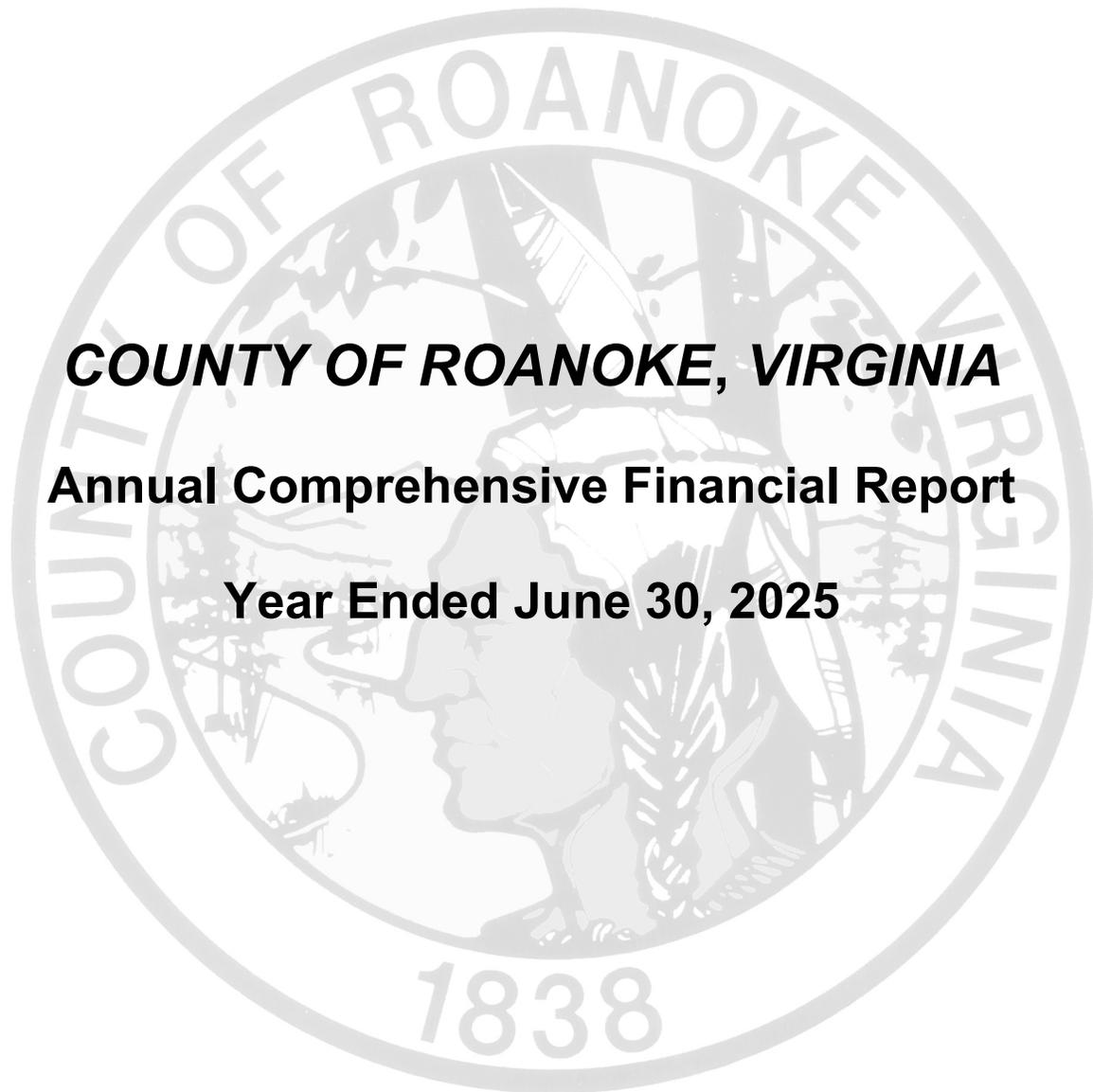


County of Roanoke, Virginia

Annual Comprehensive Financial Report



Year Ended June 30, 2025



COUNTY OF ROANOKE, VIRGINIA
Annual Comprehensive Financial Report
Year Ended June 30, 2025

Prepared by the

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Accounts Payable
Central Accounting
Budget
Payroll and Risk Management
Purchasing
Financial Systems



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Vinton

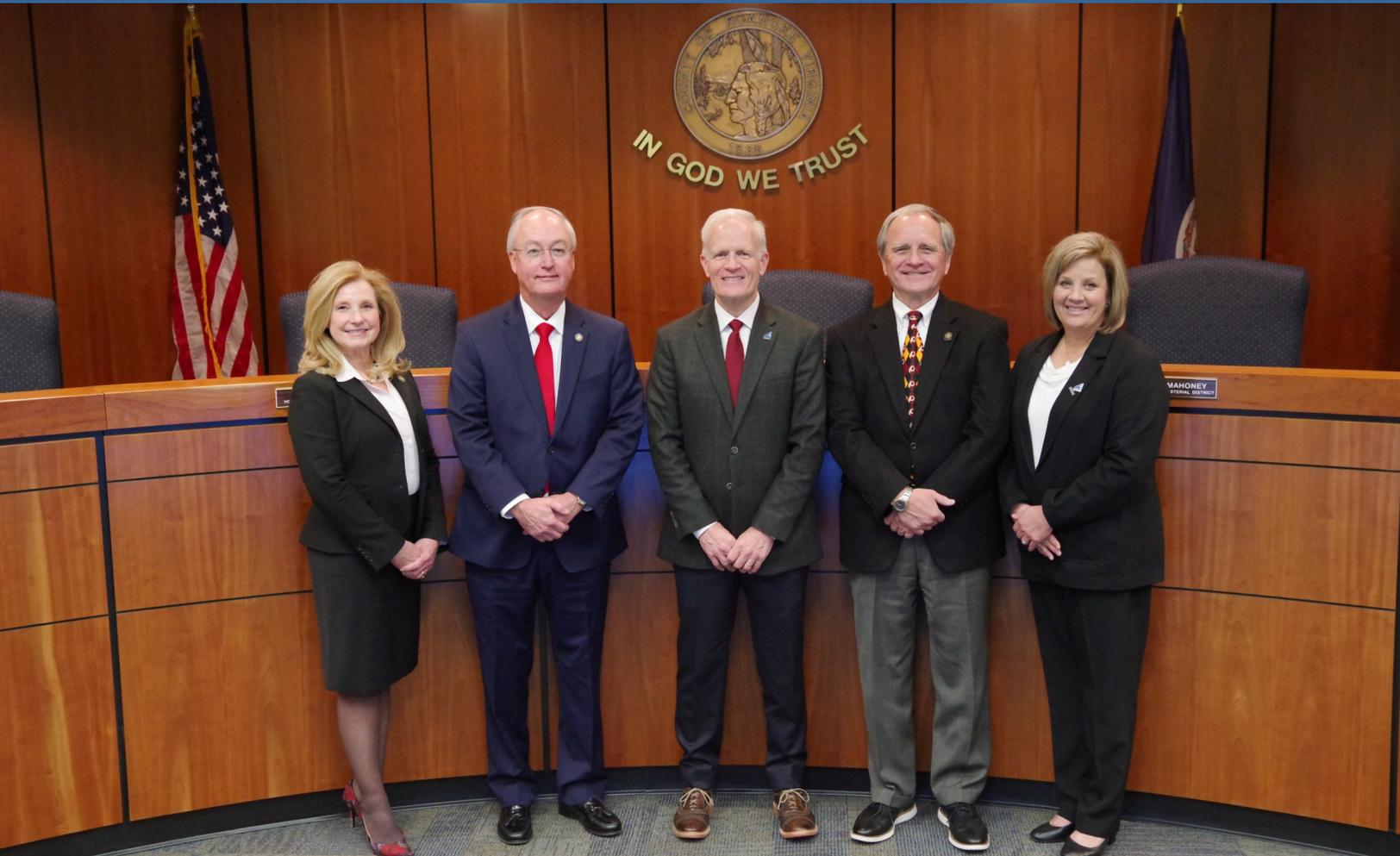
Magisterial District

Magisterial District

Magisterial District

Magisterial District

Magisterial District



County Administration

Richard L. Caywood, P.E.

County Administrator

Rebecca E. Owens

Deputy County Administrator

Douglas M. Blount

Assistant County Administrator



COUNTY OF ROANOKE, VIRGINIA
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INTRODUCTORY SECTION





ROANOKE COUNTY

OFFICE OF THE COUNTY ADMINISTRATOR
5204 Bernard Drive, P.O. Box 29800
Roanoke, Virginia 24018-0798

Richard L. Caywood, P.E.
County Administrator

TEL: (540) 772-2004

November 26, 2025

To the Honorable Chairman, Members of the Board of Supervisors,
and Citizens of the County of Roanoke, Virginia:

It is with pleasure that we submit to you the Annual Comprehensive Financial Report (ACFR) of the County of Roanoke, Virginia (County) for the fiscal year ended June 30, 2025. State law requires that all local governments have their accounts and records, including those of the constitutional officers, audited annually as of June 30 by an independent certified public accountant and that the audited financial report be submitted on or before December 15 to the Auditor of Public Accounts of the Commonwealth of Virginia (APA). This report has been prepared by the County's Department of Finance and Management Services in accordance with the standards of financial reporting as prescribed by the Governmental Accounting Standards Board (GASB).

The ACFR was prepared with an emphasis on full disclosure of the financial activities of the County. Responsibility for both the completeness and reliability of the information contained in this report rests solely with County management and is based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The auditing firm of Brown, Edwards & Company, L.L.P., a firm of independent certified public accountants, has issued unmodified opinions on the County's basic financial statements as of and for the fiscal year ended June 30, 2025. Those opinions are located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the report of the independent auditor and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the Government

The County of Roanoke is a principal suburban hub of the Roanoke Valley. The County's strategic location along Interstate 81 and its access to rail transportation provide efficient connections to major markets for manufacturers and distributors. The County's provisional population is 96,497, a slight decrease of 0.4% from the 2020 census population of 96,929¹. The County is part of the Roanoke Metropolitan Statistical Area (MSA) that has a total population of 313,409, reflecting a similar decrease of 0.6% when compared to the 2020 census. Within the County's geographical boundaries lie the independent cities of Roanoke and Salem, as well as the Town of Vinton.

The County is governed by a charter approved by the 1986 session of the Virginia General Assembly, which grants additional authority to the County Administrator. The Board of Supervisors (Board) is the governing body of the County. Members of the Board, one from each of five magisterial districts, are elected to four-year terms. Board members annually select a Chairman and Vice-Chairman to each serve a one-year term.

¹ Population source: United States Census Bureau, 2020.

The Board appoints a County Administrator to act as administrative head of the County. The County Administrator, who serves at the pleasure of the Board, carries out its policies and directs business procedures. All department heads serve at the pleasure of the County Administrator, except for the County Attorney, who reports directly to the Board. Five constitutional officers (Commissioner of the Revenue, Commonwealth's Attorney, Clerk of the Circuit Court, Sheriff, and Treasurer) are elected by the voters of the County and are not accountable to the Board but work closely with the Board and the County Administrator.

The County provides a full range of services, including police and fire protection, curbside trash and brush collection, general public improvements, planning and zoning management, recreation and cultural activities, economic development, and general administrative support. Residents enjoy certain other services provided through joint cooperation with neighboring localities, such as airport facilities, solid waste facilities, and water and sewer services.

The County provides education through its Roanoke County Public Schools system (School System) administered by the Roanoke County Public School Board (School Board) and promotes industry through the Economic Development Authority (EDA). The School System and EDA have been reflected as discretely presented component units in the accompanying financial statements because, under GASB pronouncements, they are legally separate entities for which the County is financially accountable. The School Board administers the County's schools and its own appropriations within the categories defined by the *Code of Virginia* but is fiscally dependent upon the County because the Board of Supervisors approves the budget, levies the necessary taxes to finance operations and issues debt to finance capital projects. Additional information for the Schools is available in the separately published Roanoke County Public Schools annual comprehensive financial report. The EDA has the power to issue tax-exempt industrial development revenue bonds to qualifying enterprises wishing to utilize that form of financing. Those bonds represent limited obligations of the EDA and are to be repaid solely from revenue and receipts derived from the projects funded with the proceeds. The outstanding debt does not constitute a debt or pledge for the faith and credit of the County or the EDA.

The annual budget serves as the foundation of the County's financial planning and control. All departments of the County generally submit requests to the Department of Finance and Management Services in November of each year. The County Administrator uses these requests as the starting point for developing a proposed budget. The County Administrator then presents the proposed budget to the Board. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than June 30, the close of the County's fiscal year. The appropriated budget is prepared by fund, function (i.e., public safety), and department (i.e., Sheriff's office) with the budget appropriation resolution, adopted by the Board of Supervisors, placing legal restrictions on expenditures at the fund level.

Economic Condition and Outlook

Local Economy

The unemployment rate for Roanoke County as of June 30, 2025 is 3.8%, which is higher than the prior year rate of 2.8% as of June 30, 2024. The unemployment rate is above the state's average unemployment rate of 2.9%, but consistent with the national average unemployment rate of 4.0%.

The Moody's Cost of Doing Business Index ranks the Roanoke market at 18 percent below the national average when it comes to operating a company. The index takes labor, energy, tax costs, and rent into consideration. The Roanoke Region's overall cost of living index is 91.6, indicating that costs in Roanoke are 8.4% lower than the national average of 100.0%. A low cost of living is important and means lower bills and more affordability for Roanoke County citizens and businesses.

Economic Development

The County and region strive to promote a healthy and growing economic base that includes a diverse mix of manufacturing, medical, wholesale/retail trade, finance, insurance and banking, corporate headquarters, and related businesses. The County's multi-faceted economic development strategy includes an active business attraction, retention and expansion program, infrastructure and site development initiatives, and the redevelopment of key County properties. Ongoing outreach efforts with business leaders enable the County to identify company needs and provide appropriate assistance to strengthen, maintain, and grow the local tax base.

Broadband Expansion and Connectivity: Roanoke County invests in, supports, and continues its relationship with the Roanoke Valley Broadband Authority (RVBA) to improve economic opportunity for all citizens and businesses. The RVBA broadband network aligns with major transportation corridors of the County, targeting commercial and industrial activity centers. In addition, Roanoke County has completed four projects bringing broadband access to Bent Mountain, Bradshaw and Cove Hollow Roads, and Starlight Lane, making services available to approximately 317 addresses and 26 businesses. The County also received more than \$3.7 million in Virginia Telecommunication Initiative (VATI) grants to leverage more than \$7.7 million through partnerships with four separate internet service providers to improve broadband connectivity throughout the County, bringing connectivity to over 1,400 addresses. These projects are currently in progress.

Industrial Site Development: The 110-acre Wood Haven Technology Park is the largest prepared site in the urban area and represents one of the greatest economic opportunities for the region, given its gateway location at the intersection of I-81 and I-581. The technology park is a joint development of Roanoke County, the City of Roanoke, and City of Salem through the Western Virginia Regional Industrial Facility Authority. Wood Haven is being positioned to attract high-impact, value-added companies creating jobs above the County's median wage.

Route 419 and Tanglewood: The Route 419 corridor serves as the center of commerce for Roanoke County and remains one of the community's most important economic drivers. In 2019, Roanoke County adopted the 419 Town Center Plan, a long-range vision to transform the area into a vibrant mixed-use activity center that supports business, housing, and quality of life.

At the heart of this corridor is Tanglewood Mall, identified as a catalyst site within the plan. Over the past five years, Tanglewood has experienced significant redevelopment, most notably Carilion Clinic's \$50 million investment to establish new facilities for Carilion Children's and Carilion Mental Health. The mall has also welcomed a wave of new restaurants and retailers, including Chicken Salad Chick, Panda Express, Jersey Mike's, Aspen Dental, Blaze Pizza, Chipotle, Chili's, Popeyes, Burlington, and Skechers.

In tandem, nearly \$60 million in transportation improvements have been awarded to the corridor. These projects are designed to relieve congestion, enhance safety, and introduce multimodal infrastructure for pedestrians and cyclists. Two major projects are currently underway: the Route 419/Route 220 Diverging Diamond Interchange and Route 220 signal upgrades, both of which will modernize traffic flow.

Business Expansions in Progress: Wells Fargo is advancing its \$87 million modernization and expansion of the customer support center on Plantation Road, with full completion expected by the end of 2026. The project will create 1,100 new jobs in addition to the 1,650 current employees. This represents the largest commercial office investment and single project employment announcement in Roanoke County's history. Once complete, Wells Fargo will become the County's largest employer, with approximately 2,750 employees.

Elbit Systems of America announced a \$30 million expansion of its Roanoke County manufacturing facility, which will support the production of advanced low-light night vision technologies. This project will create 288 new jobs, increasing the company's local workforce to more than 1,000 employees. This significant investment underscores Elbit's long-term commitment to the region and reflects the County's continued success in fostering a strong and diverse advanced manufacturing sector.

In fall 2025, Mack Trucks completed a \$14.5 million, 72,000-square-foot expansion to meet rising market demand for its Mack® MD Series medium-duty trucks.

The County recognizes the importance of expanding the business tax base to provide revenues for needed services. Further, the County is committed to attracting and retaining quality jobs and investments that will diversify the economy, broaden the tax base, and provide long-term employment opportunities for residents.

Long-Term Financial Planning

The County annually prepares a Capital Improvement Plan (CIP). The CIP serves as a planning tool for efficient, effective, and equitable distribution of public improvements throughout the County. The CIP represents a balance between finite resources and an ever-increasing number of competing County priorities. This balance was achieved using the priorities and objectives established by the Board of Supervisors.

The Board of Supervisors adopted a formal policy for the establishment, maintenance, and use of unassigned general fund balance to provide for the long-term economic stability of the County of Roanoke. This policy requires the general government fund unassigned fund balance be maintained at 12% of budgeted annual general government expenditures. Rating agencies carefully monitor levels of unassigned fund balance in a government's general fund to evaluate a government's continued credit worthiness.

As of June 30, 2025, the unassigned fund balance for the General Government Fund equaled 12% of the fiscal year 2026 general government fund budgeted expenditures. This reflects the Board's commitment to prudent financial planning, as it eliminates the need for short-term borrowing, ensures that current obligations, including debt payments, can be met and provides a cushion against the potential shock of any unexpected change in revenues. This practice, along with our prudent debt management policies, allows the County to maintain strong bond ratings. The County has bond ratings on outstanding lease revenue bonds as follows: Standard & Poor's AA+, Moody's Investor Service Aa1, and Fitch AA+.

Relevant Financial Policies

Fiscal integrity is a top priority for the County of Roanoke. The County recognizes financial policies establish the framework for financial planning and management and provide guidelines against which budgetary performance can be measured and proposals for future funding can be evaluated. Financial policies further ensure that the County can continue to be a model for excellence in government by providing direction in the areas of revenues, operating expenditures, Capital Improvement Program, reserves, and debt management.

The County of Roanoke has adopted a Comprehensive Financial Policy to create the framework for making sound financial decisions. The County Administrator is responsible for the daily administration of the Board's policies and general County operations. The County Administrator may designate other County officials to assist in the administration of these policies. The Comprehensive Financial Policy is a statement of the guidelines and goals that influence and guide the financial management practices of the County of Roanoke and can be found on our website.

Major Initiatives and Projects

Initiatives of the County of Roanoke promote economic progress, improve the community's quality of life, and position the County to respond to future development needs. The County is committed to providing quality housing and continues to receive positive publicity for the quality of life enjoyed by citizens and potential business prospects. Roanoke County saw the continuation of major capital and educational initiatives during the fiscal year. Major initiatives and projects include:

Education: Roanoke County Public Schools is the 20th largest of 131 school systems in the Commonwealth of Virginia. The School Board consists of five members elected to four-year terms.

The School System provides a broad range of general, special, gifted, career and technical education opportunities for approximately 13,600 students (including preschool) between the ages of 3 and 21 at sixteen elementary schools, five middle schools, five high schools, and one specialty center. In addition to the Standard Diploma, the School System also offers an Advanced Studies Diploma, an Applied Studies Diploma for students with disabilities who complete the requirements of their Individualized Education Program, a General Achievement Adult High School Diploma for individuals who are at least 18 years of age and not enrolled in public school or not otherwise meeting the compulsory school attendance requirements set forth in the Code of Virginia, and a General Educational Development Certificate.

All Roanoke County Public Schools were fully accredited and showed high achievement in reading, mathematics, science, attendance, and graduation rates. The division tied for 6th of 131 divisions in overall math performance. The SOL test scores in math were led by our middle school scores, which exceeded state rates by 21 points for grade 7, 16 points for grade 8 math, and 13 points in grade 6. The School System tied for 7th of 131 divisions in overall reading performance. The SOL test scores in reading showed a dedication to making sure students were on time with their reading progression. Elementary SOL pass rates exceeded the state by an average of 12 points. The School System also maintains extensive individualized intervention programs to support student academic success, culminating in a 95% on-time graduation rate.

