Inc                | -                                     | -                                                         | -    |    | 92,538,234                            | 0.15                                                      | 17   |
| Cheryl P. McLeskey                       | -                                     | -                                                         | -    |    | 138,061,200                           | 0.22                                                      | 10   |
| Christian Broadcasting Assoc./Net Inc.   | -                                     | -                                                         | -    |    | 148,392,200                           | 0.23                                                      | 9    |
| Verizon Virginia, Inc.                   | -                                     | -                                                         | -    |    | 170,066,425                           | 0.27                                                      | 8    |
| Totals                                   | <u>\$ 4,480,970,063</u>               | <u>5.34 %</u>                                             |      |    | <u>\$ 2,704,042,236</u>               | <u>4.28 %</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<br>Year | Real Property     |                  | Personal Property |                  | Public            | Total Taxable<br>Assessed Value | Estimated<br>Actual<br>Taxable Value | Assessed<br>Value as a<br>Percentage of<br>Actual Value |
|----------------|-------------------|------------------|-------------------|------------------|-------------------|---------------------------------|--------------------------------------|---------------------------------------------------------|
|                | Assessed Value    |                  | Assessed Value    |                  | Service           |                                 |                                      |                                                         |
|                | Residential       | Commercial       | Residential       | Commercial       | Assessed<br>Value |                                 |                                      |                                                         |
| 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     | 1,025,877,871    | 1,046,921,797     | 65,993,045,153                  | 65,993,045,153                       | 100.0%                                                  |
| 2021           | 51,177,172,399    | 10,254,365,192   | 5,151,658,034     | 744,898,436      | 1,111,754,367     | 68,439,848,428                  | 68,439,848,428                       | 100.0%                                                  |
| 2022           | 53,720,116,305    | 10,096,383,587   | 5,484,917,057     | 1,665,362,748    | 1,131,096,865     | 72,097,876,562                  | 72,097,876,562                       | 100.0%                                                  |
| 2023           | 59,655,289,015    | 10,026,808,819   | 5,721,976,158     | 1,186,640,535    | 1,193,996,250     | 77,784,710,777                  | 77,784,710,777                       | 100.0%                                                  |
| 2024           | 65,739,185,533    | 10,728,183,166   | 6,345,543,767     | 1,433,336,249    | 1,091,398,005     | 85,337,646,720                  | 85,337,646,720                       | 100.0%                                                  |
| 2025           | 70,867,557,693    | 11,433,046,903   | 6,393,149,626     | 1,279,504,736    | 1,348,502,651     | 91,321,761,609                  | 91,321,761,609                       | 100.0%                                                  |

Source: City of Virginia Beach - Department of Finance, Office of Real Estate Assessor and Commissioner of the Revenue.

Table 32

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**CITY OF VIRGINIA BEACH, VIRGINIA - PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years (unaudited)**

| Fiscal Year | Total Tax Levy | Collected within the Fiscal Year of the Levy |                    | Collections in Subsequent Years | Total Collections to Date |                    |
|-------------|----------------|----------------------------------------------|--------------------|---------------------------------|---------------------------|--------------------|
|             |                | Amount                                       | Percentage of Levy |                                 | Amount                    | Percentage of Levy |
| 2016        | 613,105,892    | 589,411,524                                  | 96.1%              | 18,946,272                      | 608,357,796               | 99.2%              |
| 2017        | 634,993,466    | 609,085,906                                  | 95.9%              | 21,453,935                      | 630,539,841               | 99.3%              |
| 2018        | 662,272,634    | 636,789,707                                  | 96.2%              | 24,103,980                      | 660,893,687               | 99.8%              |
| 2019        | 688,073,333    | 638,348,095                                  | 92.8%              | 28,217,169                      | 666,565,264               | 96.9%              |
| 2020        | 722,621,429    | 631,762,062                                  | 87.4%              | 74,246,066                      | 706,008,128               | 97.7%              |
| 2021        | 727,662,524    | 687,116,605                                  | 94.4%              | 54,177,469                      | 741,294,074               | 101.9%             |
| 2022        | 742,224,896    | 707,907,083                                  | 95.4%              | 42,931,893                      | 750,838,976               | 101.2%             |
| 2023        | 799,133,262    | 755,199,729                                  | 94.5%              | 43,913,518                      | 799,113,247               | 100.0%             |
| 2024        | 882,727,060    | 830,786,286                                  | 94.1%              | 42,451,783                      | 873,238,069               | 98.9%              |
| 2025        | 919,006,227    | 867,095,870                                  | 94.4%              | -                               | 867,095,870               | 94.4%              |

