

Popular Annual Financial Report



City of Roanoke, VA Pension Plan For Fiscal Year 2021

Message to Our Readers:

We are pleased to present the Popular Annual Financial Report (PAFR) for The City of Roanoke Pension Plan's fiscal year ended June 30, 2021. The Plan's PAFR provides insight into the Plan's financial condition. Derived from the Plan's Annual Comprehensive Financial Report (ACFR), the PAFR is written for those who do not have a background in finance. The document relies on graphics and other visual elements to compliment the financial message, and is not technical in nature.

The information provided in this report is a summary of the Pension Plan's audited financial statements and a snapshot of the Plan, services, financial results, and investments, all of which are reported in more detail in the Plan's ACFR for the fiscal year ending June 30, 2021. The complete audited financial statements and pertinent notes to the financial statements can be found in Pension Plan's 2021 ACFR. The PAFR only provides summary financial information and does not conform to Generally Accepted Accounting Principles (GAAP); the ACFR conforms to GAAP and provides a comprehensive overview of the Plan's financial and operating results.

For more in-depth information, you may obtain a copy of the City of Roanoke Pension Plan ACFR on the city's website at www.roanokeva.gov/392/Retirement

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Financial Statements

- The Plan's Fiduciary Net Position increased \$108.4 million or 25.6% as result of activities for the fiscal year ended June 30, 2021. Net Position Held in Trust for Pension Benefits totaled \$532.1 million at June 30, 2021 compared to \$423.7 million at June 30, 2020.
- Total Contributions decreased 2.1% or \$351 thousand when compared to the fiscal year ended June 30, 2020 due to a decrease in total covered payroll.
- Employer contributions decreased from \$12.6 million to \$12.4 million for the fiscal years ending June 30, 2020 and 2021, respectively.
- For the fiscal year ended June 30, 2021, the Plan had a 32.4%, net of fees, investment return, which resulted in Net Investment Gain of \$121.7 million. Investments totaled \$531.2 million at June 30, 2021 compared to \$422.5 million at June, 30, 2020.
- Benefit payments increased 3.0% or \$1.2 million to \$41.1 million for the fiscal year ended June 30, 2021 when compared to \$39.9 million for the fiscal year ended June 30, 2020.

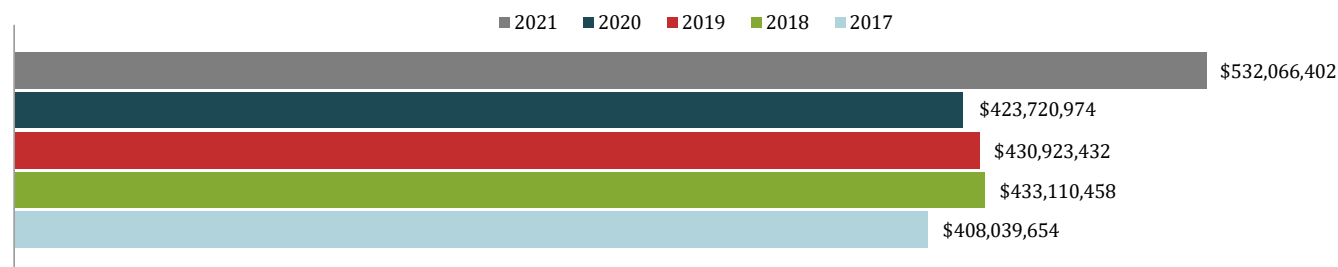
Summary of Fiduciary Net Position As of June 30

	2021	2020	2019
Assets:			
Cash and Investments	\$ 531,778,897	\$ 423,045,441	\$ 430,361,156
Receivables	1,139,908	1,107,279	1,103,532
Receivable for Securities Transactions	76,206	126,510	62,198
Total Assets	\$ 532,995,011	\$ 424,279,230	\$ 431,526,886
Liabilities:			
Accounts Payable	\$ 220,540	\$ 220,876	\$ 246,266
Payable for Securities Transactions	708,069	337,380	357,188
Total Liabilities	\$ 928,609	\$ 558,256	\$ 603,454
Net Position Restricted for Pension	\$ 532,066,402	\$ 423,720,974	\$ 430,923,432