Eastern Section of the Roanoke River Greenway: This project entails the planning, design and construction of approximately 5 miles of the Roanoke River Greenway in the eastern portion of the County, from just west of the Blue Ridge Parkway to Rutrough Road (State Route 618) in Explore Park. The project is broken into four phases and is funded through several federal and state programs. Construction on the first phase was completed in 2023 with phase two and three completed in 2025. The fourth phase through Explore Park to Rutrough Point started construction in November 2024 with completion anticipated in Spring 2026. The projects are funded through approximately \$11.6 million in federal and state funding from the Transportation Alternatives Program, Surface Transportation Block Grant Program, Carbon Reduction Program, Federal Lands Access Program, and local match.

Western Section of the Roanoke River Greenway: This project includes the planning, design, and construction of approximately 1.6 miles of the Roanoke River Greenway extending through the western portion of Roanoke County—from Green Hill Park to West Riverside Drive in the City of Salem. The project is being completed in two phases. Phase I, which spans from West Riverside Drive at Kingsmill Drive to Riverside Nursery, began construction in 2023 and was completed in 2025. Phase II will commence once County staff finalize potential realignments aimed at reducing overall project costs and improving efficiency prior to applying for additional funding. The total project is supported by approximately \$12.5 million in Highway Safety Improvement Program/Open Container, Surface Transportation Block Grant Program, and SMART SCALE funds.

Glade Creek Greenway through Vinyard Park West: This project also includes planning, design and construction of one-half mile of greenway along Glade Creek in Roanoke County's Vinyard Park West. Available project funding totals \$961,402 of federal and state funding through the Transportation

Alternatives Program and local match. Construction began in November 2024 and was completed in the summer of 2025.

Explore Park: Explore Park is a 1,100-acre outdoor recreation area in eastern Roanoke County, connecting directly to the Blue Ridge Parkway. Since signing a 99-year lease with the Virginia Recreational Facilities Authority (VRFA) in 2013, Roanoke County has invested over \$8 million in capital improvements and more than \$7 million in operational support to transform the park into a regional destination. Guided by the 2016

Explore Park Adventure Plan, the County has developed amenities such as cabins, yurts, trails, a mountain bike skills park, and the Treetop Quest aerial adventure course, while partnering with private vendors to operate camping facilities and a brewery at the historic Brugh Tavern. These public-private investments have significantly boosted tourism, with park visitation growing from approximately 30,000 in 2013 to nearly 291,000 visitors in calendar year 2024.

Recent projects include a \$1.4 million effort to rebuild Old Salem Turnpike, expand Wi-Fi and cellular service, and improve access to the Roanoke River. To ensure long-term growth, Roanoke County has sought full ownership of Explore Park to streamline development and attract further private investment. In 2024 and 2025, Roanoke, Bedford, and Roanoke City adopted resolutions supporting this transfer, ensuring respect for jurisdictional boundaries and shared branding. These efforts culminated on March 19, 2025, when the Virginia General Assembly enacted House Bill 2321, authorizing the VRFA to transfer ownership of Explore Park to Roanoke County—a major milestone securing the park’s future as a premier outdoor recreation destination for the region.

Public Service Center Facility: This multi-phase project originated in the fiscal year 2017 Capital Improvement Plan (CIP) following a comprehensive facility planning study that evaluated options for replacing the existing Public Service Center, which provides office space, shops, storage, and equipment staging for multiple County departments. In fiscal year 2018, the County contracted for the acquisition of key properties on Hollins Road adjacent to the Fleet Service Center to support Phase I development. Architectural and engineering services for Phase I were procured in fiscal year 2019 and completed in late fiscal year 2020. Additional property acquisitions were finalized in fiscal year 2020 to advance construction activities. Phase I improvements included a new Welding Shop addition at the Fleet Service Center, construction of the North Addition to house General Services staff, renovation of an adjacent building, installation of a new fueling station and vehicle wash bay, and construction of two shop buildings.

Phase II, funded in fiscal year 2023, focuses on new Parks, Recreation, and Tourism administrative offices and expanded parks operations facilities. An additional parcel was acquired in fiscal year 2025 to support this phase. The parks operations facility expansion and renovation are currently under construction, with completion expected in fiscal year 2026. The administrative office project is in the bidding and early construction stage, with completion anticipated in the fall of fiscal year 2027. The total cost for all project phases—completed and planned—is estimated at \$21.3 million.

Bonsack/460 Fire Station: The new Bonsack/460 Fire Station originated in the fiscal year 2022 Capital Improvement Plan (CIP) to replace the services provided by the Read Mountain Fire Station, which previously transferred ownership to Botetourt County. It represents new and enhanced services as the twelfth Roanoke County fire station. In fiscal year 2022, architectural and engineering due diligence was performed on several sites, resulting in the identification and subsequent re-zoning and acquisition of property located on Mexico Way. Fiscal year 2023 began the procurement of architectural, engineering, and construction services utilizing Virginia’s Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA) to design and construct the new two-apparatus bay facility with a fueling station. Construction began in the fall of fiscal year 2024 and was completed in the winter of fiscal year 2025. A roof-mounted solar array was procured in fiscal year 2025, and its design and installation are anticipated to occur in fiscal year 2026. The total project cost is expected to be \$10 million.

Hollins Library Project: Programming and conceptual design for the Hollins Library redevelopment project began in fiscal year 2023, following the approval of Capital Improvement Project funding. The project is progressing under PPEA with a contractor and its selected team of architects and engineers. Construction documents for the construction portion of the PPEA contract are being developed, with construction anticipated to commence in the spring of fiscal year 2026. The project's completion is projected for the spring of fiscal year 2027. The total cost for all is expected to be \$11.5 million.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Roanoke for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. This was the forty-second consecutive year that Roanoke County has received this prestigious honor. To be awarded a Certificate of Achievement, governments have to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable legal requirements.

In addition, the County received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2025. This was the fortieth consecutive year that the government received this esteemed recognition. To qualify for the Distinguished Budget Presentation Award, the government's budget document must be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Furthermore, the GFOA has also given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the County of Roanoke for its second Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2024. 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 popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual 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.

In closing, we would like to express our sincere gratitude to the personnel in the Department of Finance and Management Services for their dedication to assuring the financial integrity of the County of Roanoke and the preparation of this report. Appreciation is also extended to the Board of Supervisors and County administration, whose continued leadership and support are essential to the financial health of the County of Roanoke.

Sincerely,



Richard L. Caywood, P.E.
County Administrator



Laurie L. Gearheart
Director of Finance and Management Services

History of Roanoke County, Virginia

In the 1740s, the first Scotch-Irish and German settlers reached the upper Roanoke Valley by traveling from Pennsylvania through the Shenandoah Valley. They were joined by Tidewater Virginians of English ancestry who journeyed up the valleys of the James and Roanoke Rivers.

Roanoke County, named after the Roanoke River, was formed in 1838 from a portion of Botetourt County and in 1849 a portion of Montgomery County was added. Roanoke County's name comes from the Indian word "Rawrenock", which means wampum. Wampum were white shell beads worn by Native Americans. This explanation comes from Captain John Smith, who wrote about the origins of Roanoke Island in North Carolina's Albemarle Sound.

For much of its early history, the County was predominantly rural, and agriculture — particularly wheat, tobacco, and associated milling operations — dominated the local economy. As the 20th century progressed, the County began to transition from primarily farm-based to more diversified industry and suburban development, although its rural character remained significant in 1920.

The County today has a population of approximately 96,497 and is a mostly suburban area that surrounds the City of Roanoke. Its 251 square miles include the Town of Vinton; Hollins, home of the prestigious Hollins University for women; and historic Bonsack. A diversified economic base helps the County maintain stability and resilience amid fluctuations in specific industry sectors.

The County is governed by a charter approved by the 1986 session of the Virginia General Assembly, which grants additional authority to the County Administrator. The Board of Supervisors is the governing body of the County. Members of the Board, one from each of five magisterial districts, are elected to four-year terms. Board members annually select a Chairman and Vice-Chairman to each serve a one-year term.

The Board appoints a County Administrator to act as administrative head of the County. The County Administrator serves at the pleasure of the Board, carries out its policies and directs business procedures. All department heads report to the County Administrator except for the County Attorney who reports directly to the Board. Five constitutional officers (Commissioner of the Revenue, Commonwealth's Attorney, Clerk of the Circuit Court, Sheriff, and Treasurer) are elected by the voters of the County and are not accountable to the Board, but work closely with the Board and the County Administrator.

On July 1, 1980, the Roanoke County Public Service Authority (therein called the "Authority") was dissolved and the sewer utility operation became a part of the utility department within the County government. The water utility operation had previously been transferred to the County effective July 1, 1976. Effective July 1, 2004, these utility operations were transferred to the newly created Western Virginia Water Authority, a regional provider serving the County and neighboring localities.

The County participates in the Roanoke Regional Airport Commission, formed in 1987 through an act of the Virginia General Assembly. The Commission's five Board members are each appointed a four year term by both the Roanoke City Council and the Roanoke County Board of Supervisors. This is representative of a cooperative, promotional spirit that is implemented in the Roanoke Valley between local governments.

In November 1992, the Roanoke County Police Department became the first nationally accredited department in Southwest Virginia through the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA). The department has maintained national accreditation since November 1997. Existing departmental programs, including criminal investigations, traffic enforcement, domestic violence, crime prevention, criminal apprehension, and community-involved policing, are enhanced through the accreditation process.

The Roanoke Valley Resource Authority (RVRA) was established on October 23, 1991 under a user agreement between the County of Roanoke, the City of Roanoke and the Town of Vinton to develop a regional solid waste disposal facility. In 2016, the City of Salem joined the RVRA. A nine-member board

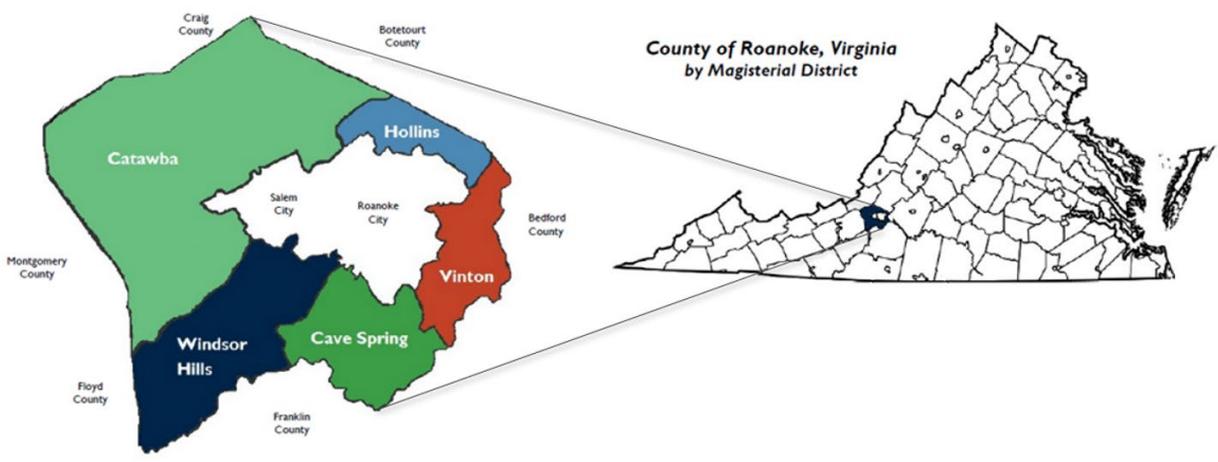
appointed by the governing bodies of the Charter Members presently governs the RVRA. The County has control over the budget and financing of the Authority only to the extent of representation by board members appointed. The old regional sanitary landfill operated by the Roanoke Valley Regional Solid Waste Management Board was closed on September 30, 1993.

The County's commitment to regional collaboration advanced on July 1, 2004, with the formation of the Western Virginia Water Authority (WVWA), a joint venture between Roanoke County and the City of Roanoke. Since its establishment, the WVWA has expanded to include Franklin County, Botetourt County, and the Towns of Vinton and Boones Mill, transforming it into a truly regional utility provider. The Western Virginia Water Authority delivers comprehensive water and wastewater services that ensure reliable, efficient, and cost-effective operations for residents and businesses throughout the region. Upon its creation, the assets and liabilities of the County's and City's water and wastewater utilities were consolidated into a single, full-service authority dedicated to maintaining high-quality service and stable rates for all customers.

The Western Virginia Regional Jail Authority was formed in June 2005 by the counties of Roanoke, Franklin, and Montgomery and the City of Salem. This regional initiative was undertaken to address overcrowded conditions experienced by each of the partner jurisdictions. The Western Virginia Regional Jail houses post-sentencing inmates and special populations, while the local jails remain operational and are used to house pre-sentencing inmates.

In 2016, the Board of Supervisors adopted the County's first Community Strategic Plan, which continues to guide County operations and investments around community health and well-being, education, economic development, public safety, transportation, and quality of life. Subsequent initiatives since 2016 include the 419 Town Center Plan, the Hollins and Oak Grove Community Planning efforts, broadband expansion projects, and regional economic growth through the Wood Haven Technology Park and I-81 corridor improvements. The County also launched a new comprehensive planning effort known as the "200 Plan" in 2023, establishing a forward-looking growth framework through 2038 across 11 community planning areas. The 200 Plan provides direction and guidance, for both the public and private sectors, in making decisions about land development, public services and resource protection.

Explore Park serves as a major symbol of this ongoing transformation. The 1,100-acre outdoor recreation area in eastern Roanoke County connects directly to the Blue Ridge Parkway and has undergone more than \$15 million in public and private investment since the County signed a 99-year lease with the Virginia Recreational Facilities Authority (VRFA) in 2013. In 2024 and 2025, Roanoke County, Bedford County, and the City of Roanoke adopted resolutions supporting the County's full ownership of the park, culminating in the passage of House Bill 2321 by the Virginia General Assembly on March 19, 2025. This milestone authorized the transfer of Explore Park from VRFA to Roanoke County, securing its long-term future as a premier regional outdoor recreation destination.



**County of Roanoke
County Officials
June 30, 2025**

Board of Supervisors

David F. Radford, Chair, Windsor Hills District
Phil C. North, Vice-Chair, Hollins District
Martha B. Hooker, Catawba District
Paul M. Mahoney, Cave Spring District
Tammy E. Shepherd, Vinton District

County Administration

Richard L. Caywood, County Administrator

County Attorney	Peter S. Lubeck
Deputy County Administrator	Rebecca E. Owens
Assistant County Administrator	Douglas M. Blount
Clerk to the Board	Rhonda D. Perdue
Chief of Fire and Rescue	C. Travis Griffith
Chief of Police	R. Mike Poindexter
Director of Community Engagement.....	Madeline L. Hanlon
Director of Development Services	Tarek M. Moneir
Director of Economic Development	Megan E. Baker
Director of Emergency Communications	Susan A. Slough
Director of Finance and Management Services.....	Laurie L. Gearheart
Director of General Services.....	Ashley D. King
Director of Human Resources.....	Elijah G. Daly
Director of Information Technology.....	Uma B. Marques
Director of Parks, Recreation and Tourism.....	R. Allen Hayes
Director of Planning.....	Philip G. Thompson
Director of Library Services.....	Jim L. Blanton
Director of Real Estate Assessments	Kenneth E. Fay
Director of Social Services	Susan G. Goad
General Registrar	Anna L. Cloeter
Unit Coordinator for Virginia Cooperative Extension	Leslie R. Prillaman

Constitutional Officers

Clerk of the Circuit Court.....	W. Michael Galliher
Commissioner of the Revenue.....	P. Jason Peters
Commonwealth Attorney.....	Brian T. Holohan
Sheriff.....	Joseph E. Orange
Treasurer.....	F. Kevin Hutchins

**Roanoke County Public Schools
Principal Officials
June 30, 2025**

School Board Members

Shelley W. Clemons, Chair, Cave Spring District
Brent T. Hudson, Vice-Chair, Catawba District
Cheryl A. Facciani, Windsor Hills District
Timothy D. Greenway, Vinton District
David M. Linden, Hollins District

School Administration

Dr. Kenneth E. Nicely, Superintendent of Schools

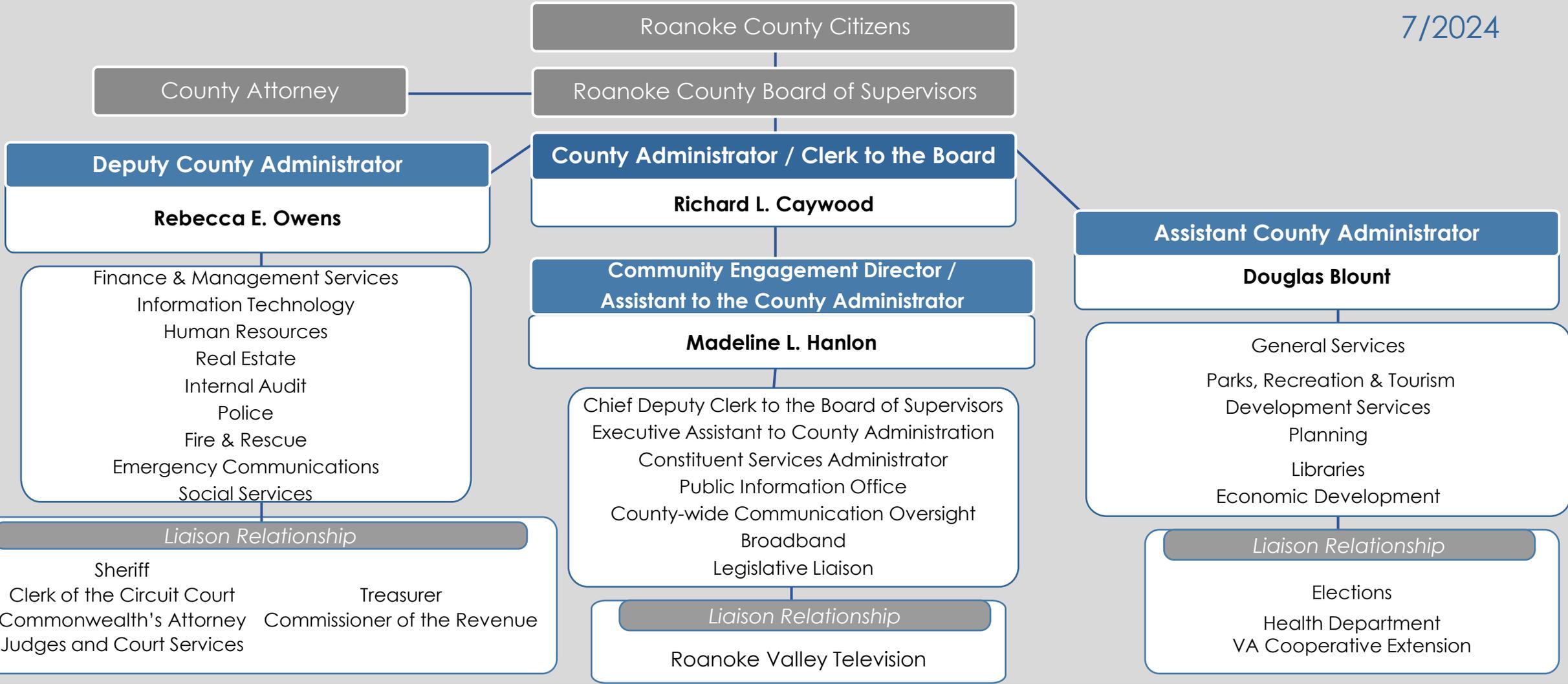
Deputy Superintendent of Administration & Operations Dr. James C. Soltis
Assistant Superintendent of Student Services and Human Resources..... Dr. Jessica M. McClung

Executive Director of Administration Tammy S. Newcomb
Executive Director of Elementary Instruction Kimberly M. Bradshaw
Executive Director of Secondary Instruction Michael J. Riley

Director of Assessment and Research Ben J. Williams
Director of Career and Technical Education Jason D. Suhr
Director of Community Relations Charles D. Lionberger
Director of Facilities and Operations Anthony (Todd) Kageals
Director of Finance Susan L. Peterson
Director of Human Resources James R. Bradshaw
Director of School Counseling Dr. Shawn D. Hughes
Director of Special Education Dr. Elisabeth P. Harmon
Director of Technology Jeff A. Terry

Roanoke County Organizational Chart

7/2024





Government Finance Officers Association

Certificate of
Achievement
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in Financial
Reporting

Presented to

**County of Roanoke
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO





FINANCIAL SECTION

Independent Auditor's Report

To the Honorable Members of the Board of Supervisors
County of Roanoke, Virginia
Roanoke, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Roanoke, Virginia (the "County") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, 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.

We did not audit the financial statements of the South Peak Community Development Authority (the "CDA"), a discretely presented component unit of the County, which represents 4.0% of the respective assets, 0.4% of the respective revenues, and 5.8% of the respective net position of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for the CDA, is based solely on the report of the other auditors.

Basis for Opinions

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

Change in Accounting Principles

As described in Note 8 and 19 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County'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 County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2025 on our consideration of the County'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 County'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 County's internal control over financial reporting and compliance.