**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 | Additional Real Property Tax Rate Chesapeakeian SSD |
|-------------|-----------------------------|--------------------------------------------------|---------------------------------------------------|----------------------------------------------------|------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------|
| 2016        | \$ 0.9900                   | \$ 0.0600                                        | \$ 0.4500                                         | \$ 0.1840                                          | \$ 0.3630                                            | \$ 0.1594                                        | \$ 0.2913                                           |
| 2017        | 0.9900                      | 0.0600                                           | 0.4500                                            | 0.1840                                             | 0.3630                                               | 0.1594                                           | 0.2913                                              |
| 2018        | 1.0025                      | 0.0600                                           | 0.4500                                            | 0.1840                                             | 0.5690                                               | 0.1594                                           | 0.2913                                              |
| 2019        | 1.0025                      | 0.0600                                           | 0.4500                                            | 0.1840                                             | 0.4720                                               | 0.1594                                           | 0.2913                                              |
| 2020        | 1.0175                      | 0.0400                                           | 0.4500                                            | 0.1840                                             | 0.4720                                               | 0.1594                                           | 0.2913                                              |
| 2021        | 1.0175                      | 0.0400                                           | 0.4500                                            | 0.1840                                             | 0.4720                                               | 0.1594                                           | 0.2913                                              |
| 2022        | 0.9900                      | 0.0400                                           | 0.4500                                            | 0.1840                                             | 0.4720                                               | 0.1594                                           | 0.2913                                              |
| 2023        | 0.9900                      | 0.0200                                           | 0.4500                                            | 0.1840                                             | 0.4720                                               | 0.1594                                           | 0.2913                                              |
| 2024        | 0.9900                      | 0.0100                                           | 0.4500                                            | 0.1840                                             | 0.4720                                               | 0.1594                                           | 0.2913                                              |
| 2025        | 0.9900                      | 0.0200                                           | 0.4500                                            | 0.1840                                             | 0.4720                                               | 0.1594                                           | 0.2913                                              |

| Fiscal Year | Base Real Property Tax Rate | Additional Real Property Tax Rate Harbor Point SSD | Additional Real Property Tax Rate Gills Cove SSD | Additional Real Property Tax Rate Hurds Cove SSD | Additional Real Property Tax Rate Shilling Point | Personal Property Tax Rate |
|-------------|-----------------------------|----------------------------------------------------|--------------------------------------------------|--------------------------------------------------|--------------------------------------------------|----------------------------|
| 2016        | \$ 0.9900                   | \$ 0.0790                                          | \$ 0.0630                                        | \$ 0.4380                                        | \$ -                                             | \$ 4.0000                  |
| 2017        | 0.9900                      | 0.0790                                             | 0.0630                                           | 0.4380                                           | -                                                | 4.0000                     |
| 2018        | 1.0025                      | 0.0790                                             | 0.0630                                           | 0.4380                                           | -                                                | 4.0000                     |
| 2019        | 1.0025                      | 0.1200                                             | 0.0630                                           | 0.4380                                           | -                                                | 4.0000                     |
| 2020        | 1.0175                      | 0.1200                                             | 0.0630                                           | 0.4380                                           | 0.4040                                           | 4.0000                     |
| 2021        | 1.0175                      | 0.1200                                             | 0.0630                                           | 0.4380                                           | 0.4040                                           | 4.0000                     |
| 2022        | 0.9900                      | 0.1200                                             | 0.0630                                           | 0.4380                                           | 0.4040                                           | 4.0000                     |
| 2023        | 0.9900                      | 0.1200                                             | 0.0630                                           | 0.4380                                           | 0.4040                                           | 4.0000                     |
| 2024        | 0.9900                      | 0.1200                                             | 0.0630                                           | 0.4380                                           | 0.4040                                           | 4.0000                     |
| 2025        | 0.9900                      | 0.1200                                             | 0.1600                                           | 0.4380                                           | 0.5800                                           | 4.0000                     |

Notes: (1) The City is the only entity with local taxing authority within its boundaries.  
(2) Real Property Tax Rate is applied to real estate such as land and buildings.  
(3) Personal Property Tax Rate is applied to Personal Property such as automobiles and equipment  
(4) The tax bases are mutually exclusive