Summary of Changes in Fiduciary Net Position As of June 30

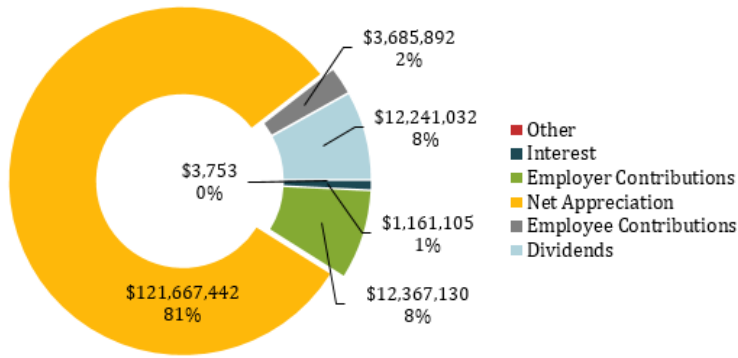
	2021	2020	2019
Additions/(Reductions)			
Employer Contributions	\$ 12,367,130	\$ 12,590,804	\$ 12,510,402
Employee Contributions	3,685,892	3,813,475	3,690,921
Net Investment Income	133,908,113	16,792,025	20,672,578
Total Additions	\$ 149,961,135	\$ 33,196,304	\$ 36,873,901
Deductions			
Pension Benefits	\$ 41,085,353	\$ 39,882,146	\$ 38,525,270
Administrative Expense	530,354	516,616	535,657
Total Deductions	\$ 41,615,707	\$ 40,398,762	\$ 39,060,927
Net Increase/(Decrease)	\$ 108,345,428	\$ (7,202,458)	\$ (2,187,026)
Net Position Restricted for Pensions			
Beginning of Year	\$ 423,720,974	\$ 430,923,432	\$ 433,110,458
End of Year	\$ 532,066,402	\$ 423,720,974	\$ 430,923,432

Fiduciary Net Position for the Past Five Years As of June 30

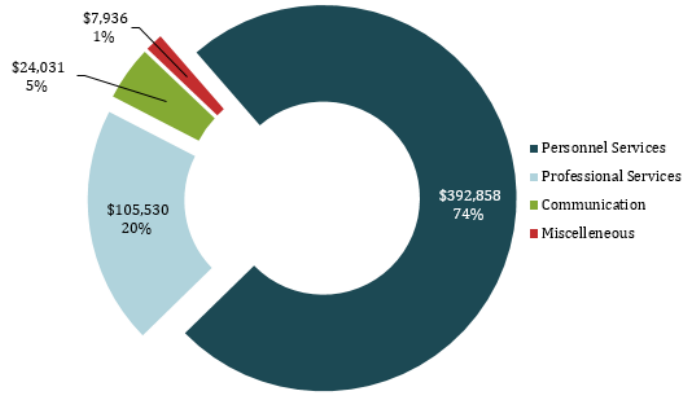


Income & Expenses and Funded Status

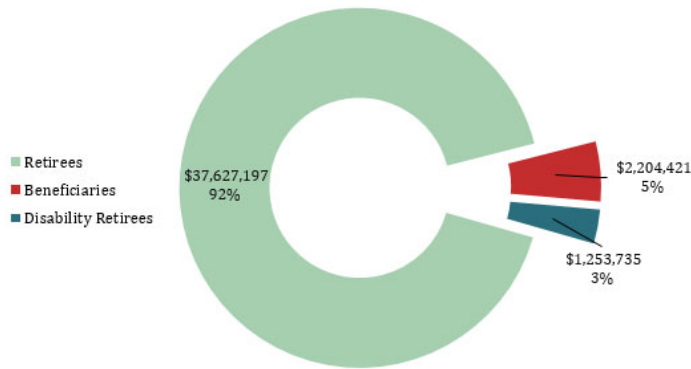
Income by Source



Administrative Expenses



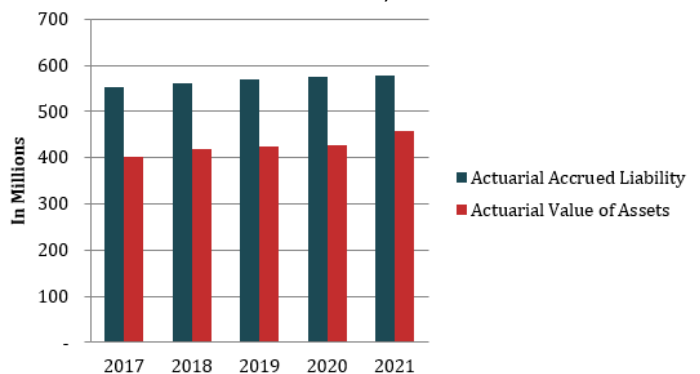
Pension Benefit Expense by Retirement Type