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

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
November 26, 2025

COUNTY OF ROANOKE, VIRGINIA
Management’s Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

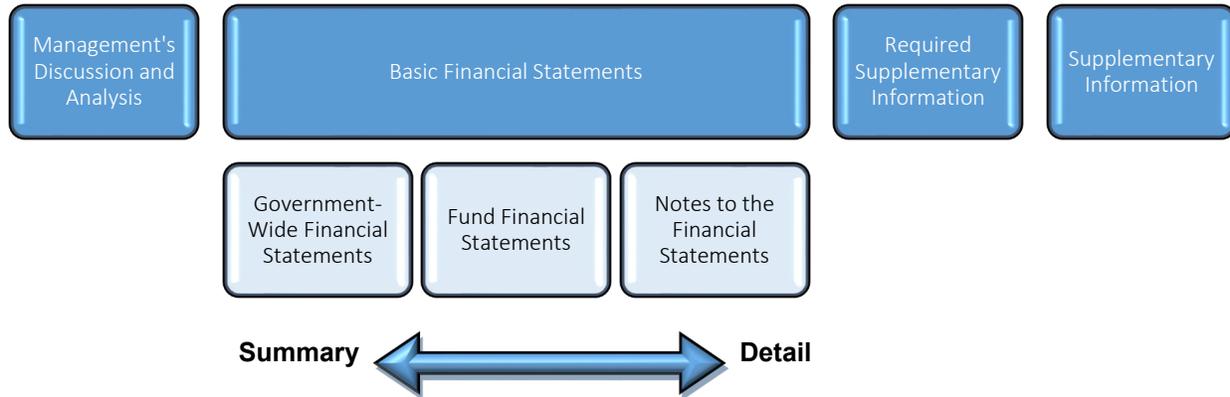
Management of the County of Roanoke, Virginia (County) presents the following discussion and analysis as an overview of the financial activities of the County for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-7 of this report.

FINANCIAL HIGHLIGHTS

- The total assets and deferred outflows of the County’s governmental activities exceeded its liabilities and deferred inflows as of June 30, 2025 by \$100.4 million (*net position*).
- On a government-wide basis for governmental activities, the County had expenses, net of program revenues, of \$225.5 million, which were \$10.4 million less than general revenues of \$235.8 million (Exhibit II), prior to the implementation of GASB 101, *Compensated Absences*.
- The County’s outstanding debt, including bond premiums and right-to-use lease and subscription obligations, increased by \$67.8 million during fiscal year 2025. This is the result of the issuance of \$46.6 million in VPSA bonds and \$31.7 million in state literary temporary loans, partially offset by scheduled principal and interest payments made during the year.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The financial section of the Annual Comprehensive Financial Report consists of the following:



Management’s discussion and analysis is intended to serve as an introduction to the County of Roanoke’s basic financial statements and is unaudited. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition, required supplementary information accompanies the basic financial statements and related notes, but is unaudited.

The County’s basic financial statements include two types of financial statements – government-wide and fund statements – each presenting a different perspective of the County’s finances. The government-wide financial statements provide both long-term and short-term information about the County’s overall financial position. The fund financial statements focus on the individual funds of the County, reporting the County’s operations in more detail than the government-wide statements. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the County’s accountability.

COUNTY OF ROANOKE, VIRGINIA
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These financial statements provide information about the County as a whole using the accrual basis of accounting, which is the method used by most private-sector companies. All current year revenues and expenses are reported in the Statement of Activities regardless of when cash is received or paid. These statements allow readers to answer the question: "Is the County's financial position, as a whole, better or worse as a result of the year's activities?"

One of the main goals of these two financial statements is to report the County's net position and changes that affected net position during the fiscal year. The amount of net position, which is the difference between assets and deferred outflows and liabilities and deferred inflows, is one way to measure the County's financial position. Over time, increases or decreases in net position are indicators of whether the County's financial condition is improving or deteriorating. Other nonfinancial factors, such as changes in the County's property tax base and the physical condition of the County's infrastructure should also be considered in assessing the overall financial condition of the County.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate Roanoke County Public Schools and a legally separate Economic Development Authority and South Peak Community Development Authority for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 32-33 of this report.

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

Governmental activities – Most of the County's basic services are reported as governmental activities, including public safety, public works, judicial administration, library, health and welfare, parks, recreation and cultural, community development, education, and general government. Property and other local taxes, and state and federal grants finance most of these activities.

Fund Financial Statements

Government financial statements have traditionally been prepared using the fund financial statement presentation. They provide more detailed information about the County's funds, focusing on its most significant or "major" funds – not the system as a whole. The County utilizes three types of funds:

- Governmental funds: Most of the County's basic services are reported in governmental funds, which focus on how resources flow into and out of those funds and the remaining balances at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation accompanying the fund financial statements.
- Proprietary funds: The County uses Internal Service funds to provide for health, other post-employment benefits, dental, and workers' compensation coverage for employees and for general and automobile liability coverage.
- Fiduciary funds: The County is trustee, or fiduciary, for the Fire and Rescue Pension Trust Length of Service Awards Program. The County acts in a custodial capacity or fiscal agent, for the

COUNTY OF ROANOKE, VIRGINIA
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

Roanoke Valley Resource Authority, Virginia Recreational Facilities Authority, the Western Virginia Regional Jail Authority, the Regional Center for Animal Control and Protection and other local agencies. Resources held for other governments, individuals or agencies not part of the County are reported as fiduciary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The County excludes these activities from the government-wide financial statements because the County cannot use these assets to finance its operations.

The governmental fund financial statements can be found beginning on page 34 of this report.

Notes to the basic financial statements – The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 45 of this report.

Required supplementary information – In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's budgetary comparisons, contributions and progress in funding its obligation to provide pension and postemployment health care benefits to its employees. Required supplementary information can be found beginning on page 137 of this report.

Certain additional *supplementary information* is presented immediately following the required supplementary information. Supplementary information includes combining schedules of governmental funds (including budgetary comparisons), combining schedules of internal service funds, and combining schedules of fiduciary funds. Also included are statements of component units. Supplementary information can be found beginning on page 159 of this report.



COUNTY OF ROANOKE, VIRGINIA
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Summary of Net Position

As noted earlier, the amount of net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Summary of Net Position as presented in the government-wide financial statements:

Summary of Net Position			
As of June 30, 2025 and 2024			
	Governmental Activities		Percent Change
	2025	2024	
Current and other assets	\$ 167,167,268	\$ 137,585,038	21.5%
Capital assets, net	266,785,210	210,413,977	26.8%
Total assets	433,952,478	347,999,015	24.7%
Deferred outflows	33,935,743	20,073,025	69.1%
Other liabilities	30,576,490	24,178,470	26.5%
Long-term liabilities	306,730,661	225,640,911	35.9%
Total liabilities	337,307,151	249,819,381	35.0%
Deferred inflows	30,131,358	27,062,996	11.3%
Net investment in capital assets	80,433,882	92,693,142	-13.2%
Restricted	5,262,977	5,468,240	-3.8%
Unrestricted	14,752,853	(6,971,719)	-311.6%
Total net position	\$ 100,449,712	\$ 91,189,663	10.2%

In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$100.4 million at the close of Fiscal Year 2025. This \$9.3 million increase, after incorporating the restatement required by GASB 101, *Compensated Absences*, reflects an overall strengthening of the County's financial position. The improvement is primarily attributable to revenues exceeding expenses, a significant increase in deferred outflows related to pension plans, and a notable rise in net capital assets resulting from major projects in progress.

The largest portion of the County's net position is \$80.4 million (80.0%) and reflects its *net investment in capital assets* (i.e., land, buildings, machinery and equipment, right-to-use leased equipment net of the lease liability, and subscription assets net of the subscription liability) less any related outstanding debt used to acquire those assets. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

COUNTY OF ROANOKE, VIRGINIA
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

The County's *restricted net position* of \$5.3 million (5.3%) represents funds externally restricted for specific purposes as determined by external requirements or legal restrictions. The remaining balance of \$14.8 million, or 14.7%, is *unrestricted net position* which reflects funds that may be used for general governmental purposes.

At the end of the current fiscal year, the County was able to report a positive balance in the net investment in capital assets, restricted, and unrestricted categories.

Changes in Net Position

The following table presents a condensed summary of changes in net position for governmental activities:

Changes in Net Position			
For the Year Ended June 30, 2025 and 2024			
	Governmental Activities		Percent
	2025	2024	Change
Revenues			
Program Revenues:			
Charges for services	\$ 16,559,379	\$ 17,218,029	-3.8%
Operating grants & contributions	53,543,292	48,958,915	9.4%
Capital grants & contributions	-	720,356	-100.0%
General Revenues:			
Property taxes	170,818,969	160,068,248	6.7%
Sales taxes	16,003,441	15,722,733	1.8%
Business license taxes	9,108,839	8,980,801	1.4%
Communication taxes	2,556,746	2,569,244	-0.5%
Consumer utility taxes	3,966,343	3,582,087	10.7%
Tax on prepared food	6,275,427	6,164,984	1.8%
Motor vehicle licenses	3,041,161	2,936,793	3.6%
Other local taxes	7,105,256	6,679,280	6.4%
Non-categorical state aid	12,229,857	12,229,857	0.0%
Other revenues	4,715,978	7,143,956	-34.0%
Total revenues	305,924,688	292,975,283	4.4%
Expenses			
General government	23,965,609	23,961,046	0.0%
Judicial administration	4,675,712	3,781,943	23.6%
Public safety	77,997,406	73,199,942	6.6%
Public works	26,233,325	22,595,877	16.1%
Library	6,915,670	6,319,135	9.4%
Health & welfare	32,327,487	30,639,368	5.5%
Parks, recreation and culture	9,736,491	11,299,035	-13.8%
Community development	6,960,824	5,581,095	24.7%
Education	99,808,077	104,769,360	-4.7%
Interest and other charges	6,937,545	6,120,032	13.4%
Total expenses	295,558,146	288,266,833	2.5%
Change in net position	10,366,542	4,708,450	120.2%
Total net position, beginning	91,189,663	86,481,213	5.4%
Restatement *	(1,106,493)	-	100.0%
Total net position, beginning, as restated	90,083,170	86,481,213	4.2%
Total net position, end of year	\$ 100,449,712	\$ 91,189,663	10.2%

* Beginning net position was restated during the fiscal year due to the implementation of GASB Statement 101.

COUNTY OF ROANOKE, VIRGINIA
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

Governmental Activities

Governmental activities increased the County's net position by \$9.3 million after considering the implementation of GASB Statement 101, *Compensated Absences*. The County's total revenues increased from the prior year by 4.4% to \$305.9 million and expenses for all programs and services increased 2.5% to \$295.6 million.

Approximately 55.8% of the County's revenues come from property taxes, 17.5% from operating grants and contributions, 5.4% from charges for services, 5.4% from sales tax, 4.0% from non-categorical state aid, 3.0% from business license tax, 2.3% from other local tax, 2.1% from tax on prepared food, 1.3% from consumer utility tax, 1.0% from motor vehicle licenses, 0.8% from communications tax, and 1.4% from other and miscellaneous revenues.

The County's expenses cover a range of services, with about 33.8% related to Education, 26.4% to Public Safety, 11.4% to Health and Welfare, 8.9% to Public Works, 8.1% to General Government, 2.9% to Parks, Recreation and Culture, 2.2% to Library, 2.4% to Community Development, 1.6% to Judicial Administration, and 2.3% for interest and other charges.

Revenues for governmental activities increased \$12.9 million (4.4%), while total expenses increased \$7.3 million (2.5%) compared to the prior year.

Key elements of these changes were as follows:

- Operating grants and contributions increased by \$4.5 million (9.4%) primarily due to continued funding for greenway expansion projects and higher reimbursements associated with increased service costs provided by the Comprehensive Services Act (CSA).
- Property tax revenues increased by \$10.8 million (6.7%), reflecting growth in both real and personal property tax assessed values during the year.
- Consumer utility taxes increased by \$0.3 million (10.7%), driven by rising utility provider rates.
- Other revenues decreased by \$2.4 million (-34.0%), as fiscal year 2024 included one-time Monsanto Settlement Funds that did not recur in fiscal year 2025.
- Judicial administration expenses increased by \$0.9 million (23.6%), largely due to courthouse renovation expenditures.
- Public works expenses increased by \$3.6 million (16.1%), primarily attributable to broadband initiatives, stormwater management projects, and general building maintenance.
- Parks, recreation, and culture expenses decreased by \$1.6 million (-13.8%), following the completion of phased greenway projects in fiscal year 2024.
- Community development expenses increased by \$1.4 million (24.7%) as a result of capital outlays for broadband expansion and transportation alternative and improvement grants.
- Education expenses decreased by \$4.9 million (-4.7%) due to the absence of a tenancy-in-common asset transfer to Roanoke County Public Schools that occurred in fiscal year 2024. Excluding this transaction, the County's transfer to the School System increased by \$5.7 million (6.7%) in County revenue sharing support.

COUNTY OF ROANOKE, VIRGINIA
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

- Interest and other charges increased by \$0.8 million (13.4%), reflecting several long-term debt activities in fiscal year 2025, including a debt refunding and the issuance of Virginia Public School Authority (VPSA) bonds and temporary State Literary Loans.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds

Governmental funds consist of the General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund and account for the general operations of the County. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. The components of fund balance include non-spendable, restricted, committed, assigned and unassigned. The County has fund balances in all components at year end.

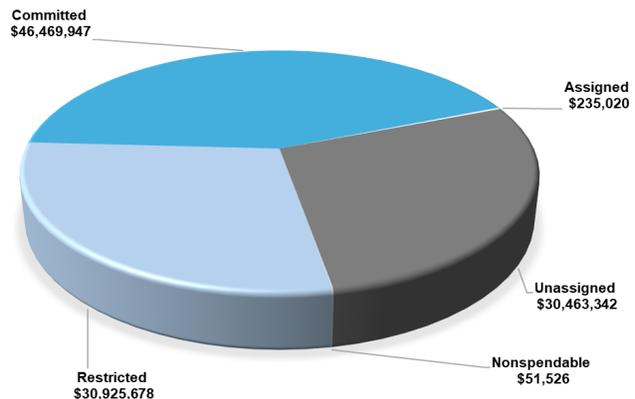
As of the end of the fiscal year, the County's governmental funds reported combined fund balance of \$108.1 million, an increase of \$21.2 million in comparison with fiscal year 2024. At year end, 0.1% (\$0.05 million) constitutes *non-spendable fund balance* which reflects prepaid assets that are non-liquid in form and cannot be spent, 28.6% (\$30.9 million) constitutes *restricted fund balance*, which is externally restricted for State and Federal grant programs, 43.0% (\$46.5 million) constitutes *committed fund balance*, which is designated for future capital projects, education, community development, stormwater management, LOSAP pension liability, and other general government programs, 0.2% (\$0.2 million) constitutes *assigned fund balance*, which is designated for parks and recreation and other various general government programs, and 28.1% (\$30.5 million) constitutes *unassigned fund balance* which reflects the County's unappropriated fund balances for all general governmental accounts.

The General Fund balance increased by \$1.0 million during the current fiscal year, primarily due to a decrease in liabilities related to completed grant projects.

The Special Revenue Fund accounts for proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The restricted fund balance increased from prior year by \$236,359 as a result of the increase in the taxes received from the South Peak district.

The Debt Service Fund accounts for the accumulation of resources and the payment of principal and interest on the County's general long-term debt. While the fund balance remained relatively stable between fiscal years, the County achieved savings through a bond refunding during the year.

The Capital Projects Fund is used to account for the acquisition or construction of major capital facilities. At the end of the current fiscal year, the Capital Projects Fund balance consisted of \$36.2 million committed and \$25.7 million restricted for future capital projects. The \$20.0 million increase in fund balance primarily reflects proceeds from a VPSA debt issuance and state literary temporary loans to support the construction and renovation of three school facilities.



COUNTY OF ROANOKE, VIRGINIA
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

GENERAL FUND BUDGETARY HIGHLIGHTS

The County's budget is prepared in accordance with the *Code of Virginia*. During the year, the County amended the original budget primarily for the following purposes:

- To reappropriate monies to pay for commitments in the form of encumbrances established prior to June 30, 2025 but not paid by that date.
- To reappropriate grants, donations and other revenues authorized in fiscal year 2025 or earlier, but not expended or encumbered as of June 30, 2025.
- To appropriate grants, donations, and other revenues accepted or adjusted in fiscal year 2025 when official notice of approval was received.
- To appropriate the designated general fund balance to capital projects.

Below is a condensed version of the budgetary comparison of the General Fund original budget, amended budget, and actual amounts for fiscal year 2025.

Budgetary Highlights - General Fund			
For the Year Ended June 30, 2025			
	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual</u>
Revenues	\$ 276,401,638	\$ 309,511,185	\$ 295,647,744
Expenditures	(162,834,173)	(201,845,095)	(185,773,117)
Other financing sources (uses)	<u>(119,483,062)</u>	<u>(110,138,221)</u>	<u>(108,911,693)</u>
Net change in fund balance	<u>\$ (5,915,597)</u>	<u>\$ (2,472,131)</u>	<u>\$ 962,934</u>

Actual General Fund total revenues fell short of the amended budget by \$13.9 million for fiscal year 2025. The variance primarily reflects timing differences associated with several reimbursable federal and state grants budgeted for the Roanoke River Greenway, corridor improvements, American Rescue Plan Act projects, and other initiatives. While project planning and progress continued during the year, expenditures were not fully incurred, resulting in lower grant reimbursements recognized during the fiscal period.

Expenditures and transfers were less than budgetary estimates by \$16.1 million, resulting in savings at year end primarily due to grant awards budgeted, but not fully expended. Other financing sources (uses) were less than budget due to an unbudgeted recognition of proceeds from right-to-use subscriptions.

The County Board of Supervisors appropriated \$1.4 million in transfers in fiscal year 2025 to allocate the prior year's ending fund balance for future expenditures and capital projects. The County's ending fund balance increased by \$1.0 million as of June 30, 2025, compared to the prior fiscal year, primarily reflecting moderate revenue growth offset by well-managed expenditures. The School Board and County Board of Supervisors have a jointly adopted financial policy designating year end balances be re-appropriated, with recommendations presented for approval during the final year-end report.

COUNTY OF ROANOKE, VIRGINIA
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

PROPRIETARY FUNDS

The County's Internal Service Funds, a proprietary fund type, are reported on the same accrual basis as the government-wide financial statements but are presented in greater detail within the fund financial statements. Unrestricted net position for the Health Insurance, Dental Insurance, and Risk Management Funds totaled \$4,748,650 at year-end. The Health Insurance and Dental Insurance Funds experienced increases in net position of \$1,805,535 and \$22,447, respectively, due to favorable claims experience. The Risk Management Fund reported a decrease of \$328,400 in net position, driven largely by higher costs resulting from an atypical general liability claim.

CAPITAL ASSETS

As of June 30, 2025, the County had invested \$266.8 million, net of accumulated depreciation and amortization, in a variety of capital assets including land, buildings, construction-in-progress, land improvements, equipment, and right-to-use leased equipment and subscription-based information technology arrangements. The total net increase in the County's investment in capital assets for the current year was \$56.4 million. This increase is mainly due to the construction and renovation of three school facilities, along with the completion of the Bonsack Fire Station and Phase I of the Public Service Center Renovation.

Additional information about the County's capital assets can be found in Note 9 to the basic financial statements. Capital assets are illustrated in the following table:

Capital Assets		
As of June 30, 2025 and 2024		
	Governmental Activities	
	2025	2024
Land	\$ 14,043,182	\$ 13,499,901
Construction in progress	75,176,353	30,195,767
Buildings, improvements and systems	370,664,983	349,822,846
Furniture, fixtures, and equipment	86,363,272	84,809,758
Right to use leased equipment	359,020	359,020
Right to use subscription assets	2,243,108	4,150,523
Subtotal	548,849,918	482,837,815
Accumulated depreciation and amortization	(282,064,708)	(272,423,838)
Totals	\$ 266,785,210	\$ 210,413,977

The most notable capital asset events during the current fiscal year included the following:

- The completion of the Bonsack Fire Station and Phase I of the Public Service Center Renovation.
- The increase of construction in progress by \$45.0 million due to the construction and renovation of three school facilities, including Glen Cove Elementary, W.E. Cundiff Elementary, and the Roanoke County Career and Technology Center.

COUNTY OF ROANOKE, VIRGINIA
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

LONG-TERM DEBT

At June 30, 2025, the County had a number of bonded debt issues outstanding. These include \$109.3 million of Virginia Public School Authority (VPSA) bonds for School purposes, \$72.5 million outstanding of lease revenue bonds, and \$31.7 million of temporary State Literary Loans. Although the issuance of bonds by Virginia counties is not subject to any limitations on amount, counties are prohibited from issuing general obligation bonds unless the issuance has been approved by public referendum. The current state literary loans are issued through the Commonwealth's Literary Fund to finance school construction and renovation projects for localities. These loans are initially placed in a temporary status while funds are being drawn for project expenditures.