Source: City of Virginia Beach - Department of Finance/City Adopted Resource Management Plan

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**CITY OF VIRGINIA BEACH, VIRGINIA - RATIOS OF OUTSTANDING GENERAL BONDED DEBT BY TYPE**  
**Last Ten Fiscal Years (unaudited)**

| <b>Fiscal Year*</b> | <b>General Obligation Bonds</b> | <b>State Literary Fund Loans</b> | <b>Appropriation Backed Debt**</b> | <b>Total</b>     | <b>Percentage of Estimated Actual Full Value of Property</b> | <b>General Bonded Debt Per Capita***</b> |
|---------------------|---------------------------------|----------------------------------|------------------------------------|------------------|--------------------------------------------------------------|------------------------------------------|
| 2016                | \$ 721,310,401                  | \$ 2,250,000                     | \$ 373,133,427                     | \$ 1,096,693,828 | 1.9%                                                         | \$ 2,195                                 |
| 2017                | 655,854,925                     | 1,875,000                        | 360,528,148                        | 1,018,258,073    | 1.7%                                                         | 2,040                                    |
| 2018                | 664,558,868                     | 1,500,000                        | 360,314,441                        | 1,026,373,309    | 1.7%                                                         | 2,056                                    |
| 2019                | 600,663,013                     | 1,125,000                        | 321,622,445                        | 923,410,458      | 1.4%                                                         | 1,856                                    |
| 2020                | 649,974,113                     | 750,000                          | 467,510,392                        | 1,118,234,505    | 1.7%                                                         | 2,174                                    |
| 2021                | 585,872,515                     | 375,000                          | 429,128,906                        | 1,015,376,421    | 1.5%                                                         | 1,975                                    |
| 2022                | 634,010,034                     | -                                | 378,137,659                        | 1,012,147,693    | 1.4%                                                         | 1,971                                    |
| 2023                | 570,888,217                     | -                                | 329,158,637                        | 900,046,854      | 1.2%                                                         | 1,971                                    |
| 2024                | 794,560,443                     | -                                | 449,682,073                        | 1,244,242,516    | 1.5%                                                         | 2,480                                    |
| 2025                | 646,639,117                     | -                                | 375,090,771                        | 1,021,729,888    | 1.1%                                                         | -                                        |

Source: City of Virginia Beach - Department of Finance

\*Fiscal Years 2016-2024 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.

\*\*\*Computation of Net Debt Per Capita is net of premiums and discounts.

**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      |                  |                  |                  |
|--------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                                                | 2016             | 2017             | 2018             | 2019             |
| Debt Limit                                                                     | \$ 5,291,185,445 | \$ 5,478,360,985 | \$ 5,650,206,962 | \$ 5,831,703,750 |
| Total Net Debt Applicable to Limit                                             | 697,520,721      | 641,749,326      | 646,061,132      | 590,409,579      |
| Legal Debt Margin                                                              | \$ 4,593,664,724 | \$ 4,836,611,659 | \$ 5,004,145,830 | \$ 5,241,294,171 |
| Total Net Debt Applicable<br>to the Limit as a percentage<br>of the Debt Limit | 13.18%           | 11.71%           | 11.43%           | 10.12%           |

Source: City of Virginia Beach - Department of Finance, Office of the Real Estate Assessor, Virginia State Corporation Commission, Public Service Corporations Report and Personal Property Assessment.

Note: Total net debt applicable to the limit is tax-supported debt, which includes General Obligation Bonds, State Literary Fund debt for Public Schools, and Agricultural Reserve Program installment purchase agreements. Under State law, the City's outstanding general obligation debt should not exceed 10% of total assessed property value. In addition, the City has established financial affordability indicators to restrict debt as follows:

- The total annual debt service for general government supported debt will not exceed 10% of general government expenditures (excluding interfund transfers).
- The City's overall net debt may not exceed 3.0% of the estimated full value of taxable property.
- The City's fixed costs (tax-supported debt plus annual costs for pension and OPEB) may not exceed 20% of general government expenditures.
- The City's ten-year pay-out of tax-supported debt shall be greater than 50%.