Funded Status

The Plan's funded status:
79.1% as of June 30, 2021

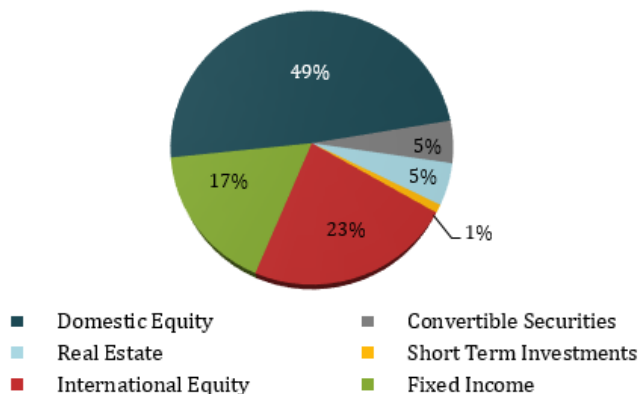
Actuarial Accrued Liability and Value of Assets



Funded status measures the progress of accumulating the funds necessary to meet future obligations. Historically, periods of diminished funded status were made up as market conditions improved. Similarly, years of enhanced funded status are eroded when market conditions are poor. The Plan continues to maintain this necessary balance by constantly monitoring and adapting to market conditions. The financing objective of the Plan is to fully fund all current costs based on the normal contribution rate payable by the participating employers and employees and to eliminate any unfunded accrued liability based on accrued liability contributions payable over a closed amortization period of 30 years.

Investments

Asset Allocation Mix



Investment Summary

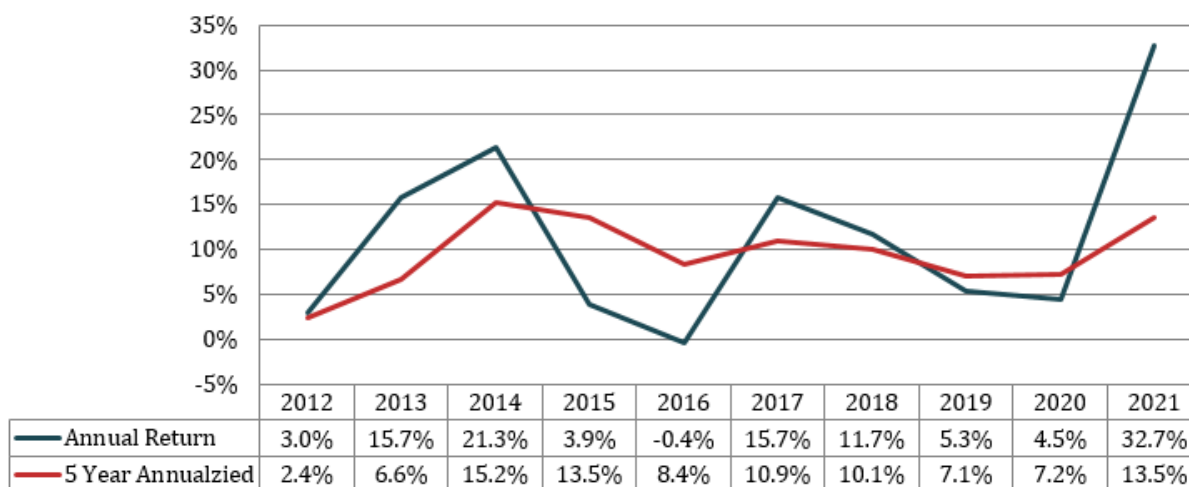
	2021 Fair Value
Fixed Income	\$ 90,731,098
Domestic Equity	\$ 261,943,706
Convertible Securities	\$ 23,218,130
International Equity	\$ 120,985,350
Real Estate	\$ 27,718,473
Short Term Investments	\$ 6,554,111
Total Investments	\$ 531,150,868

The Plan's increase in Net Position Restricted for Pensions is due to the exceptional investment returns experienced as of June 30, 2021. The Plan experienced an investment return of 32.4%, net of fees, for the fiscal year ended June 30, 2021, with the Domestic and International Equities and Convertible Securities allocations producing the greatest absolute returns. The Plan's long-term annualized returns ranked near the top of the investment advisor's comparative universe of all retirement plans.

Our outlook for the U.S. economy remains cautiously optimistic given positive economic indicators and investment performance experienced since the end of the fiscal year. We believe the well diversified portfolio remains well positioned in light of potential volatility due to the on-going COVID-19 pandemic and any changes in fiscal and monetary policy.