Outstanding debt, including bond premiums and liabilities related to right-to-use lease and subscription obligations, increased by a net amount of \$67.8 million as of June 30, 2025. This increase was primarily due to the issuance of \$46.6 million in VPSA bonds and \$31.7 million in temporary State Literary Loans, partially offset by scheduled principal and interest payments made during the year. The County also participated in a Virginia Resources Authority (VRA) debt refunding, which will generate long-term savings through a reduced interest rate.

The County has adopted a debt policy that establishes guidelines and limitations for the issuance of debt. The debt policy addresses the level of total indebtedness the County can reasonably expect to incur without jeopardizing its financial position and to ensure the efficient and effective operation of the County. The County measures its total level of debt through two ratios: 1) net debt per assessments should not exceed 3% and 2) debt service to general fund expenditures should not exceed 10%. As of June 30, 2025, the County's net debt to assessments ratio was 1.51%, and the percent of debt service to general fund expenditures was 4.24% based on total debt outstanding.

The County maintains strong bond ratings on its outstanding lease revenue bonds as follows: Standard & Poor's AA+, Moody's Investor Service Aa1, and Fitch AA+.

Additional information on the County's long-term debt can be found in Note 8 to the basic financial statements. The following table illustrates the County's outstanding debt:

Outstanding Debt			
As of June 30, 2025 and 2024			
		Governmental Activities	
		2025	2024
Virginia Public School Authority bonds	\$	109,321,388	\$ 69,781,182
Lease Revenue bonds		72,515,000	78,395,000
State Literary Loans		31,674,050	-
Bond Premiums		13,244,796	11,056,810
Lease obligations		31,068	103,363
Right-to-use subscription obligations		1,169,043	795,364
Totals	\$	227,955,345	\$ 160,131,719

COUNTY OF ROANOKE, VIRGINIA
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

FACTORS INFLUENCING FUTURE BUDGETS AND RATES

Key factors that are expected to impact future budgets include:

- Current financial market volatility and continued uncertainty of the economy.
- Projected changes in retirement contribution rates assessed by the Virginia Retirement System.
- Projected increases in health insurance premiums.
- Ensuring sustainable funding for the Capital Improvement Program by balancing the use of debt and available cash resources.
- Volatility of CSA program expenditures.

ECONOMIC FACTORS

The County continues to forecast growth in its local tax base to sustain and enhance service levels. While management closely monitors year-to-date revenue collections and regularly updates forecasts, the current economic climate requires continued caution when estimating future revenues.

The County recognizes the value of properly identifying year-end commitments. Accordingly, the County is able to utilize all or portions of surpluses at the end of the current year as a source of funding in a subsequent year, while also meeting the County's fund balance and capital policies, and maintaining desired reserves for future needs.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the resources it receives. Questions or requests for additional information should be directed to:

Director of Finance and Management Services

County of Roanoke
5204 Bernard Drive, Suite 300E
Roanoke, Virginia 24018
(540) 283-8126

www.roanokecountyva.gov





BASIC FINANCIAL STATEMENTS

COUNTY OF ROANOKE, VIRGINIA
Statement of Net Position
June 30, 2025

Exhibit I

	Governmental Activities	Component Units
ASSETS		
Cash and cash equivalents	\$ 56,123,098	\$ 42,596,042
Cash and investments with fiscal agents	55,620,010	-
Investments	5,092,223	2,891,666
Restricted cash and cash equivalents	602,509	-
Accounts receivable	26,527,039	170,075
Lease receivable	1,522,300	-
Due from other governments	21,628,563	7,693,941
Inventories	-	618,445
Land held for resale	-	3,965,139
Prepaid and other assets	51,526	107,461
Net asset from pension	-	2,765,223
<i>Capital assets:</i>		
Land and construction in progress	89,219,535	17,776,052
Other capital assets, net	177,565,675	90,469,904
Capital assets, net	266,785,210	108,245,956
Total assets	433,952,478	169,053,948
DEFERRED OUTFLOWS		
Resources related to pension plan	28,806,056	32,964,828
Other postemployment benefits provided by Virginia Retirement System	1,465,425	3,072,231
Other postemployment benefits provided by Roanoke County and School System	3,664,262	2,657,866
Total deferred outflows	33,935,743	38,694,925
LIABILITIES		
Accounts payable	18,602,429	1,846,529
Accrued liabilities	3,549,236	9,172,465
Unearned revenues	6,024,928	2,320,695
Accrued interest payable	2,399,897	70,899
Due to other governments	3,040	-
<i>Long-term liabilities due or payable within one year:</i>		
Bonds payable, net	12,935,426	419,000
Lease obligations	31,068	3,811,300
Right-to-use subscription obligations	938,568	486,565
Compensated absences	3,698,568	1,126,468
Claims payable	1,566,161	1,797,123
Total LOSAP pension liability	494,157	-
<i>Long-term liabilities due or payable after one year:</i>		
Bonds payable, net	213,819,808	4,279,000
Lease obligations	-	7,277,101
Right-to-use subscription obligations	230,475	618,026
Compensated absences	5,311,342	7,489,293
Claims payable	1,425,339	409,877
Net pension liabilities	52,188,300	88,559,158
Total LOSAP pension liability	8,194,163	-
Other postemployment benefits provided by Virginia Retirement System	3,849,405	15,620,895
Other postemployment benefits provided by Roanoke County and School System	2,044,841	7,253,546
Total liabilities	337,307,151	152,557,940
DEFERRED INFLOWS		
Deferred revenues	17,922,595	-
Lease agreements	1,522,300	-
Deferred gains on refundings of debt	221,217	-
Resources related to pension plan	7,911,615	15,296,134
Other postemployment benefits provided by Virginia Retirement System	636,662	1,567,562
Other postemployment benefits provided by Roanoke County and School System	1,916,969	3,082,915
Total deferred inflows	30,131,358	19,946,611
NET POSITION		
Net investment in capital assets	80,433,882	84,158,865
Restricted for:		
Net asset from pension	-	2,765,223
Grant programs	1,550,835	-
Opioid abatement	1,333,686	-
Law enforcement forfeitures and jail fees	912,273	-
Special revenue program	1,466,183	-
Unrestricted	14,752,853	(51,679,766)
Total net position	\$ 100,449,712	\$ 35,244,322

See accompanying notes to basic financial statements.

COUNTY OF ROANOKE, VIRGINIA
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Units
Primary Government						
General government	\$ 23,965,609	\$ 1,740,228	\$ 1,113,385	\$ -	\$ (21,111,996)	\$ -
Judicial administration	4,675,712	860,930	1,853,826	-	(1,960,956)	-
Public safety	77,997,406	5,326,882	16,289,636	-	(56,380,888)	-
Public works	26,233,325	431,537	-	-	(25,801,788)	-
Library	6,915,670	431,272	318,223	-	(6,166,175)	-
Health and welfare	32,327,487	2,022,854	19,188,170	-	(11,116,463)	-
Parks, recreation, and culture	9,736,491	4,864,853	7,096,307	-	2,224,669	-
Community development	6,960,824	880,823	504,644	-	(5,575,357)	-
Education	99,808,077	-	7,179,101	-	(92,628,976)	-
Interest and other charges	6,937,545	-	-	-	(6,937,545)	-
	<u>\$ 295,558,146</u>	<u>\$ 16,559,379</u>	<u>\$ 53,543,292</u>	<u>\$ -</u>	<u>(225,455,475)</u>	<u>-</u>
Total component units	<u>\$ 240,148,331</u>	<u>\$ 8,222,311</u>	<u>\$ 58,984,073</u>	<u>\$ 5,139,967</u>	<u>-</u>	<u>(167,801,980)</u>
General revenues:						
					170,818,969	-
					16,003,441	-
					9,108,839	-
					2,556,746	-
					3,966,343	-
					6,275,427	-
					3,041,161	-
					7,105,256	-
					-	96,250,118
					-	512,574
					12,229,857	73,965,216
					-	841,291
					128,327	191,987
					4,179,659	116,009
					407,992	2,054,812
					<u>235,822,017</u>	<u>173,932,007</u>
					10,366,542	6,130,027
					91,189,663	29,114,295
					(1,106,493)	-
					<u>90,083,170</u>	<u>29,114,295</u>
					<u>\$ 100,449,712</u>	<u>\$ 35,244,322</u>

See accompanying notes to basic financial statements.

COUNTY OF ROANOKE, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2025

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 28,222,513	\$ 1,473,369	\$ 310,596	\$ 18,264,076	\$ 48,270,554
Cash and investments with fiscal agents	3,587,073	-	25,658	52,007,279	55,620,010
Investments	2,671,786	-	-	1,692,679	4,364,465
Restricted cash and cash equivalents	602,509	-	-	-	602,509
Receivables	26,257,898	378	-	93,051	26,351,327
Lease Receivable	1,522,300	-	-	-	1,522,300
Due from other governments	21,625,859	-	-	2,704	21,628,563
Prepaid items and other assets	-	1,446	1,175	48,905	51,526
Total assets	<u>\$ 84,489,938</u>	<u>\$ 1,475,193</u>	<u>\$ 337,429</u>	<u>\$ 72,108,694</u>	<u>\$ 158,411,254</u>
LIABILITIES					
Accounts payable	\$ 7,389,456	\$ 7,564	\$ 7,500	\$ 10,182,045	\$ 17,586,565
Accrued wages and benefits	3,549,236	-	-	-	3,549,236
Due to other governments	3,040	-	-	-	3,040
Unearned revenues	6,014,928	-	-	10,000	6,024,928
Total liabilities	<u>16,956,660</u>	<u>7,564</u>	<u>7,500</u>	<u>10,192,045</u>	<u>27,163,769</u>
DEFERRED INFLOWS					
Deferred revenues	17,922,595	-	-	-	17,922,595
Unavailable revenues	3,657,077	-	-	-	3,657,077
Lease agreements	1,522,300	-	-	-	1,522,300
	<u>23,101,972</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,101,972</u>
FUND BALANCES					
Nonspendable	-	1,446	1,175	48,905	51,526
Restricted	3,796,794	1,466,183	-	25,662,701	30,925,678
Committed	9,936,150	-	328,754	36,205,043	46,469,947
Assigned	235,020	-	-	-	235,020
Unassigned	30,463,342	-	-	-	30,463,342
Total fund balances	<u>44,431,306</u>	<u>1,467,629</u>	<u>329,929</u>	<u>61,916,649</u>	<u>108,145,513</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 84,489,938</u>	<u>\$ 1,475,193</u>	<u>\$ 337,429</u>	<u>\$ 72,108,694</u>	<u>\$ 158,411,254</u>

COUNTY OF ROANOKE, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2025

Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Position

Total fund balances for governmental funds (Exhibit III) \$ 108,145,513

Total net capital assets reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (Note 9). Those assets consist of:

Land and construction in progress	89,219,535	
Other capital assets, net of \$282,064,708 of accumulated depreciation and amortization	<u>177,565,675</u>	
Total capital assets, net		266,785,210

Internal service funds (Exhibit V) are used by the County to charge the cost of health, dental, and risk management to individual funds. These assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. Internal service fund net position is:

4,748,650

County revenues that are earned but not considered available are not current financial resources and, therefore, are not reported in the governmental funds.

3,657,077

Long-term assets or liabilities are not due and payable in the current period and, therefore, are not reported as assets or liabilities in the governmental funds. Balances at June 30, 2025 are:

Accrued interest payable	(2,399,897)	
Bonds payable	(213,510,438)	
Bond premiums	(13,244,796)	
Lease obligations	(31,068)	
Right-to-use subscription obligations	(1,169,043)	
Compensated absences	(9,009,910)	
Other postemployment benefit OPEB liabilities	(5,894,246)	
Net pension liabilities	<u>(60,876,620)</u>	
Total long-term assets and liabilities		(306,136,018)

Deferred outflows and inflows or resources related to debt refunds, pensions, and OPEB are applicable to future periods and, therefore, are not reported in the governmental funds. Balances at June 30, 2025 are:

Deferred outflows of resources related to pension plan	28,806,056	
Deferred outflows of resources related to other postemployment benefits	5,129,687	
Deferred inflows from debt refundings resulting in gain transactions	(221,217)	
Deferred inflow of resources related to pension plan	(7,911,615)	
Deferred inflows of resources related to other postemployment benefits	<u>(2,553,631)</u>	
Total deferred outflows and inflows		23,249,280

Total net position of governmental activities (Exhibit I) \$ 100,449,712

COUNTY OF ROANOKE, VIRGINIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
REVENUES					
General property taxes	\$ 172,105,982	\$ 288,671	\$ -	\$ -	\$ 172,394,653
Other local taxes	46,969,446	552,622	-	-	47,522,068
Permits, fees, and licenses	1,174,041	-	-	-	1,174,041
Fines and forfeitures	456,368	-	-	-	456,368
Use of money and property	1,669,743	41,541	6,743	771,872	2,489,899
Charges for services	10,703,846	-	-	166,685	10,870,531
Intergovernmental revenue	58,404,064	-	4,125,345	3,688,361	66,217,770
Locality compensation payments	-	-	124,663	-	124,663
Miscellaneous	4,164,254	-	255,005	-	4,419,259
Total revenues	<u>295,647,744</u>	<u>882,834</u>	<u>4,511,756</u>	<u>4,626,918</u>	<u>305,669,252</u>
EXPENDITURES					
Current operating:					
General government	20,254,365	-	-	-	20,254,365
Judicial administration	4,215,443	-	-	-	4,215,443
Public safety	76,607,360	-	-	-	76,607,360
Public works	21,698,488	-	-	-	21,698,488
Library	6,017,981	-	-	-	6,017,981
Health and welfare	31,596,249	-	-	-	31,596,249
Parks, recreation, and culture	16,196,835	-	-	-	16,196,835
Community development	6,525,665	39,595	-	-	6,565,260
Education	91,910,608	-	-	-	91,910,608
Technology outlay - right-to-use subscriptions	1,002,716	-	-	-	1,002,716
Debt service:					
Principal	1,600,159	380,000	11,649,794	-	13,629,953
Interest and other charges	57,856	226,880	6,250,245	893,200	7,428,181
Capital outlay	-	-	-	68,380,934	68,380,934
Total expenditures	<u>277,683,725</u>	<u>646,475</u>	<u>17,900,039</u>	<u>69,274,134</u>	<u>365,504,373</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,964,019</u>	<u>236,359</u>	<u>(13,388,283)</u>	<u>(64,647,216)</u>	<u>(59,835,121)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of bonds and temporary loans	-	-	14,135,000	78,234,050	92,369,050
Premium on bonds	-	-	1,427,183	2,460,292	3,887,475
Payments to refunded escrow agent	-	-	(15,391,282)	-	(15,391,282)
Proceeds from sale of land, buildings and equipment	-	-	-	128,327	128,327
Proceeds from right-to-use subscriptions	1,002,716	-	-	-	1,002,716
Transfers in	2,202,977	-	13,346,009	5,977,552	21,526,538
Transfers out	(20,206,778)	-	(124,750)	(2,202,977)	(22,534,505)
Total other financing sources (uses), net	<u>(17,001,085)</u>	<u>-</u>	<u>13,392,160</u>	<u>84,597,244</u>	<u>80,988,319</u>
Net change in fund balances	962,934	236,359	3,877	19,950,028	21,153,198
Total fund balances at beginning of year	43,468,372	1,231,270	326,052	41,966,621	86,992,315
Total fund balances at end of year	<u>\$ 44,431,306</u>	<u>\$ 1,467,629</u>	<u>\$ 329,929</u>	<u>\$ 61,916,649</u>	<u>\$ 108,145,513</u>

See accompanying notes to basic financial statements.

(continued)

COUNTY OF ROANOKE, VIRGINIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities**

Net change in fund balances - total governmental funds (Exhibit IV)		\$ 21,153,198
Total change in net position reported for governmental activities in the Statement of Activities is different due to:		
Internal service funds (Exhibit VI) are used by the County to charge the cost of health, dental, and risk management to individual funds. The change in net position of internal service funds is reported with governmental activities.		1,499,582
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		813,844
Governmental funds report capital outlays and right to use leased equipment and subscription obligations as expenditures. However, in the Statement of Activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlays and the net book value of disposals (\$67,658,020) were over depreciation and amortization expense (\$11,286,787) in the current period.		56,371,233
Long-term liabilities, including bond and other obligation proceeds, are reported as financing sources in governmental funds and, thus, contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the change in net position. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position.		
Obligation under debt issuances	(80,865,243)	
Repayments of bond principal	11,649,794	
Right-to-use lease obligations	72,295	
Right-to-use subscription obligations	(373,679)	
Locality compensation payment	(124,663)	
Net adjustment	(69,641,496)	(69,641,496)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, which is presented on the accrual basis, expenses and changes in liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net change of the following:		
Compensated absences	(180,945)	
Accrued interest payable	870,636	
Right-to-use subscriptions	(1,002,716)	
Net adjustment	(313,025)	(313,025)
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		(1,069,363)
Governmental funds report other postemployment benefit contributions as expenditures. However, in the Statement of Activities, the cost of other postemployment benefits earned net of employee contributions is reported as pension expense.		1,552,569
Change in net position of governmental activities (Exhibit II)		\$ 10,366,542

See accompanying notes to basic financial statements.

COUNTY OF ROANOKE, VIRGINIA
Statement of Net Position
Proprietary Funds
June 30, 2025

	Internal Service Funds
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 7,852,544
Investments	727,758
Accounts receivable	175,712
Total current assets	8,756,014
LIABILITIES	
Current liabilities:	
Accounts payable	1,015,864
Claims payable	1,566,161
Total current liabilities	2,582,025
Noncurrent liabilities:	
Claims payable	1,425,339
Total noncurrent liabilities	1,425,339
Total liabilities	4,007,364
Net Position:	
Unrestricted	4,748,650
Total net position	\$ 4,748,650

See accompanying notes to basic financial statements.

COUNTY OF ROANOKE, VIRGINIA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 16,365,555
Total operating revenues	16,365,555
OPERATING EXPENSES	
Purchased services	2,559,671
Claims	13,581,332
Total operating expenses	16,141,003
Operating income	224,552
NONOPERATING REVENUES	
Investment income	267,063
Total nonoperating revenues	267,063
Net income before transfers	491,615
TRANSFERS	
Transfers in	1,007,967
Net transfers	1,007,967
Change in net position	1,499,582
Total net position at beginning of year	3,249,068
Total net position at end of year	\$ 4,748,650

See accompanying notes to basic financial statements.

COUNTY OF ROANOKE, VIRGINIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	<u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from interfund services provided	\$ 16,365,555
Payments to suppliers	(2,367,473)
Claims paid	(13,568,032)
Other receipts, net	63,706
Cash provided by operating activities	<u>493,756</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in from other funds	1,007,967
Cash provided by noncapital financing activities	<u>1,007,967</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	156,810
Interest and dividends received	267,063
Cash provided by investing activities	<u>423,873</u>
Increase in cash and cash equivalents	1,925,596
Cash and cash equivalents at beginning of the year	5,926,948
Cash and cash equivalents at end of the year	<u>\$ 7,852,544</u>
<u>Reconciliation of operating income to net cash provided by operating activities:</u>	
Operating income	\$ 224,552
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Accounts receivable	63,706
Accounts payable	192,198
Claims payable	13,300
Net cash provided by operating activities	<u>\$ 493,756</u>

See accompanying notes to basic financial statements.

COUNTY OF ROANOKE, VIRGINIA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	OPEB Trust	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 34,470,022
Investments	-	1,003,211
Investments held by trustee, at fair value:		
Other pooled funds	11,414,373	-
Accounts receivable	-	2,816,488
Interest receivable	-	14,168
Prepaid items	-	2,702,178
Inventory	-	301,794
Total assets	<u>11,414,373</u>	<u>41,307,861</u>
LIABILITIES		
Accounts payable	-	1,806,317
Accrued payroll	-	2,859,259
Due to other governments	-	25,131
Total liabilities	<u>-</u>	<u>4,690,707</u>
NET POSITION		
Restricted for:		
Postemployment benefits other than pensions	11,414,373	-
Individuals, organizations and other governments	-	36,617,154
Total Net Position	<u>\$ 11,414,373</u>	<u>\$ 36,617,154</u>

See accompanying notes to basic financial statements.

COUNTY OF ROANOKE, VIRGINIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	<u>OPEB Trust</u>	<u>Custodial Funds</u>
ADDITIONS		
Custodial fund additions	\$ -	\$ 147,731,048
Investment income:		
Interest and dividends	6,622	-
Increase in fair value of investments	921,129	-
Total investment income	<u>927,751</u>	<u>-</u>
Less Investment Expenses	<u>(10,961)</u>	<u>-</u>
Net Investment Income	<u>916,790</u>	<u>-</u>
Total additions	<u>916,790</u>	<u>147,731,048</u>
DEDUCTIONS		
Custodial fund payments and withdrawals	<u>-</u>	<u>143,649,966</u>
Total deductions	<u>-</u>	<u>143,649,966</u>
Change in net position	916,790	4,081,082
Total net position at beginning of year	<u>10,497,583</u>	<u>32,536,072</u>
Total net position at ending of year	<u>\$ 11,414,373</u>	<u>\$ 36,617,154</u>

See accompanying notes to basic financial statements.