**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             |                         |                         |                         |                         |                         |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 2020                    | 2021                    | 2022                    | 2023                    | 2024                    | 2025                    |
| \$ 6,039,301,442        | \$ 6,253,886,891        | \$ 6,494,389,031        | \$ 7,087,220,908        | \$ 7,755,538,966        | \$ 8,364,527,040        |
| 629,730,209             | 575,052,122             | 613,872,302             | 552,965,034             | 758,247,394             | 693,978,317             |
| <u>\$ 5,409,571,233</u> | <u>\$ 5,678,834,769</u> | <u>\$ 5,880,516,729</u> | <u>\$ 6,534,255,874</u> | <u>\$ 6,997,291,572</u> | <u>\$ 7,670,548,723</u> |
| 10.43%                  | 9.20%                   | 9.45%                   | 7.80%                   | 9.78%                   | 8.30%                   |

**Legal Debt Margin Calculation For Fiscal Year**  
**2025 Assessed Value of Real Property**

|                                                |                          |
|------------------------------------------------|--------------------------|
| Regular                                        | \$ 82,300,604,596        |
| Public Service (excluding vehicle assessments) | 1,344,665,805            |
| Total Assessed Value<br>of Real Property       | <u>\$ 83,645,270,401</u> |
| Debt Limit (10% of Total<br>Assessed Value)    | \$ 8,364,527,040         |
| Total Net Debt applicable to limit             | 693,978,317              |
| Legal Debt Margin                              | <u>\$ 7,670,548,723</u>  |

**SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH, VIRGINIA**  
**RATIOS OF OUTSTANDING DEBT**  
**Last Ten Fiscal Years (unaudited)**

| Fiscal Year | Subscription Liability | Percent of Personal Income | Debt Per Capita |
|-------------|------------------------|----------------------------|-----------------|
| 2023        | 1,623,811              | 0.00%                      | 3.57            |
| 2024        | 778,559                | 0.00%                      | 1.72            |
| 2025        | 2,096,497              | 0.00%                      | 4.61            |

**NOTE:** See Note 5A in the notes to the financial statements for additional details on VBCPS' outstanding debt

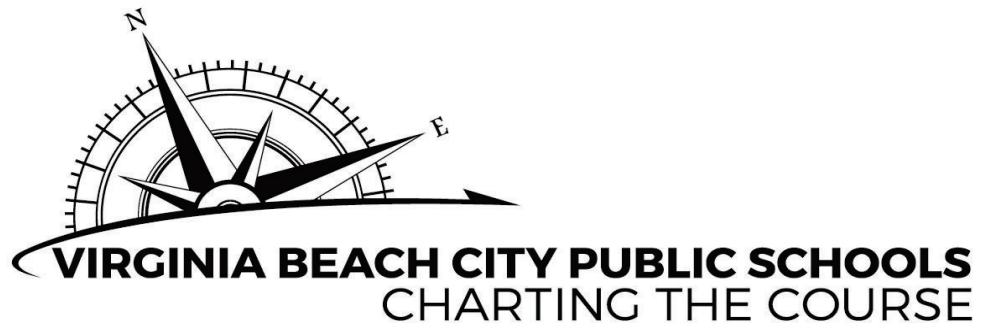
The Code prohibits VBCPS from issuing obligation debt. As a result, the City issues bonds for VBCPS and reports the bonds related to VBCPS in its financial statements.

GASB 96 implementation in fiscal year 2023 resulted in a change to VBCPS debt to include subscription liability.

See Table 29 for personal income and population totals. For data from the Bureau of Economic Analysis that is not yet available, the most recent year will be used.

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# COMPLIANCE SECTION



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**Report Of Independent Auditor on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia (the “Specifications”), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board of the City of Virginia Beach, Virginia (the “School Board”), a component unit of the City of Virginia Beach, Virginia, as of and for the year ended June 30, 2025, 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 12, 2025.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School Board’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the Specifications.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cherry Bekaert LLP*

Virginia Beach, Virginia  
December 12, 2025



Donald E. Robertson Jr., Ph.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](#), [5-4](#), [5-19](#), [5-20](#), [5-31](#), [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](#), [5-44.2](#), [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, Robin Reese, Ed.D., at the VBCPS Office of Student Leadership, 641 Carriage Hill Road, Suite 200, Virginia Beach, VA 23452, (757) 263-2020, [Robin.Resse@vbschools.com](mailto:Robin.Resse@vbschools.com). 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 5-31, 5-44 and School Board Regulations 5-44.1, 5-44.2 (students), School Board Policy 4-4 and School Board Regulation 4-4.3 (employees) and on the School Division's website at <https://www.vbschools.com/about/titleix>. 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, 641 Carriage Hill Road, Virginia Beach, Virginia, 23452 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.

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