The Board of Trustees have formally adopted the Statement of Investment Policy that states the long-term capital growth objective of the plan and attempts to mitigate the short-term impact of market volatility through diversification of investments. The Trustees believe the portfolio allocation remains appropriately diversified in anticipation of continued market volatility and overall concerns over the economy.

Annualized Returns



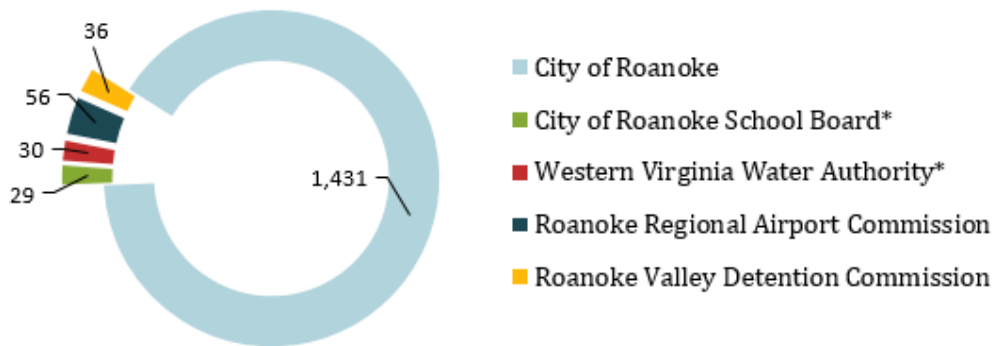
Plan Membership and Benefits

Plan Membership

	2021	2020
Active	1,582	1,645
Deferred Vested	628	631
Retirees and Beneficiaries	2,241	2,224

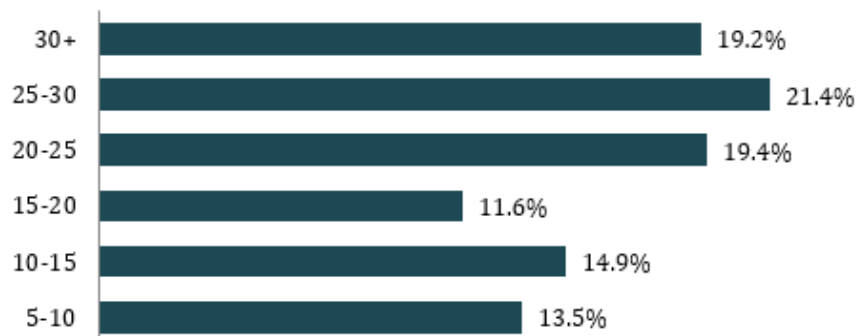
The Plan covers all full-time regular employees of the City, the Roanoke Regional Airport Commission, and the Roanoke Valley Detention Commission, certain employees of the Western Virginia Water Authority, and certain non-professional City of Roanoke School Board employees. Employees of the City of Roanoke Sheriff's Office are not covered by the Plan.

Active Membership by Employer



* Constitutes closed group, no new employees admitted to membership

Years of Service at Retirement



Benefits and Services Provided

- Members are vested after five years of service and are eligible for benefits at the early or normal service retirement date.
- Normal service retirement and early service retirement benefits are available for members who attain the age and service requirements.
- Occupational disability benefits are eligible immediately upon becoming a member in the Plan.
- Non-occupational disability benefits are provided after the attainment of five years of membership.
- Benefit Statements are provided to all active members on an annual basis.
- Counseling is provided to all plan participants.
- Presentations to introduce the City of Roanoke Pension Plan are conducted during new employee orientations.

PAFR Certificate

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Roanoke Pension Plan for its Popular Annual Financial Report for the fiscal year ended June 30, 2020. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to receive an Award for Outstanding Achievement in Popular Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

City of Roanoke Pension Plan
Virginia

For its Annual Financial Report
for the Fiscal Year Ended

June 30, 2020

Christopher P. Merrill

Executive Director/CEO

City of Roanoke Pension Plan 2021 PAFR offers a summary of information presented in the 2021 ACFR. The 2021 ACFR provides detailed information regarding the Pension Plan investment performance and funding as well as detailed demographic information for Plan members and employers.

Please visit the city's website at www.roanokeva.gov to view the 2021 ACFR for the City of Roanoke Pension Plan.

Comments, questions, or concerns? Please contact our office. We welcome all feedback.

Contacting the Retirement Office

Address: 215 Church Ave. Room 465 Roanoke, VA 24012;

Office Hours: 8AM - 5 PM Monday - Friday;

Phone: 540-853-2062; Fax: 540-853-6142

Prepared by Department of Finance Retirement Plans Administration