COUNTY OF ROANOKE, VIRGINIA
Combining Statement of Net Position
Component Units
June 30, 2025

	Roanoke County Public Schools	Economic Development Authority	South Peak Community Development Authority	Total Component Units
ASSETS				
Cash and cash equivalents	\$ 40,354,891	\$ 2,241,151	\$ -	\$ 42,596,042
Investments	2,891,666	-	-	2,891,666
Accounts and other receivables	168,796	902	377	170,075
Due from other governments	6,219,126	-	1,474,815	7,693,941
Inventory	618,445	-	-	618,445
Land held for resale	-	3,965,139	-	3,965,139
Prepaid and other assets	105,787	1,674	-	107,461
Net asset from pension	2,765,223	-	-	2,765,223
Capital assets:				
Land and construction in progress	12,132,447	313,542	5,330,063	17,776,052
Other capital assets, net	90,469,904	-	-	90,469,904
Capital assets, net	<u>102,602,351</u>	<u>313,542</u>	<u>5,330,063</u>	<u>108,245,956</u>
Total assets	<u>155,726,285</u>	<u>6,522,408</u>	<u>6,805,255</u>	<u>169,053,948</u>
DEFERRED OUTFLOWS OF RESOURCES				
Resources related to pension plan	32,964,828	-	-	32,964,828
Other postemployment benefit provided by Virginia Retirement System	3,072,231	-	-	3,072,231
Other postemployment benefit provided by Roanoke County Public Schools	2,657,866	-	-	2,657,866
Total deferred outflows of resources	<u>38,694,925</u>	<u>-</u>	<u>-</u>	<u>38,694,925</u>
LIABILITIES				
Accounts payable	1,378,570	460,395	7,564	1,846,529
Accrued liabilities	9,171,635	830	-	9,172,465
Unearned revenue	2,320,695	-	-	2,320,695
Accrued interest payable	-	-	70,899	70,899
Long-term liabilities:				
<i>Portion due or payable within one year:</i>				
Bonds payable	-	-	419,000	419,000
Lease obligations	3,811,300	-	-	3,811,300
Right-to-use subscription obligation	486,565	-	-	486,565
Compensated absences	1,126,468	-	-	1,126,468
Claims payable	1,797,123	-	-	1,797,123
<i>Portion due or payable after one year:</i>				
Bonds payable	-	-	4,279,000	4,279,000
Lease obligations	7,277,101	-	-	7,277,101
Right-to-use subscription obligation	618,026	-	-	618,026
Compensated absences	7,489,293	-	-	7,489,293
Claims payable	409,877	-	-	409,877
Net pension liability	88,559,158	-	-	88,559,158
Net liability from other postemployment benefit provided by Virginia Retirement System	15,620,895	-	-	15,620,895
Net liability from other postemployment benefit provided by Roanoke County Public Schools	7,253,546	-	-	7,253,546
Total liabilities	<u>147,320,252</u>	<u>461,225</u>	<u>4,776,463</u>	<u>152,557,940</u>
DEFERRED INFLOWS OF RESOURCES				
Resources related to pension plan	15,296,134	-	-	15,296,134
Other postemployment benefit provided by Virginia Retirement System	1,567,562	-	-	1,567,562
Other postemployment benefit provided by Roanoke County Public Schools	3,082,915	-	-	3,082,915
Total deferred inflows of resources	<u>19,946,611</u>	<u>-</u>	<u>-</u>	<u>19,946,611</u>
NET POSITION				
Net investment in capital assets	83,213,260	313,542	632,063	84,158,865
Restricted for:				
Net asset from pension	2,765,223	-	-	2,765,223
Unrestricted (deficit)	<u>(58,824,136)</u>	<u>5,747,641</u>	<u>1,396,729</u>	<u>(51,679,766)</u>
Total net position	<u>\$ 27,154,347</u>	<u>\$ 6,061,183</u>	<u>\$ 2,028,792</u>	<u>\$ 35,244,322</u>

See accompanying notes to basic financial statements.

COUNTY OF ROANOKE, VIRGINIA
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Public Schools	Economic Development Authority	South Peak Community Development Authority	Total Component Units	
Roanoke County Public Schools	\$ 238,412,084	\$ 8,222,311	\$ 58,984,073	\$ 5,139,967	\$ (166,065,733)	\$ -	\$ -	\$ (166,065,733)	
Economic Development Authority	1,475,507	-	-	-	-	(1,475,507)	-	(1,475,507)	
South Peak Community Development Authority	260,740	-	-	-	-	-	(260,740)	(260,740)	
Total component units	<u>\$ 240,148,331</u>	<u>\$ 8,222,311</u>	<u>\$ 58,984,073</u>	<u>\$ 5,139,967</u>	<u>(166,065,733)</u>	<u>(1,475,507)</u>	<u>(260,740)</u>	<u>(167,801,980)</u>	
General revenues:									
					95,536,907	713,211	-	96,250,118	
					-	512,574	-	512,574	
					73,965,216	-	-	73,965,216	
					-	-	841,291	841,291	
					191,987	-	-	191,987	
					-	74,468	41,541	116,009	
					2,017,446	37,366	-	2,054,812	
					<u>171,711,556</u>	<u>1,337,619</u>	<u>882,832</u>	<u>173,932,007</u>	
					Change in net position	5,645,823	(137,888)	622,092	6,130,027
					Total net position at beginning of year	21,508,524	6,199,071	1,406,700	29,114,295
					Total net position at end of year	<u>\$ 27,154,347</u>	<u>\$ 6,061,183</u>	<u>\$ 2,028,792</u>	<u>\$ 35,244,322</u>

See accompanying notes to basic financial statements.

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

(1) Summary of Significant Accounting Policies

Financial Reporting Entity

Formed in 1838, the County of Roanoke, Virginia (County) is a county government within the Commonwealth of Virginia (Commonwealth or State). The County is a municipal corporation governed by an elected five-member Board of Supervisors (Board), one from each of the five magisterial districts that appoints a County Administrator. There are also five elected Constitutional Officers who are independent of the Roanoke County Government by law and serve as Clerk of the Circuit Court, Commissioner of the Revenue, Commonwealth Attorney, Sheriff and Treasurer.

The County's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County's financial reporting entity is defined and its financial statements are presented in accordance with GAAP, which defines the distinction between the County as the Primary Government and its related entities. Accordingly, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable, hereafter referred to as the Reporting Entity.

Discretely Presented Component Units

Discretely presented component units are entities that are legally separate organizations for which the elected officials of the Primary Government are financially accountable or for which the nature and significance of their relationship with a Primary Government are such that exclusion would cause the Reporting Entity's financial statements to be misleading. They are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

Roanoke County Public Schools

The Roanoke County Public School Board (School Board) is responsible for overseeing elementary and secondary public education within the government's jurisdiction. The members of the School Board are elected by the citizens of Roanoke County. However, the Roanoke County Public Schools (School System) is fiscally dependent upon the County because its Board approves the School System's budget, levies the necessary taxes to finance operations, and approves the borrowing of money and issuance of debt to support School System operations and infrastructure. The School System's financial information is presented within the Discretely Presented Component Units' column to emphasize that it is legally separate from the Primary Government. The School System has separately issued financial statements, which may be obtained by writing the Roanoke County Public Schools Department of Finance, 5937 Cove Road, Roanoke, VA 24016 or visit their website www.rcps.us.

Economic Development Authority of Roanoke County, Virginia

The Economic Development Authority of Roanoke County, Virginia (EDA or Authority) was created as a political subdivision of the Commonwealth of Virginia by ordinance of the Roanoke County Board on August 11, 1971, pursuant to the provisions of the Industrial Development and Revenue Bond Act (Chapter 49, Section 15.2 et. Seq., of the *Code of Virginia* (1950), as amended). The Authority is governed by a board of directors appointed by the County's Board. As a result, the Authority's revenues and expenses may be influenced by the decisions made by the County. The Authority is authorized to acquire, own, lease, and dispose of properties aimed at promoting industry and developing trade by encouraging enterprises to locate and remain in the Roanoke Valley. In addition, the Authority is authorized to issue revenue bonds for the purpose of obtaining and constructing facilities, for which related liabilities may be retained by the Authority or may be assumed by the enterprises for which facilities are

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

constructed. Collection of revenues pledged to liquidate the bonds may be assigned to a trustee. The revenue bonds are not deemed to constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or any municipality thereof and are payable solely from revenues generated from the lease of facilities constructed, which may be secured by a deed of trust on those facilities. The EDA financial information is presented within the Discretely Presented Component Units' column to emphasize that it is legally separate from the primary government. The Authority does not issue separate financial statements.

South Peak Community Development Authority

The South Peak Community Development Authority (CDA) was created as a political subdivision of the Commonwealth of Virginia by ordinance of the County Board on August 24, 2010, pursuant to the provisions of the Virginia Water and Waste Authorities Act (Chapter 51, Section 15.2 et. Seq., of the *Code of Virginia* (1950), as amended). The CDA is governed by a board of directors appointed by the County's Board. As a result, the CDA's revenues and expenses may be influenced by the decisions made by the County. The creation of the CDA was the result of a petition filed with the Board by the landowners within the South Peak Community Development District (District). The District consists of approximately 62.5 acres of land within the County intended to be a mixed-use development consisting of commercial and residential properties. The CDA was created to assist in financing the infrastructure, improvements and services in connection with the development of the land. The funding for these improvements will be through bonds issued by the CDA, special assessments to be levied pursuant to Section 15.2-5158(A)(5) of the *Code of Virginia* (1950), as amended, and contributions made by the County of certain incremental tax revenues generated within the District. Any bonds issued by the CDA, or any other financing arrangements entered into by the CDA are the obligations of the CDA and will not be a debt or other obligation of the County nor does it constitute a pledge of the faith and credit of the County. The CDA's financial information is presented within the Discretely Presented Component Units' column to emphasize that it is legally separate from the primary government. The CDA has separately issued financial statements, which may be obtained by writing to the County of Roanoke Department of Finance and Management Services, 5204 Bernard Drive, Roanoke, VA 24018.

Related Organizations

As the custodian of public funds, the County's Treasurer invests all public monies held on deposit with the County. In the case of the separate agencies listed below, the County serves as fiscal agent, but is not financially accountable for their operations. Accordingly, the activities of the following organizations are accounted for as Custodial funds within the County's financial records:

- Roanoke Valley Resource Authority (RVRA)
- Commonwealth Fund
- Special Welfare Fund
- Cable TV (RVTV)
- Roanoke Valley Greenway Commission (RVGC)
- Regional Fire Training Center
- Virginia Recreational Facilities Authority (VRFA)
- Western Virginia Regional Jail Authority (WVRJA)
- Regional Center for Animal Care and Protection (RCACP)

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements with all non-fiduciary activities categorized as governmental or proprietary. Fiduciary activities, whose resources are not available to finance the County's programs, are not included in the government-wide statements. In accordance with GAAP, the County's financial statements are comprised of the following components:

Government-wide Financial Statements

The reporting model includes financial statements prepared using full accrual accounting for all the County's activities. This approach includes not just current assets and liabilities but also capital assets, deferred inflows and outflows, and long-term liabilities. Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

Statement of Net Position

The Statement of Net Position is designed to display the financial position of the Primary Government and its discretely presented component units. The County reports all capital assets, net of accumulated depreciation and amortization, in the government-wide Statement of Net Position and reports depreciation and amortization expense – the cost of “using up” capital assets - in the Statement of Activities. The net position of a government may be broken down into three categories: 1) net investment in capital assets, 2) restricted, and 3) unrestricted.

Statement of Activities

The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each government function. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

Fund Financial Statements

The Fund financial statements organize and report the financial transactions and balances of the County on the basis of fund categories. Separate statements for each of the County's three fund categories – Governmental (e.g., General), Proprietary (e.g., Internal Service) and Fiduciary are presented. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. For the governmental funds, the financial statements consist of a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances, which are presented on current financial resources and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. For the Internal Service funds, the financial statements consist of a Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues and expenditures or expenses, as appropriate. Fiduciary fund statements are used to report assets that are held in a trustee or custodial capacity and consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

Reconciliation of Government-wide and Fund Financial Statements

A summary reconciliation of the difference between the total governmental fund balances and total net position for governmental activities, as shown in the government-wide Statement of Net Position, is presented in an accompanying reconciliation to the governmental funds' Balance Sheet. The asset, liability and deferred inflows and outflows of resources elements, which comprise the reconciliation differences, stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the governmental-wide financial statements use the economic resources measurement focus and the accrual basis of accounting.

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

A summary reconciliation of the difference between net changes in governmental fund balances and change in net position for governmental activities as shown on the government-wide Statement of Activities is presented in a reconciliation to the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balances. The revenue and expense elements, which comprise the reconciliation differences, stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting.

Measurement Focus and Basis of Presentation

Government-wide Financial Statements: The Statement of Net Position and the Statement of Activities display information about the County as a whole, except for fiduciary funds, and are prepared using the economic resources measurement focus, which differs from the manner in which governmental fund financial statements are prepared.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, are clearly identifiable to a particular function. Program revenues include charges for services, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County. The County does not allocate indirect expenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this rule is where the elimination of the interfund activity would distort the direct costs and program revenues reported for the various functions.

Fund Financial Statements: Financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances and changes therein. Fund financial statements are designed to present financial information of the County at this more detailed level. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. The following is a brief description of the specific funds used by the County:

- **Governmental Funds** – These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after year-end. Accordingly, real and personal property taxes are recorded as unearned revenue and receivables when billed. Sales taxes, which are collected by the State by year-end and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the State, which is generally in the month preceding receipt by the County. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. The individual governmental funds are:
 - General Fund – This fund accounts for all revenues and expenditures applicable to the general operations of the County that are not required to be accounted for in another fund. Revenues

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service and interest income. A significant part of the General Fund's revenues is used principally to finance the operations of the Roanoke County Public Schools. The General Fund is considered a major fund for reporting purposes.

- **Special Revenue Fund** – This fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Special Revenue Fund consists of activity related to the CDA. Revenues are derived primarily from property taxes, other local taxes, and special assessments collected within the South Peak district. The Special Revenue Fund is considered a major fund for reporting purposes.
- **Debt Service Fund** – This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and other related costs. The Debt Service Fund is considered a major fund for reporting purposes.
- **Capital Projects Fund** – This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by the proprietary fund. The Capital Projects Fund is considered a major fund for reporting purposes.
- **Internal Service Funds** – These funds account for employee health, dental, and workers' compensation coverage provided to other departments on a cost-reimbursement basis and they derive their funding from charges assessed to the user departments and employees. These funds are included in the governmental activities for government-wide reporting purposes. As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. The excess revenue or expenses for the fund are allocated to the appropriate functional activity.

Additionally, the County reports the following Fiduciary funds:

- **Other Postemployment Benefits (OPEB) Trust Fund** – This fiduciary fund is used to account for the assets held in trust for the employees and beneficiaries of its OPEB plan.
- **Custodial Funds** – These are fiduciary funds used to account for assets held by the County in a trustee capacity or as agent or custodian for other governmental units or other funds. They are presented in the fund financial statements by type. The County's Custodial funds include assets held for entities for which the County is the fiscal agent. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. Custodial funds for the County include the Roanoke Valley Resource Authority, Commonwealth Fund, Special Welfare Fund, Cable TV, Roanoke Valley Greenway Commission, Regional Fire Training Center, Virginia Recreational Facilities Authority, Western Virginia Regional Jail Authority, and Regional Center for Animal Care and Protection.

Basis of Accounting

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements.

Government-wide, Proprietary Fund, and Fiduciary Fund Financial Statements.

The government-wide, proprietary, pension and other postemployment benefits trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Custodial funds report assets and liabilities using the economic resources measurement focus and use the accrual basis of accounting.

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Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting wherein revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after year-end. Expenditures are recorded when the related fund liability is incurred, except compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions are reported as other financing sources.

Revenues: Exchange and Non-exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within thirty days of fiscal year end.

Non-exchange transactions are transactions in which the County receives value without directly giving value in return. Taxes (e.g. real and personal property, sales), licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Taxes are levied to fund a subsequent fiscal period are recorded as a deferred inflow at fiscal year-end. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when cash is received by the County. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

Deferred Outflows and Inflows of Resources – The Statement of Net Position reports a separate section for deferred outflows of resources in addition to assets. The County reports deferred outflows of resources for deferred charges on refunding, amounts related to pensions, and amounts related to other postemployment benefits (OPEB) in the government-wide Statement of Net Position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt. Deferred outflows for pensions and OPEB result from changes in actuarial assumptions, pension returns that exceed projected earnings, change in the proportion, actual economic experience that is different than estimated, and pension/OPEB contributions made subsequent to the measurement date. Changes in deferred outflows of resources, except contributions subsequent to the measurement date, are amortized over the remaining service life of all plan participants with the exception of investment experience amounts, which are deferred and amortized over a closed five-year period.

The Statement of Net Position reports a separate section for deferred inflows of resources in addition to liabilities. Deferred inflows of resources in the governmental funds' Balance Sheet represent unavailable revenue for amounts billed and not collected. Deferred inflows of resources in the government-wide Statement of Net Position represent unearned revenues for amounts received in advance of meeting timing requirements or amounts collected in advance of the fiscal year to which they apply. Deferred inflows of resources are also reported for amounts related to pensions and OPEB in the government-wide statement of net position. Actuarial losses resulting from a difference in expected and actual experience, investment results, changes in actuarial assumptions and changes in proportionate share are deferred and amortized. Changes in deferred inflows of resources are amortized over the remaining service life of all plan participants with the exception of investment experience amounts, which are deferred and amortized over a closed five-year period.

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Unearned Revenue – Unearned revenue arises when assets are recognized before revenue recognition criteria can be satisfied and also when assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period. Grants and entitlements received before the eligibility requirements are met have been recorded as unearned revenue.

Cash and Cash Equivalents – The County considers cash and cash equivalents in proprietary funds to be cash on hand and demand deposits. In addition, because the Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent. For purposes of the Statement of Cash Flows, cash and cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and investments with maturities of 90 days or less. For purposes of the Statement of Cash Flows, cash includes unrestricted cash and cash equivalents and restricted cash. Restricted cash equivalents are defined differently and are not considered available for operations and, therefore, are not considered to be cash equivalents for the Statement of Cash Flows. Note 4 provides a detailed disclosure regarding cash equivalents and investments held by the County.

Investments – Cash received by the County is deposited in various bank accounts. Monies legally required to be maintained individually, such as trust balances and contractor escrows, are deposited and maintained in individual segregated bank accounts. All other monies are deposited in a pool of bank accounts and are used to purchase investments that are specifically allocated to the appropriate funds. Interest earned on pooled investments is accrued as earned and distributed to the General Fund and other qualifying funds utilizing a formula based on the average month end balance of cash and cash equivalents of all pooled funds. Short-term investments are stated at amortized cost or at fair value and may consist of certificates of deposits, repurchase agreements, commercial paper, bankers' acceptances, Local Government Investment Pool (LGIP) and U.S. government securities. Investments are stated at fair value with any net appreciation or depreciation in fair value reflected as investment income. Investments consist of equity interest in long-term investments in U.S. government accounts. Interest earned is allocated based on average monthly balance. Note 4 provides a detailed disclosure regarding investments held by the County.

The County requires all banking institutions holding its public funds to protect such funds in accordance with the Virginia Security for Public Deposits Act (Act). The Act established a single body of law applicable to the pledge of security as collateral for public funds on deposit in banking institutions so that the procedures for securing public deposits is uniform throughout the Commonwealth. Under the Act, banks holding public deposits must pledge certain levels of collateral and make monthly filings with the State Treasury Board.

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

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

Receivables – Local taxes and governmental fund accounts receivable are recorded in the County's accounts as both receivables and unearned revenue when billed. Property taxes paid in advance are recorded as unearned revenue until such time as the taxes become due. The reporting entity determines allowances for uncollectible accounts using historical collection data, specific account analysis and management's judgment.

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Prepays – Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements. These payments are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

Inventories – Inventories consist of various consumable supplies and are maintained on a perpetual basis with periodic verification based on physical count. Materiality is determined on a case-by-case basis but generally follows a 2 times multiplier of the County’s Capital Asset policy. All inventories are valued at cost using the first-in first-out method for the government-wide statements. If inventory levels are small or immaterial, the purchases method of accounting, expensing inventory purchases when they are acquired, will be utilized. The cost of the consumable supplies is recorded as expenditures when consumed in the General Fund.

Capital Assets – Capital outlays are recorded as expenditures in the governmental funds and as assets in the government-wide financial statements, to the extent the County’s capitalization threshold is met. The County defines capital assets as assets with an initial individual cost of more than \$10,000 and an estimated useful life of at least two years. Major additions, including those that significantly prolong a capital asset’s economic life or expand usefulness, are capitalized. Normal repairs that merely maintain the asset in its present condition are recorded as expenditures and are not capitalized. Depreciation and amortization expense for capital assets and right-to-use leased and subscription assets are identified with a function, whenever possible, and is included as a direct expense.

All capital assets are capitalized at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and donated capital assets received in a service concession arrangement would be reported at acquisition value rather than fair value. Upon the sale or retirement of a capital asset or right-to-use leased or subscription asset, the cost and related accumulated depreciation and amortization, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

Capital assets and right-to-use leased and subscription assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	40-50 years
Building Improvements	10-25 years
Furniture, Fixtures, and Equipment	3-25 years
Right-to-use leased equipment	3-5 years
Right-to-use subscription assets	3-5 years

According to the *Code of Virginia*, when a local government incurs a financial obligation payable over more than one fiscal year to fund an acquisition, construction or improvement of public school property, the local government acquires title to the school property as a tenant-in-common with the local school board for the term of the financial obligation. For financial reporting purposes, the local government may report the school property and related financial obligation. At the time the financial obligation is paid in full, the net value of the school property is transferred to the local school board and reflected as program revenue and expense in the government-wide financial statements for the local school board and the local government, respectively.

Pension Plan – The Virginia Retirement System (VRS) County Retirement Plan is a multi-employer, agent plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County’s Retirement plan and the additions to/deductions from the County’s Retirement plan’s fiduciary net position have been determined on the same basis as they were reported by the VRS. For this purpose, benefit payments (including refunds of employee contributions) are

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recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB) – In connection with the County’s funding of other postemployment benefits in fiscal year 2009, the County joined the Virginia Pooled OPEB Trust (OPEB Trust Fund). The County plans to contribute amounts to the OPEB Trust Fund sufficient to fund the actuarially determined contribution (ADC), an actuarially determined rate in accordance with GAAP. The OPEB Trust Fund assets are recorded at fair value. The Trust Board of Trustees establishes investment objectives, risk tolerance, and asset allocation policies based on the investment policy, market and economic conditions, and generally prevailing prudent investment practices.

Health Insurance Credit Program – The VRS 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. The Political Subdivision Health Insurance Credit Program was established pursuant to §51.1-1400 et seq. of the *Code of Virginia*, as amended, and provides the authority under which benefit terms are established or may be amended.

For purposes of measuring the net Health Insurance Credit Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Health Insurance Credit Program OPEB, and the Health Insurance Credit Program OPEB expense, information about the fiduciary net position of the VRS Political Subdivision Health Insurance Credit Program; and the additions to/deductions from the VRS 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.

Group Life Insurance Program – The VRS Group Life Insurance 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 to §51.1-500 et seq. of the *Code of Virginia*, as amended, and provides the authority under which benefit terms are established or may be amended. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers.

For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the VRS Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB’s fiduciary net 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.

Self-Insurance – The County is self-insured for workers’ compensation, health insurance, general liability and automobile liability. Estimates for accrued liabilities in each program at the end of the year have been recorded.

Compensated Absences – The liability for compensated absences reported at the government-wide level consists of leave that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation from employment. Based on the criteria listed above, four types of leave qualify for liability recognition for compensated absences – vacation leave, sick leave, holiday leave, and compensatory leave. The liability is based on all leave accumulated at June 30th. Limited leave may be accumulated until

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retirement or termination. Accumulated vacation, holiday, and compensatory leave is paid at the employee's current wage upon retirement or termination. Accumulated sick leave is paid at a reduced rate upon retirement or termination. The liability for compensated absences includes salary-related benefits, where applicable.

Long-term Obligations – Long-term debt and other obligations are reported as liabilities in the Statement of Net Position in the government-wide financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using straight line amortization. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period but no related long-term liabilities. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as an other financing source while discounts on debt issuances are reported as other financing uses. Payments to an escrow agent to defease debt is reported as other financing uses while issuance costs and repayments of principal and interest are reported as debt service expenditures. Matured principal and interest payments are reported when due.

Leases (Lessee) – The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The County recognizes lease liabilities with an initial, individual value of \$100,000 or more. At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term.

Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the County determines the discount rate it uses to discount the expected lease payments to present value, the lease term, and lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long term debt on the statement of net position.

Leases (Lessor) – At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the County determines the discount rate it uses to discount the expected lease receipts to present value, the lease term, and lease receipts.

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- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements – The County recognizes a subscription-based information technology arrangement (SBITA) liability and an intangible right-to-use subscription asset in the financial statements. Subscription assets are defined as a contract that conveys control of the right-to-use another party’s information technology software, alone or in combination with tangible capital assets (the underlying information technology assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The County recognizes subscription liabilities with an initial, individual value of \$100,000 or more. At the commencement of a subscription, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term.

Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to SBITAs include how the County determines the discount rate it uses to discount the expected subscription payments to present value, the subscription term, and subscription payments.

- The County uses the interest rate charged by the subscription vendor as the discount rate. When the interest rate charged by the subscription vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancelable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

Interfund Transactions – On fund financial statements, receivables and payables resulting from interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental activities’ column of the Statement of Net Position. Flow of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

Encumbrances – The County uses encumbrance accounting, wherein purchase orders, contracts, and other commitments for the expenditure of funds are recorded to restrict, commit, or assign that portion of the applicable appropriation.

Net Position – Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net position is divided into three components:

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- Net investment in capital assets - consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding which was used to finance those assets plus right-to-use leased or subscription assets less related amortization expense.
- Restricted - consists of assets where there are limitations imposed on their use through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. This includes the net position of other post-employment benefit and pension assets. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.
- Unrestricted - all other net position is reported in this category.

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

Fund Balance – Except when required to comply with GAAP, all commitments and restrictions of Governmental Fund balances reflect County Board action in the context of adoption of the County's budget.

Pollution and Remediation – In accordance with GAAP, the County yearly analyzes the requirements for reporting liabilities related to cleaning up pollution and/or contamination. As of June 30, 2025, the County has determined that there is no related liability.

Use of Estimates – Management of the County has made a number of estimates and assumptions relating to the reporting of assets and deferred outflows, liabilities and deferred inflows, revenues, expenditures, and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with GAAP. Actual results could differ from those estimates.

New Accounting Pronouncements – Management is currently evaluating the impact the following standards will have on the financial statements when adopted:

- GASB Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, provides users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

(2) Property Taxes

Property taxes are levied annually in April on assessed values as of January 1. In addition, personal property transactions during the year are taxed on a prorated basis. Real estate tax is payable in two equal installments on or before December 5, and June 5, and personal property tax is due on or before May 31, or within 30 days subsequent to assessment. Taxes levied and due December 5 are intended to fund operations of that fiscal year. A lien is created when the real estate taxes are levied, and after three years it becomes enforceable by judicial sale of the property. Personal property taxes do not create a lien on property; however, the County reports delinquent taxpayers to the Virginia Department of Motor Vehicles (DMV) twice a year. At that time, the taxpayer will no longer be able to conduct any business with the DMV until the outstanding taxes are paid. The County bills and collects both real

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estate and personal property taxes. The County recognizes tax revenue when levied to the extent that they are collected during the fiscal year and within 30 days after year-end.

The annual assessment for real estate is based on 94% of the assessed fair market value. A penalty of 10% of the unpaid tax is due for late payment. Interest is accrued at 10% for the initial year of delinquency, and thereafter at the maximum annual rate authorized by the Internal Revenue Code Section 6621(b). The effective tax rates per \$100 of assessed value for the year ended June 30, 2025 were as follows:

Real Estate	\$1.03 per \$100 assessed value
Personal Property	\$3.40 per \$100 assessed value
Machinery and Tools	\$2.80 per \$100 assessed value

(3) Fund Balances

The Board has adopted policies that provide a framework for the County's overall fiscal planning and management. The County's unassigned General Fund fund balance has been built over the years to provide the County with sufficient working capital to finance unforeseen emergencies without borrowing. The County is dedicated to maintaining a diversified and stable revenue system to shelter the government from fluctuations in any single revenue source and to ensure its ability to provide ongoing services. The County's policy is to fund current expenditures with current revenues. If it becomes necessary to fund current expenditures with fund balance, amounts already set aside for that specific purpose will be utilized unless otherwise directed by the County Board.

The County, in accordance with GAAP, categorizes its governmental-type fund balances using the following guidance:

- ***Nonspendable*** – Represents County assets that will never convert to cash (e.g., inventory and prepaid items).
- ***Restricted*** – Represents County resources with externally enforceable limitations on their use imposed by grantor, or laws and regulations of other governments.
- ***Committed*** – Represents County resources that can be used only for specific purposes, as determined by the County's highest level of decision-making authority, the Board, and is imposed by formal appropriation, which is an ordinance. The County policy is that formal Board action is required to establish or rescind a committed fund balance.
- ***Assigned*** – Represents County resources that are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. The County Board has approved limited authority to the parks and recreation management to have the flexibility in decisions on the use of certain funds as deemed necessary by an approved ordinance dated September 27, 1994.
- ***Unassigned*** – Represents County resources that have no spending restrictions under any of the preceding four classifications. The County has adopted a Board policy for establishing unappropriated fund balance. The General Fund is the only fund that reports a positive unassigned fund balance amount.

It is the policy of the County to spend all restricted monies first, committed funds second, with assigned funds third, and unassigned funds being spent last for any projects with multiple funding sources.

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Fund balances classified in accordance with GAAP at June 30, 2025 are as follows:

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Nonspendable:					
Prepays	\$ -	\$ 1,446	\$ 1,175	\$ 48,905	\$ 51,526
	<u>\$ -</u>	<u>\$ 1,446</u>	<u>\$ 1,175</u>	<u>\$ 48,905</u>	<u>\$ 51,526</u>
Restricted for:					
Clerk of Circuit Court	\$ -	\$ -	\$ -	\$ 14,710	\$ 14,710
Law Enforcement	941,901	-	-	-	941,901
Fire and Rescue	209,299	-	-	278,693	487,992
Public Works	107,557	-	-	-	107,557
Health and Welfare	1,333,686	-	-	-	1,333,686
Parks and Recreation	131,872	-	-	4,018	135,890
Community Development	848,812	1,466,183	-	-	2,314,995
Stormwater Management	-	-	-	30,927	30,927
Education	-	-	-	25,334,353	25,334,353
Other purposes	223,667	-	-	-	223,667
	<u>\$ 3,796,794</u>	<u>\$ 1,466,183</u>	<u>\$ -</u>	<u>\$ 25,662,701</u>	<u>\$ 30,925,678</u>
Committed to:					
LOSAP pension	\$ 3,587,073	\$ -	\$ -	\$ -	\$ 3,587,073
General Government	118,705	-	-	-	118,705
Assessment	-	-	-	110,832	110,832
Information Technology and Communications Shop	1,270,195	-	-	3,151,867	4,422,062
Integrated Financial System	-	-	-	190,540	190,540
Human Resources and Payroll System	-	-	-	818,204	818,204
Law Enforcement	799,231	-	-	897,662	1,696,893
Fire and Rescue	1,376	-	-	915,712	917,088
Public Works	223,474	-	-	-	223,474
General Services	-	-	-	7,958,546	7,958,546
Garage and Motor Pool	448,778	-	-	-	448,778
Parks and Recreation	41,818	-	-	619,025	660,843
Libraries	-	-	-	328,206	328,206
Community Development	34,751	-	-	4,255,274	4,290,025
Economic Development	10,324	-	-	1,885,000	1,895,324
Debt Service Reserves	-	-	328,754	-	328,754
Future Capital Projects	3,400,425	-	-	15,054,975	18,455,400
Other purposes	-	-	-	19,200	19,200
	<u>\$ 9,936,150</u>	<u>\$ -</u>	<u>\$ 328,754</u>	<u>\$ 36,205,043</u>	<u>\$ 46,469,947</u>
Assigned to:					
Law enforcement	\$ 4,518	\$ -	\$ -	\$ -	\$ 4,518
Parks and Recreation	230,502	-	-	-	230,502
	<u>\$ 235,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235,020</u>
Unassigned	<u>\$ 30,463,342</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,463,342</u>
Total Fund Balances	<u>\$ 44,431,306</u>	<u>\$ 1,467,629</u>	<u>\$ 329,929</u>	<u>\$ 61,916,649</u>	<u>\$ 108,145,513</u>

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June 30, 2025

The adopted Comprehensive Financial Policy states under Section 10 the County of Roanoke's General Government Fund Unassigned Balance will be maintained to provide the County with sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue. The General Government Fund's Unassigned Fund Balance should not be used to support recurring operating expenditures outside of the current budget year. If a budget variance requires the use of Unassigned Fund Balance, the County will decrease the General Government Fund's expenditures and/or increase the General Government Fund's revenues to prevent using the Unassigned Fund balance for two consecutive fiscal years to subsidize General Fund operations.

The General Government Fund's Unassigned Fund balance will be 12% of budgeted annual General Government expenditures. In the event that the General Government Fund's Unassigned Fund Balance is used to provide for temporary funding of unforeseen emergency needs, the County shall restore the balance to the 12% minimum within two fiscal years following the fiscal year in which the event occurred. This will provide for full recovery of the targeted General Government Fund Unassigned Fund Balance in a timely manner.

(4) Deposits and Investments

At June 30, 2025, the fair value and maturity of the County's and Component Units' total deposits and investments were as follows:

Deposits and Investments	Fair Value	Original Investment Maturity		Credit Rating
		Less Than 1 Year	1-6 Year	
Change fund on premises	\$ 2,550	\$ 2,550	\$ -	not applicable
Demand and time deposits	31,009,463	31,009,463	-	not applicable
Interest-earning investment contract	3,841,299	3,841,299	-	AA-
Money market mutual funds	106,281,669	106,281,669	-	AAAm
Virginia LGIP	48,276,700	48,276,700	-	AAAm
Federal agency bonds and notes	8,987,100	1,997,320	6,989,780	AAA
Investment in other pooled funds	13,497,823	13,497,823	-	not applicable
Total	\$211,896,604	\$204,906,824	\$ 6,989,780	

The investment in other pooled funds categorizes its investments within the fair value hierarchy established by generally accepted accounting principles. A government is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the Net Asset Value (NAV) per share (or its equivalent) of the investment. Investments in the pooled funds are valued using the NAV per share, which is determined by dividing the total value of the pooled funds by the number of outstanding shares. The NAV per share changes with the value of the underlying investments in the pooled funds. Generally, participants may redeem their investment at the end of a calendar quarter upon 90 days' written notice. As of June 30, 2025, excluding the pooled funds, there were no other investments.

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COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

Below is the carrying value of cash and investments for the Reporting Entity as of June 30, 2025:

Entity	Cash and Cash Equivalents	Cash and Investments with Fiscal Agents	Investments	Restricted Cash	Total
County	\$ 56,123,098	\$ 55,620,010	\$ 5,092,223	\$ 602,509	\$ 117,437,840
Component Units:					
School System	40,354,891	-	2,891,666	-	43,246,557
Economic Development Authority	2,241,151	-	-	-	2,241,151
	42,596,042	-	2,891,666	-	45,487,708
Fiduciary Funds:					
Roanoke County School System	34,470,022	11,414,373	1,003,211	-	46,887,606
	-	2,083,450	-	-	2,083,450
	34,470,022	13,497,823	1,003,211	-	48,971,056
Total	\$ 133,189,162	\$ 69,117,833	\$ 8,987,100	\$ 602,509	\$ 211,896,604

Fair Value

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The County has the following recurring fair value measurements as of June 30, 2025:

	Level 1	Level 2	Level 3	Total
Debt securities				
U.S. governmental bonds & notes	\$ -	\$ 8,987,100	\$ -	\$ 8,987,100

Debt securities classified in Level 2 of the fair value hierarchy are valued using matrix technique pricing.

Credit and Concentration of Credit Risk

In accordance with the *Code of Virginia* and other applicable laws, including regulations, the County's investment policy (Policy) limits credit risk by restricting authorized investments to the following: bonds, notes and other direct obligations of the United States; bonds, notes and other direct obligations of the Commonwealth of Virginia or political subdivisions thereof; bonds and other obligations issued, guaranteed or assumed by the International Bank for Reconstruction and Development and the Asian Development Bank; prime quality commercial paper; certificates of deposits; bankers' acceptances; repurchase agreements; and money market funds. The Policy requires that commercial paper have a minimum Standard & Poor's (S&P) rating (or Moody's equivalent) of A-1.

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Act Section 2.2-4400 et. seq. of the *Code of Virginia*. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized. The LGIP is administered by the Treasury Board pursuant to Sections 2.2-4600 through 2.2-4606 of the *Code of Virginia*. The Treasury Board has delegated the management of the LGIP to the State Treasurer. The fair value of the County's position in the LGIP is the same as the value of the pool shares measured at amortized cost.

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issue. The Policy establishes limitations on portfolio composition, both by investment type and by issuer, in order to control concentration of credit risk.

The maximum percentage of the portfolio permitted in each eligible security with the limit to any one issuer is as follows:

U.S. Treasury Obligations	70%
U.S. Treasury Agency Securities and Instrumentalities of Government Sponsored Corporations	80%
Bankers' Acceptance with no more than 25% with any one Institution and a maximum of 10% in any one issuance	40%
Repurchase Agreement Overnight with no more than 20% with any one institution	70%
Repurchase Agreement Two or more nights with no more than 20% with any one institution	25%
Certificate of Deposit with Commercial Banks with no more than 45% with any one institution	100%
Certificate of Deposit with Savings and Loan Associations with no more than \$100,000 with any one institution	10%
Commercial Paper with no more than 35% with any one institution and a maximum of 10% or \$1 million dollars in any one issuance	35%
Local Government Investment Pool	75%

As of June 30, 2025, the portion of the County and School System's portfolio, excluding the LGIP, State Non-Arbitrage Program (SNAP), interest-earning investment contract and investment in other pooled funds held by fiduciary agents, and U.S. Government guaranteed obligations, that exceeded 5% of the total portfolio are as follows:

<u>Issuer</u>	<u>% of Portfolio</u>
Federal Home Loan Bank	5.60%

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the depositor will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Policy requires that all investment securities purchased by the County or held as collateral on deposits or investments shall be held by the County or by a third-party custodial agent who may not otherwise be counterparty to the investment transaction. As of June 30, 2025, with the exception of the LOSAP funds, all other County investments are held by the County or in a bank's trust department in the County's name.

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Policy requires maturity scheduling be timed to anticipated need and scheduled to coincide with projected cash flow needs. All funds shall be considered short-term except those reserved for capital projects and prepayment funds being held for debt retirement. As of June 30, 2025, the County did not have any investments with a maturity greater than 24 months.

(5) Receivables

Receivables at June 30, 2025 are as follows:

	Accounts	Taxes	Due from Other Governments	Total
Governmental activities				
General	\$ 8,035,928	\$ 18,221,970	\$ 21,625,859	\$ 47,883,757
Special Revenue	378	-	-	378
Capital Projects	93,051	-	2,704	95,756
Internal Service	175,712	-	-	175,712
Total governmental activities	<u>\$ 8,305,069</u>	<u>\$ 18,221,970</u>	<u>\$ 21,628,563</u>	<u>\$ 48,155,603</u>

(6) Interfund Transfers

Interfund transfers for the year ended June 30, 2025 consisted of the following amounts:

Transfer To	Transfer Out			Total
	General	Debt Service	Capital Projects	
General Fund	\$ -	\$ -	\$ 2,202,977	\$ 2,202,977
Debt Service Fund	13,346,009	-	-	13,346,009
Capital Projects Fund	5,852,802	124,750	-	5,977,552
Internal Service Fund	1,007,967	-	-	1,007,967
Totals	<u>\$ 20,206,778</u>	<u>\$ 124,750</u>	<u>\$ 2,202,977</u>	<u>\$ 22,534,505</u>

Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget required to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

(7) Payables

Payables at the government-wide level at June 30, 2025 are as follows:

	Vendors	Accrued Wages and Benefits	Other Governments	Total
Governmental funds:				
General	\$ 7,389,456	\$ 3,549,236	\$ 3,040	\$ 10,941,732
Special Revenue	7,564	-	-	7,564
Debt Service	7,500	-	-	7,500
Capital Projects	10,182,045	-	-	10,182,045
Total governmental funds	<u>\$ 17,586,565</u>	<u>\$ 3,549,236</u>	<u>\$ 3,040</u>	<u>\$ 21,138,841</u>
Proprietary funds:				
Internal Service	\$ 1,015,864	-	-	\$ 1,015,864
Total proprietary funds	<u>\$ 1,015,864</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,015,864</u>
Accrued interest payable				<u>2,399,897</u>
Total governmental activities				<u>\$ 24,554,602</u>

(8) Long-Term Liabilities

The County's outstanding debt consists of Lease Revenue Bonds and Virginia Public School Authority (VPSA) Bonds. Debt is issued to provide funds for the acquisition, construction and improvement of major capital facilities. Federal arbitrage regulations are managed by SNAP and Virginia Resource Authority (VRA) for state obligations and all other obligations are managed by a private consulting firm. The issuance of bonds by Virginia counties is not subject to any limitation on amount.

Outstanding long-term liabilities at June 30, 2025 are as follows:

	Governmental Activities
\$14,900,000 - 2007 Non-subsidized VPSA bonds due in annual installments of \$745,000 through July 15, 2027; interest at 5.1%	\$ 2,235,000
\$6,364,713 - 2007 subsidized VPSA bonds due in annual installments of \$328,240 to \$371,160 through July 15, 2027; interest at 4.4% to 5.1%	1,091,388
\$43,830,000 - 2009 B VPSA bonds due in annual installments of \$2,190,000 through July 15, 2029; interest at 4.1% to 5.1%	10,950,000
\$9,080,000 - 2011 VPSA bonds due in annual installments of \$450,000 to \$455,000 through July 15, 2031; interest at 3.3% to 5.1%	3,165,000
\$17,835,000 - 2014 Series C VPSA bonds due in annual installments of \$890,000 to \$895,000 through July 15, 2034; interest at 3.6% to 5.1%	8,900,000
\$27,875,000 - 2018 VPSA bonds due in annual installments of \$1,390,000 to \$1,395,000 through July 15, 2038; interest at 3.6% to 5.1%	19,505,000

(continued)

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

(continued)

	Governmental Activities
\$19,910,000 - 2021 VPSA bonds due in annual installments of \$995,000 to \$1,000,000 through July 15, 2041; interest at 1.925% to 5.050%	\$ 16,915,000
\$46,560,000 - 2025 VPSA bonds due in annual installments of \$2,325,000 to \$2,330,000 through July 15, 2045; interest at 4.050% to 5.050%	46,560,000
\$44,175,000 - Lease Revenue bond Series 2015 due in annual installments of \$465,000 to \$3,215,000 through October 15, 2037; interest at 3.0% to 5.0%	34,745,000
\$6,440,000 - Lease Revenue bond Series 2017 due in annual installments of \$245,000 to \$420,000 through October 1, 2037; interest at 3.1% to 5.1%	4,245,000
\$9,025,000 - Lease Revenue bond Series 2019 due in annual installments of \$275,000 to \$640,000 through October 1, 2039; interest at 3.0% to 5.1%	7,500,000
\$12,660,000 - Lease Revenue bond Series 2022 due in annual installments of \$275,000 to \$640,000 through October 1, 2039; interest at 3.0% to 5.1%	11,890,000
\$14,135,000 - Lease Revenue bond Refunding Series 2024 due in annual installments of \$450,000 to \$1,575,000 through November 1, 2033; interest at 5.0%	14,135,000
\$75,000,000 - Temporary State Literary Loans due upon permanency; annual installments and maturity to be determined once funds are fully drawn; interest at 3.0%	31,674,050
	\$ 213,510,438
Bond premiums	13,244,796
Lease Obligations	31,068
Right-to-use Subscription Obligation	1,169,043
Accrued compensated absences	9,009,910
Claims payable	2,991,500
LOSAP liability	8,688,320
Net OPEB liability provided by VRS	3,849,405
Net OPEB liability provided by County	2,044,841
Net Pension liability	52,188,300
	\$ 306,727,621

All indenture agreements related to the Virginia Public Schools Authority bond issuances require the County to pledge the facility constructed with the bond proceeds as collateral for the respective debt. In addition, the Virginia Resource Authority (VRA) bonds are secured by the following County facilities:

- 2015 VRA Bonds: Green Ridge Recreation Facility, South County Library, North County Fire Station, and Vehicle Fleet Maintenance Facility
- 2017 VRA Bonds: Vinton Library
- 2019 VRA Bonds: Roanoke County's Social Services Building and the Cold Storage Facility located at 5285 Hollins Road
- 2022 VRA Bonds: Bonsack Fire Station and Public Service Center
- 2024 VRA Bond Refunding: Public Safety Center (collateral to original issuance)

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

Changes in long-term liabilities for the year ended June 30, 2025 were as follows:

	Outstanding June 30, 2024 (as Restated)	Additions	Deletions	Outstanding June 30, 2025	Amounts Due Within One Year
Primary Government					
Governmental Activities:					
VPSA School Bonds	\$ 69,781,182	\$ 46,560,000	\$ 7,019,794	\$ 109,321,388	\$ 7,026,556
Lease Revenue Bonds	78,395,000	14,135,000	20,015,000	72,515,000	4,715,000
State Literary Loans	-	31,674,050	-	31,674,050	-
	148,176,182	92,369,050	27,034,794	213,510,438	11,741,556
Bond premiums	11,056,810	3,887,475	1,699,489	13,244,796	1,193,870
Lease obligations	103,363	-	72,295	31,068	31,068
Right-to-use subscription obligation	795,364	1,901,543	1,527,864	1,169,043	938,568
Accrued compensated absences*	8,828,965	180,945	-	9,009,910	3,698,568
Claims payable	2,978,200	12,748,870	12,735,570	2,991,500	1,566,161
Total LOSAP liability	9,219,432	382,732	913,844	8,688,320	494,157
Net OPEB liability provided by VRS	4,155,941	174,646	481,182	3,849,405	-
Net OPEB liability provided by County	1,097,068	2,933,534	1,985,761	2,044,841	-
Net Pension liability	40,254,224	51,927,885	39,993,809	52,188,300	-
	<u>\$ 226,665,549</u>	<u>\$ 166,506,680</u>	<u>\$ 86,444,608</u>	<u>\$ 306,727,621</u>	<u>\$ 19,663,948</u>
Component Units					
School System:					
Lease obligations	\$ 7,010,587	\$ 9,055,525	\$ 4,977,711	\$ 11,088,401	\$ 3,811,300
Right-to-use subscription obligation	1,971,103	274,608	1,141,120	1,104,591	486,565
Accrued compensated absences	3,011,508	5,604,253	-	8,615,761	1,126,468
Claims payable	2,174,000	24,420,419	24,387,419	2,207,000	1,797,123
Net Pension liability	95,014,800	47,866,947	54,322,589	88,559,158	-
Net OPEB liability provided by VRS	16,615,225	3,759,929	4,754,259	15,620,895	-
Net OPEB liability provided by RCPS	5,622,748	2,855,143	1,224,345	7,253,546	-
	<u>\$ 131,419,971</u>	<u>\$ 93,836,824</u>	<u>\$ 90,807,443</u>	<u>\$ 134,449,352</u>	<u>\$ 7,221,456</u>
CDA:					
Bond payable	\$ 5,078,000	\$ -	\$ 380,000	\$ 4,698,000	\$ 419,000

*The change in accrued compensated absences is presented as a net change.

The beginning balance for accrued compensated absences was restated to include additional leave options, as defined in Note 1, as part of the implementation of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*.

The Debt Service Fund is used to liquidate most long-term liabilities of governmental activities as shown on the previous page; however, a portion of compensated absences, claims payable, net pension, and net OPEB liabilities are liquidated by the General Fund.

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COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

The total annual requirements to amortize governmental activities' debt outstanding as of June 30, 2025 are as follows:

Fiscal Year	Total Government Debt	
	Principal	Interest
2026	\$ 17,009,057	\$ 7,475,812
2027	18,465,867	7,291,452
2028	17,284,448	6,445,779
2029	14,433,739	5,691,637
2030	13,581,380	5,044,610
2031-2035	56,355,000	17,382,454
2036-2040	39,355,000	7,191,901
2041-2045	16,420,000	1,984,179
2046-2050	2,325,000	49,988
Total	\$ 195,229,491	\$ 58,557,812

The above annual requirements to amortize governmental activities' debt outstanding includes the County's obligations for its Virginia Public School Authority bonds, Lease Revenue bonds, lease obligations, and right-to-use subscription obligations. The above obligations are detailed below:

Fiscal Year	Virginia Public School Authority Bonds		Lease Revenue Bonds		Lease Obligations		Right-to-Use Subscription Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 7,026,556	4,036,089	\$ 4,715,000	\$ 2,997,787	\$ 3,842,368	\$ 376,242	\$ 1,425,133	\$ 65,694
2027	9,363,672	4,265,560	4,965,000	2,752,672	3,614,338	255,454	522,857	17,766
2028	9,371,160	3,804,712	5,230,000	2,494,513	2,422,855	138,252	260,433	8,302
2029	8,250,000	3,379,474	5,000,000	2,259,375	1,118,528	51,537	65,211	1,251
2030	8,250,000	2,988,105	5,210,000	2,049,416	121,380	7,089	-	-
2031-2035	28,945,000	10,599,742	27,410,000	6,782,712	-	-	-	-
2036-2040	22,175,000	5,212,952	17,180,000	1,978,949	-	-	-	-
2041-2045	13,615,000	1,780,801	2,805,000	203,378	-	-	-	-
2046-2050	2,325,000	49,988	-	-	-	-	-	-
Total	\$ 109,321,388	\$ 36,117,423	\$ 72,515,000	\$ 21,518,802	\$ 11,119,469	\$ 828,574	\$ 2,273,634	\$ 93,013

Virginia State Literary Loans are issued through the Commonwealth's Literary Fund to finance school construction and renovation projects for localities. These loans are initially placed in a temporary status while funds are being drawn for project expenditures. During this period, no interest payments are required. Once the loan is fully drawn and finalized, interest payments become due, and the Virginia Department of Treasury issues an amortization schedule outlining the repayment terms. At that point, the locality begins making scheduled principal and interest payments in accordance with the established repayment plan. As such, these loans are not included in the amortization schedule above.

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

(9) Capital Assets

In accordance with GAAP, all school related bond obligations are reported herein as County debt since the County is legally responsible for debt repayment. All related capital assets for which the County and the School System maintain a tenancy in common relationship have been reported as County assets. As of June 30, 2025, the related capital assets totaled \$57,340,290 net of accumulated depreciation, and \$54,754,540 of Construction in Progress for the construction and renovation of three school facilities.

Bondholders of the lease revenue bonds have a security leasehold interest in the underlying assets purchased with the proceeds of those bonds until the bonds are paid off or refinanced. These were previously detailed in Footnote 8.

Primary Government capital asset activity for the year ended June 30, 2025 was as follows:

Governmental Activities

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025
Capital assets not being depreciated:				
Land	\$ 13,499,901	\$ 543,281	\$ -	\$ 14,043,182
Construction in progress	30,195,767	67,853,695	(22,873,109)	75,176,353
Total capital assets at historical cost not being depreciated	<u>43,695,668</u>	<u>68,396,976</u>	<u>(22,873,109)</u>	<u>89,219,535</u>
Capital assets being depreciated:				
Building and improvements	349,822,846	20,842,137	-	370,664,983
Furniture, fixtures, and equipment	84,809,758	4,759,869	(3,206,355)	86,363,272
Right to use leased equipment	359,020	-	-	359,020
Right to use subscription assets	4,150,523	1,901,543	(3,808,958)	2,243,108
Total capital assets at historical cost being depreciated	<u>439,142,147</u>	<u>27,503,549</u>	<u>(7,015,313)</u>	<u>459,630,383</u>
Less accumulated depreciation and amortization:				
Buildings and improvements	(203,011,788)	(9,449,744)	-	(212,461,532)
Furniture, fixtures, and equipment	(66,251,076)	(4,955,955)	2,742,622	(68,464,409)
Right to use leased equipment	(261,730)	(68,675)	-	(330,405)
Right to use subscription assets	(2,899,244)	(1,230,446)	3,321,328	(808,362)
Total accumulated depreciation and amortization	<u>(272,423,838)</u>	<u>(15,704,820)</u>	<u>6,063,950</u>	<u>(282,064,708)</u>
Total capital assets, being depreciated, net	166,718,309	11,798,729	(951,363)	177,565,675
Governmental activities capital assets, net	<u>\$ 210,413,977</u>	<u>\$ 80,195,705</u>	<u>\$ (23,824,472)</u>	<u>\$ 266,785,210</u>

The County has several Construction projects ongoing that are financed with capital funds, bond and/or grant proceeds such as the Public Service Center and Fleet Center Renovations, Hollins Road Library, Public Safety Center HVAC and UPS replacements, various stream restorations, Explore Park infrastructure improvements, Roanoke River Greenway expansions and technology upgrades for Human Resources and E911. Debt-funded School System projects include construction and renovation of three school facilities, including Glen Cove Elementary, W.E. Cundiff Elementary, and the Roanoke County Career and Technology Center.

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

Depreciation and amortization expense for the year ended June 30, 2025 was charged to functions/programs of the Primary Government as follows:

General government	\$	2,240,996
Judicial administration		68,843
Public Safety		3,064,940
Public Works		2,408,528
Health and welfare		584,440
Parks, recreation and culture		2,067,518
Library		774,204
Community development		77,317
Education		<u>4,418,034</u>
Total depreciation and amortization expense - governmental activities		<u>\$ 15,704,820</u>

The South Peak Community Development Authority's capital asset activity for the year ended June 30, 2025 was as follows:

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025
Capital assets not being depreciated:				
Infrastructure	\$ 5,330,063	\$ -	\$ -	\$ 5,330,063
Total capital assets at historical cost not being depreciated	<u>\$ 5,330,063</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,330,063</u>

The Economic Development Authority's capital asset activity for the year ended June 30, 2025 was as follows:

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025
Capital assets not being depreciated:				
Land Improvements	\$ -	\$ 313,542	\$ -	\$ 313,542
Total capital assets at historical cost not being depreciated	<u>\$ -</u>	<u>\$ 313,542</u>	<u>\$ -</u>	<u>\$ 313,542</u>

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COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

The Roanoke County Public Schools' capital asset activity for the year ended June 30, 2025 was as follows:

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025
Capital assets not being depreciated:				
Land	\$ 12,288,419	\$ -	\$ (2,560,924)	\$ 9,727,495
Construction in progress	792,692	2,031,486	(419,226)	2,404,952
Total capital assets at historical cost not being depreciated	<u>13,081,111</u>	<u>2,031,486</u>	<u>(2,980,150)</u>	<u>12,132,447</u>
Capital assets being depreciated:				
Building and improvements	143,080,074	378,633	-	143,458,707
Furniture, fixtures, and equipment	45,006,556	4,271,195	(751,097)	48,526,654
Right to use leased equipment	16,506,495	9,055,525	(5,558,190)	20,003,830
Right to use subscription assets	4,909,883	745,086	(1,509,162)	4,145,807
Total capital assets at historical cost being depreciated	<u>209,503,008</u>	<u>14,450,439</u>	<u>(7,818,449)</u>	<u>216,134,998</u>
Less accumulated depreciation and amortization:				
Buildings and improvements	(73,587,149)	(3,885,941)	-	(77,473,090)
Furniture, fixtures, and equipment	(34,827,038)	(2,509,638)	751,097	(36,585,579)
Right to use leased equipment	(9,094,932)	(5,039,479)	5,558,191	(8,576,220)
Right to use subscription assets	(2,828,842)	(1,674,668)	1,473,305	(3,030,205)
Total accumulated depreciation and amortization	<u>(120,337,961)</u>	<u>(13,109,726)</u>	<u>7,782,593</u>	<u>(125,665,094)</u>
Total capital assets, being depreciated, net	<u>89,165,047</u>	<u>1,340,713</u>	<u>(35,856)</u>	<u>90,469,904</u>
Governmental activities capital assets, net	<u>\$ 102,246,158</u>	<u>\$ 3,372,199</u>	<u>\$ (3,016,006)</u>	<u>\$ 102,602,351</u>

Depreciation and amortization expense for the Roanoke County Public Schools' charged to function/program activities for the year ended June 30, 2025 was as follows:

Instruction	\$ 4,481,726
Administration	185,640
Transportation	1,608,542
Operations and maintenance	66,277
Technology	53,394
School nutrition	6,714,147
Total depreciation and amortization expense	<u>\$ 13,109,726</u>

(10) Leases and Subscription-Based Information Technology Arrangements

County as Lessee

The County, as a lessee, has entered into two lease agreements involving:

- Xerox Corporation – printing and imaging equipment
- Sharp Electronics Corporation – printing and imaging equipment.

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The total costs of the County’s leased assets are recorded as \$359,020, less accumulated amortization of \$330,405 as of June 30, 2025. The future lease payments under lease agreements are as follows:

	Governmental Activities	
	Leases	
	Principal	Interest
2026	\$ 31,068	\$ 341

The County has entered into seven subscription-based information technology arrangements (SBITAs) involving:

- Infor GlobalHR – a human resources management software
- Microsoft D365 – a financial reporting software
- Microsoft M365 – a business productivity software
- Tyler Munis – a treasury cashiering, permitting, and licensing software
- PerfectMind – a parks and recreation event management software
- ProofPoint DMARC – an email authentication software
- NextGen 911 – an emergency communications software

The total costs of the County’s subscription assets as of June 30, 2025 are recorded as \$2,243,108, less accumulated amortization of \$808,362. The future subscription payments under SBITA agreements are as follows:

	Governmental Activities	
	Subscription-Based IT Arrangements	
	Principal	Interest
2026	\$ 938,568	\$ 37,312
2027	200,475	-
2028	30,000	-
	\$ 1,169,043	\$ 37,312

County as Lessor

The County, as a lessor, has entered into lease agreements involving several sites around the Roanoke Valley for the purpose of maintaining towers and antennae for its public safety radio communications system. The total amount of inflows of resources, including lease revenue and interest revenue recognized during fiscal year 2025 was \$206,972, with \$37,829 attributable to interest revenue and \$169,143 attributable to lease revenue.

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COUNTY OF ROANOKE, VIRGINIA
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The future lease receipts under lease agreements are as follows:

	Governmental Activities	
	Leases	
	Principal	Interest
2026	\$ 141,239	\$ 35,588
2027	113,842	31,885
2028	116,534	29,272
2029	59,039	27,104
2030	63,202	25,527
2031-2035	395,760	99,844
2036-2040	452,245	44,092
2041-2045	180,439	8,137
	\$ 1,522,300	\$ 301,449

School System as Lessee

The School System, as a lessee, has entered into ten lease agreements involving computer and technology equipment. The total costs of the School System's leased assets are recorded as \$20,003,830, less accumulated amortization of \$8,576,220 as of June 30, 2025.

The future lease payments under lease agreements are as follows:

	Governmental Activities	
	Leases	
	Principal	Interest
2026	\$ 3,811,300	\$ 375,901
2027	3,614,338	255,454
2028	2,422,855	138,252
2029	1,118,528	51,537
2030	121,380	7,089
	\$ 11,088,401	\$ 828,233

The School System has entered into twenty-seven subscription-based information technology arrangements (SBITAs). The total costs of the School System's subscription assets are recorded as \$4,145,807, less accumulated amortization of \$3,030,205 as of June 30, 2025. The future subscription payments under SBITA agreements are as follows:

	Governmental Activities	
	Subscription-Based IT Arrangements	
	Principal	Interest
2026	\$ 486,565	\$ 28,382
2027	322,382	17,766
2028	230,433	8,302
2029	65,211	1,251
	\$ 1,104,591	\$ 55,701

COUNTY OF ROANOKE, VIRGINIA
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More information regarding the School System leased and subscription-based assets summarized above can be found in the School System's separately published Annual Comprehensive Financial Report, which may be obtained by writing the Roanoke County Public Schools Department of Finance, 5937 Cove Road, Roanoke, VA 24016 or by visiting their website: www.rcps.us.

(11) Risk Management

The County of Roanoke is self-insured for workers' compensation, health insurance, general liability and automobile liability as follows:

Workers' Compensation – The County established a self-insured Workers' Compensation program on July 1, 1986. On July 1, 1990, the School System also implemented a self-insured Workers' Compensation program. Premiums are paid into the Internal Service Fund and the Component Unit Internal Service Fund and are available to pay claims, claims reserves and administrative costs of the programs. An excess coverage insurance policy covers each accident in excess of \$500,000 for both the County and the School System, with a higher threshold of \$550,000 for emergency personnel, with statutory limits for all claims prior to June 30, 2015. Effective July 1, 2015, the County and Schools joined the Virginia Association of Counties Group Self-Insurance Risk Pool (VACORP) for any claims in excess of \$200,000. At June 30, 2025, the County and the School System have accrued liabilities of \$2,074,000 and \$604,000, respectively, based primarily upon an estimate by a qualified actuary. Interfund premiums are based primarily upon the insured funds' claims experience and are reported as interfund services provided and used.

Health Insurance – The County established a self-insured health insurance program July 1, 1988. On July 1, 1990, the School System also implemented a self-insured health insurance program. Monthly contributions are paid into the Internal Service Fund and the Component Unit Internal Service Fund from the County and School System funds and the County and School System employees based upon estimates from the claims processor that should cover administrative expenses, stop loss insurance premiums, and claims. An excess coverage insurance policy covers each individual's pooled claims in excess of \$250,000. At June 30, 2025, incurred but not yet reported (IBNR) claims for the County and School System are estimated to be \$738,000 and \$1,603,000 respectively. Interfund premiums are based upon the employees within that fund who are enrolled in the plan.

General Liability – The County established a self-insured program for general liability and automobile insurance July 1, 1994. The County purchased excess insurance with \$250,000 retention, with limits of \$2,000,000 per occurrence, and no aggregate limit. At June 30, 2025, the County has an accrued general liability of \$67,500, based primarily upon an estimate by a qualified actuary.

Automobile Liability – The County continues to be self-insured up to \$250,000 and has certain deductibles in place for auto physical damage and comprehensive/collision. Effective July 1, 2017, the County purchased coverage for physical damage to and liability associated with the operation of the County's fleet, including Fire and Rescue and Solid Waste. At June 30, 2025, the County has an accrued automotive liability of \$112,000, based primarily upon an estimate by a qualified actuary.

Settled claims have not exceeded insurance coverage for the past five years. Unpaid claims are included as accrued liabilities on the balance sheet. Changes in the balances of claims liabilities during the past two years are as follows:

COUNTY OF ROANOKE, VIRGINIA
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Primary Government:

	<u>Workers' Compensation</u>	<u>Health Insurance</u>	<u>General Liability</u>	<u>Automobile Liability</u>	<u>Total</u>
Unpaid Claims June 30, 2023	\$ 2,256,000	\$ 855,000	\$ 34,000	\$ 61,000	\$ 3,206,000
Incurred claims*	268,525	11,889,544	4,769	61,445	12,224,283
Claim Payments	<u>(660,525)</u>	<u>(11,829,544)</u>	<u>38,431</u>	<u>(445)</u>	<u>(12,452,083)</u>
Unpaid Claims June 30, 2024	1,864,000	915,000	77,200	122,000	2,978,200
Incurred claims*	845,556	11,779,201	84,454	39,659	12,748,870
Claim Payments	<u>(635,556)</u>	<u>(11,956,201)</u>	<u>(94,154)</u>	<u>(49,659)</u>	<u>(12,735,570)</u>
Unpaid Claims June 30, 2025	<u>\$ 2,074,000</u>	<u>\$ 738,000</u>	<u>\$ 67,500</u>	<u>\$ 112,000</u>	<u>\$ 2,991,500</u>

*Incurred claims includes claims incurred but not reported and changes in estimates.

School System Component Unit:

	<u>Workers' Compensation</u>	<u>Health Insurance</u>	<u>Total</u>
Unpaid Claims June 30, 2023	\$ 893,000	\$ 1,304,000	\$ 2,197,000
Incurred claims*	531,082	19,271,655	19,802,737
Claim Payments	<u>(445,082)</u>	<u>(19,380,655)</u>	<u>(19,825,737)</u>
Unpaid Claims June 30, 2024	979,000	1,195,000	2,174,000
Incurred claims*	276,064	24,144,355	24,420,419
Claim Payments	<u>(651,064)</u>	<u>(23,736,355)</u>	<u>(24,387,419)</u>
Unpaid Claims June 30, 2025	<u>\$ 604,000</u>	<u>\$ 1,603,000</u>	<u>\$ 2,207,000</u>

*Incurred claims includes claims incurred but not reported and changes in estimates.

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(12) Pension Plan

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

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. 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 following table.

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE

PLAN 1	PLAN 2	HYBRID PLAN
About Plans		
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.	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>The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
Eligible Members		
Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.	Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.	<p>Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • Political subdivision employees*

COUNTY OF ROANOKE, VIRGINIA
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PLAN 1	PLAN 2	HYBRID PLAN
<p><u>Hybrid Opt-In Election</u> VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. 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><u>Hybrid Opt-In Election</u> Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. 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>	<ul style="list-style-type: none"> • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. <p><u>*Non-Eligible Members</u> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>
<u>Retirement Contributions</u>		
<p>Employees contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The 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>Same as Plan 1.</p>	<p>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 percentage of the employee's creditable compensation and are required from both the member and the employer.</p> <p>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>

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PLAN 1	PLAN 2	HYBRID PLAN
Service Credit		
<p>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.</p> <p>A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit.</p> <p>It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Same as Plan 1.</p>	<p><u>Defined Benefit Component</u> Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted.</p> <p>A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit.</p> <p>It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><u>Defined Contribution Component</u> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>
Vesting		
<p>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.</p> <p>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>Same as Plan 1.</p>	<p><u>Defined Benefit Component</u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u>Defined Contribution Component</u> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer</p>

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PLAN 1	PLAN 2	HYBRID PLAN
		<p>contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distribution is not required, except as governed by law until age 73.</p>
Calculating the Benefit		
<p>The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced 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>Same as Plan 1.</p>	<p><u>Defined Benefit Component</u> Same as Plan 1.</p> <p><u>Defined Contribution Component</u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
Average Final Compensation		
<p>A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.</p>	<p>Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>

COUNTY OF ROANOKE, VIRGINIA
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PLAN 1	PLAN 2	HYBRID PLAN
Service Retirement Multiplier		
<p>The retirement multiplier is a factor used in the formula to determine a final retirement benefit.</p> <p>The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p>Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p>Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p>Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013.</p> <p>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>Sheriffs and regional jail superintendents: Same as Plan 1.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Defined Benefit Component 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>Sheriffs and regional jail superintendents: Not applicable.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component Not applicable.</p>
Normal Retirement Age		
<p>Age 65.</p> <p>Political subdivision hazardous duty employees: Age 60.</p>	<p>Normal Social Security retirement age.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Defined Benefit Component Same as Plan 2.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
Earliest Unreduced Retirement Eligibility		
<p>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>Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90.</p>	<p>Defined Benefit Component Same as Plan 2.</p>

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PLAN 1	PLAN 2	HYBRID PLAN
<p>Political subdivision hazardous duty employees: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.</p>	<p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Political subdivision hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
Earliest Reduced Retirement Eligibility		
<p>Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.</p> <p>Political subdivision hazardous duty employees: Age 50 with at least five years of service credit.</p>	<p>Age 60 with at least five years (60 months) of service credit.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p><u>Defined Benefit Component</u> Same as Plan 2.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
Cost-of-Living Adjustment (COLA) in Retirement		
<p>The COLA matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><u>Eligibility</u> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>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>The COLA matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><u>Eligibility</u> Same as Plan 1.</p>	<p><u>Defined Benefit Component</u> Same as Plan 2.</p> <p><u>Defined Contribution Component</u> Not applicable.</p> <p><u>Eligibility</u> Same as Plan 1.</p>

COUNTY OF ROANOKE, VIRGINIA
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PLAN 1	PLAN 2	HYBRID PLAN
<p><u>Exceptions to COLA Effective Dates</u> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. 	<p><u>Exceptions to COLA Effective Dates</u> Same as Plan 1.</p>	<p><u>Exceptions to COLA Effective Dates</u> Same as Plan 1.</p>
<u>Disability Coverage</u>		
<p>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>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>Employees of political subdivisions (including Plan 1 and Plan 2 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>
<u>Purchase of Prior Service</u>		
<p>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</p>	<p>Same as Plan 1.</p>	<p><u>Defined Benefit Component</u> Same as Plan 1, with the following exception:</p> <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported service.

COUNTY OF ROANOKE, VIRGINIA
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PLAN 1	PLAN 2	HYBRID PLAN
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.		Defined Contribution Component Not applicable.

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

Pension Plan Data – The System issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information for the plans administered by VRS. A copy of the most recent report may be obtained from the VRS website at <https://www.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.

Aggregate Pension Plan Information

To enhance understanding of the County's pension obligations and related financial activity, the following table summarizes all components related to pension, including pension expense/(benefit), deferred outflows of resources, deferred inflows of resources, and the net/total pension liability/(asset) for the year ended June 30, 2025. Further information regarding these amounts is provided in the subsequent disclosures.

	Pension Expense/ (Benefit)	Deferred Outflows	Deferred Inflows	Total/Net Pension Liabilities/ (Assets)
County of Roanoke Pension Plan	\$ 13,255,334	\$ 28,806,056	\$ 7,911,615	\$ 52,188,300
County Length of Service Awards Program (Note 14)	\$ (16,155)	\$ -	\$ -	\$ 8,688,320
	<u>\$ 13,239,179</u>	<u>\$ 28,806,056</u>	<u>\$ 7,911,615</u>	<u>\$ 60,876,620</u>
School System Teacher Plan	\$ 8,893,449	\$ 32,818,784	\$ 14,258,155	\$ 88,559,158
School System Non-Professional Plan	\$ (207,350)	\$ 146,044	\$ 1,037,979	\$ (2,765,223)
	<u>\$ 8,686,099</u>	<u>\$ 32,964,828</u>	<u>\$ 15,296,134</u>	<u>\$ 85,793,935</u>

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COUNTY OF ROANOKE, VIRGINIA
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Employees Covered by Benefit Terms – As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>County of Roanoke</u>	<u>School System Non-Professional Plan</u>
Inactive members or their beneficiaries currently receiving benefits	839	432
<i>Inactive members:</i>		
Vested	251	86
Non-vested	438	161
Active elsewhere in VRS	345	68
Total inactive members	<u>1,034</u>	<u>315</u>
Active members	1,054	81
Total covered employees	<u>2,927</u>	<u>828</u>

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 localities and school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The County's contractually required employer contribution rate for the year ended June 30, 2025 was 17.11% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the pension plan from the County were \$12,080,767 and \$10,510,023 for the years ended June 30, 2025 and June 30, 2024, respectively.

The defined contributions component of the Hybrid plan includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$233,146 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer, a mandatory additional contribution rate of up to 2.5%. This additional employer mandatory contribution totaled \$292,739 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$23,164,577 for the year ended June 30, 2025.

The School System also has a defined contributions component of the Hybrid plan that includes member and employer mandatory and voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employer must also contribute a mandatory rate of 1% of this covered payroll, which totaled \$411,377 for the year ended June 30, 2025. Hybrid plan members may also elect to contribute an additional voluntary rate of up to 4% of their covered payroll; which would require the employer, a mandatory additional contribution rate of up to 2.5%. This additional employer

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mandatory contribution totaled \$414,248 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$44,057,680 for the year ended June 30, 2025. The Virginia Retirement System only recently began providing separate reporting of the defined contributions components under the Hybrid Plan. At this time, the School System is unable to disaggregate the defined contribution amounts between the Teacher Plan and the Non-Professional Plan but anticipates being able to present this information separately in future reporting periods as data becomes available.

In addition, the School System’s contractually required employer contribution rates for the year ended June 30, 2025 were 14.21% and 3.84% of covered employee compensation for the Teacher and Non-Professional Plans, respectively. This was the General Assembly approved rates which was based on the actuarially determined rate from the 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.

The contractually required employer contribution rate for the Teacher Retirement Plan was 14.21%. Contributions to the pension plan from the School System Teacher Retirement Plan were \$15,025,726 and \$15,898,757 for the years ended June 30, 2025 and June 30, 2024, respectively. The contractually required employer contribution rate for the Non-Professional Plan was 3.84%. Contributions to the pension plan from the School System Non-Professional Plan were \$146,044 and \$24,482 for the years ended June 30, 2025 and June 30, 2024, respectively.

Net Pension Liability (Asset)

The net pension liability (asset) is calculated separately for each employer and represents that particular employer’s total pension liability (asset) determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. For the County and School System, the net pension liability (asset) was measured as of June 30, 2024. The total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2023 rolled forward to the measurement date of June 30, 2024.

Actuarial Assumptions – General Employees and Teacher Plan

The total pension liability for General Employees in the County’s Retirement Plan and School System employees in both the Teacher and Non-Professional Plans were 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.....	3.50% to 5.35%, including inflation for General Employees and the Non-Professional School System Plan
.....	3.50% to 5.95%, for the Teacher Plan
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

COUNTY OF ROANOKE, VIRGINIA
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Mortality rates – Non-Hazardous Duty: 15% of deaths are assumed to be service related

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

Post-RetirementPub-2010 Amount Weighted General 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.

Mortality rates – Teacher Plan: 15% of deaths are assumed to be service related

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

Post-RetirementPub-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.

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 RatesUpdate to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.

Retirement RatesAdjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age.

Withdrawal RatesAdjusted rates to better fit experience at each year age and service through 9 years of service

Disability RatesNo change

Salary ScaleNo change

Line of Duty Disability....No change

Discount Rate.....No change

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County 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:

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Inflation.....	2.50%
Salary increases.....	3.50% to 4.75%, including inflation
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates – Hazardous Duty: 45% of deaths are assumed to be service related

Pre-Retirement.....	Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-Retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 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 with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

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	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70.
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty.
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability....	No change
Discount Rate.....	No change

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 Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of 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%
Private Investment Partnership (PIP)	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 expected 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 return of 6.75% which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate.

For the year ended June 30, 2024, the employer contribution rate is 100% of the actuarially determined employer contribution rate from the June 30, 2023 actuarial valuations. From July 1, 2024, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF ROANOKE, VIRGINIA
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Changes in Net Pension Liability (Asset)

	County of Roanoke			School System - Non-Professional		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Balances at June 30, 2023	\$ 316,129,745	\$ 275,875,521	\$ 40,254,224	\$ 33,519,702	\$ 35,658,684	\$ (2,138,982)
Changes for the year:						
Service cost	9,082,061	-	9,082,061	367,448	-	367,448
Interest	21,430,129	-	21,430,129	2,202,512	-	2,202,512
Difference between expected and actual experience	21,167,985	-	21,167,985	372,688	-	372,688
Impact in change of proportion	579,965	506,115	73,850	-	-	-
Contribution - employer	-	10,084,116	(10,084,116)	-	24,482	(24,482)
Contributions - employee	-	3,123,262	(3,123,262)	-	201,047	(201,047)
Net investment income	-	26,780,785	(26,780,785)	-	3,366,677	(3,366,677)
Benefit payments including refunds of employee contributions	(16,616,759)	(16,616,759)	-	(2,514,687)	(2,514,687)	-
Administrative expense	-	(173,860)	173,860	-	(23,947)	23,947
Other changes	-	5,646	(5,646)	-	630	(630)
Net Changes	35,643,381	23,709,305	11,934,076	427,961	1,054,202	(626,241)
Balances at June 30, 2024	\$ 351,773,126	\$ 299,584,826	\$ 52,188,300	\$ 33,947,663	\$ 36,712,886	\$ (2,765,223)
Teacher Plan Net Pension Liability at June 30, 2024				\$ 571,928,592	\$ 483,369,434	\$ 88,559,158
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Teacher Plan)						<u>84.52%</u>

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

The following presents the net pension liability (asset) of the County and School System using the discount rate of 6.75%, as well as what the County and School System's 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:

	Net Pension Liability (Asset)		
	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
<u>County of Roanoke:</u>			
Retirement Plan	\$ 96,966,087	\$ 52,188,300	\$ 15,206,538
<u>School System:</u>			
Teacher Retirement Plan	\$ 164,525,556	\$ 88,559,158	\$ 26,345,094
Non-Professional Plan	\$ 422,581	\$ (2,765,223)	\$ (5,487,203)

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

For the year ended June 30, 2025, the County and the School System recognized pension expense (benefit) of \$13,255,334, \$8,893,449 and \$(207,350) in the Retirement Plan, the Teacher Retirement Plan and the Non-Professional Plan, respectively. For the year ended July 31, 2024, the Length of Service

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Award Program (LOSAP) recognized pension benefit of \$(16,155) which is detailed in Footnote 14. This totals a combined pension expense for all plans of \$21,925,278.

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

	<u>County of Roanoke</u>		<u>School System</u>			
	<u>Retirement Plan</u>		<u>Teacher Retirement Plan</u>		<u>Non-Professional Plan</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,598,743	\$ 184,522	\$ 15,363,765	\$ 1,823,495	\$ -	\$ -
Change in assumptions	-	-	1,607,467	-	-	-
Net difference between projected and actual earnings on plan investments	-	7,727,093	-	12,190,222	-	1,037,979
Changes in proportion and differences between employer contributions and proportionate share of contributions	126,546	-	821,826	244,438	-	-
Employer contributions subsequent to the measurement date	12,080,767	-	15,025,726	-	146,044	-
Total	<u>\$ 28,806,056</u>	<u>\$ 7,911,615</u>	<u>\$ 32,818,784</u>	<u>\$ 14,258,155</u>	<u>\$ 146,044</u>	<u>\$ 1,037,979</u>

\$12,080,767, \$15,025,726, and \$146,044 reported as deferred outflows of resources related to pensions resulting from the County and School System's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026, for the Retirement Plan, Teacher, and Non-Professional Plans, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>County of Roanoke</u>	<u>School System</u>	
	<u>Retirement Plan</u>	<u>Teacher Retirement Plan</u>	<u>Non-Professional Plan</u>
2025	\$ 1,361,825	\$ (5,025,190)	\$ (960,890)
2026	9,092,919	7,797,061	315,046
2027	8,084	1,811,513	(184,581)
2028	(1,649,154)	(1,048,481)	(207,554)
	<u>\$ 8,813,674</u>	<u>\$ 3,534,903</u>	<u>\$ (1,037,979)</u>

Payable to the Pension Plan

At June 30, 2025, the Teacher and Non-Professional Plans reported payables of \$252,539, and \$12,541, respectively. The combined payable of \$265,080 represents the outstanding contributions to the pension plan required as of June 30, 2025.

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(13) Other Postemployment Benefits (OPEB)

Retiree Medical Program

Plan Description – The County administers and sponsors a single-employer defined benefit healthcare plan (Retiree Medical Plan). All full-time employees hired before July 1, 2016 who retire directly from the County prior to age 55 with 10 years of continuous full-time service with the County through the date of retirement are eligible to receive early or regular retiree health benefits until they are eligible for Medicare. Specific information about the County’s Retiree Medical Plan, including eligibility, coverage, and benefits is set out in the table that follows:

OPEB PLAN PROVISIONS – RETIREE MEDICAL
<p>Eligible Members</p> <p>All full-time employees hired before July 1, 2016, who meet the following criteria, are eligible for post-retirement medical coverage:</p> <ul style="list-style-type: none"> ○ Retire directly from the County and are eligible to receive an early or regular retirement benefit from the VRS ○ Have 10 years of continuous full-time service with the County through the date of retirement ○ Have 5 years of enrollment in the County sponsored medical plan immediately prior to retirement <p>Eligible dependents on the employee’s health insurance may continue to receive the County’s contribution toward the health plan.</p>
<p>Benefit Amounts</p> <p>For plan members receiving benefits, the County contributes a specified amount monthly towards the cost of the health insurance premium.</p>
<p>Program Notes</p> <p>Active employees hired after July 1, 2016 are not eligible. The Retiree Medical Plan is assumed to be the primary plan of benefits prior to age 65. Once the retiree or spouse becomes eligible for Medicare, they must then enroll in the Medicare Advantage Plan.</p>

The County participates in the OPEB Trust Fund, an irrevocable trust established for the purpose of accumulating assets to fund postemployment benefits other than pensions. The OPEB Trust Fund issues a separate report, which can be obtained by requesting a copy from the plan administrator, Virginia Municipal League (VML), at P.O. Box 12164, Richmond, Virginia 23241.

Long-Term Expected Rate of Return - The long-term expected rate of return on OPEB investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan 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 Allocation</u>	<u>Long-term Arithmetic Average</u>		<u>Long-term Arithmetic</u>
		<u>Nominal Return¹</u>	<u>Real Return²</u>	<u>Weighted Average Real Return*</u>
Core Plus Bonds	16.00%	5.58%	2.83%	0.45%
Absolute Return	4.00%	7.00%	4.25%	0.17%
U.S. Large Cap Equity	21.00%	9.95%	7.20%	1.51%
U.S. Small Cap Equity	10.00%	11.34%	8.59%	0.86%
International Developed Equity	13.00%	10.72%	7.97%	1.04%
Emerging Market Equity	5.00%	11.99%	9.24%	0.46%
Long/Short Equity	6.00%	8.14%	5.39%	0.32%
Private Equity	10.00%	13.26%	10.51%	1.05%
Core Real Estate	10.00%	9.20%	6.45%	0.65%
Opportunistic Real Estate	5.00%	12.20%	9.45%	0.47%
Total	<u>100.00%</u>			6.98%
			Inflation	<u>2.75%</u>
		Arithmetic Average Nominal Return		<u>9.73%</u>

¹ – Long-Term Arithmetic Average Nominal Return is the average return assumption for any given year derived from long-term risk premiums and a long-term average risk-free rate.

² - Long-Term Arithmetic Average Real Return is the Long-Term Arithmetic Average Nominal Return minus an average annual inflation rate of 2.75%.

* The above allocation provides a one-year expected return of 9.73%. The one-year expected return, however, does not take volatility into account for each underlying asset class. In determining an appropriate strategic asset allocation, stochastic projections are utilized to model a range of future returns under various economic and market environments. Based on the investment consultant's 2025 capital market assumptions, the median return was 8.37% over a 20-year time horizon. The Trust's Board has approved a long-term return objective of 7.50%, which supports the appropriateness of the current asset allocation.

Benefits will be financed through a combination of accumulated trust funds and on a pay as you go basis until sufficient funds are accumulated in the OPEB trust. The discount rate used to measure the total OPEB liability is 7.50% based on the current expected return on assets and the investment portfolio.

Aggregate Other Postemployment Benefits Information

As the total OPEB expense is not easily identifiable from information presented in the financial statements, it is best practice for a primary government to provide the aggregate amount of OPEB expense in its footnotes. The following table presents a summary of OPEB expense/(benefit), deferred outflows of resources, deferred inflows of resources, and the net total other postemployment benefit (OPEB) liability for the year ended June 30, 2025. Additional details regarding these amounts are provided in the sections that follow.

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	OPEB Expense/ (Benefit)	Deferred Outflows	Deferred Inflows	Total/Net OPEB Liabilities
County Stand-Alone Plan - Retiree Medical	\$ (329,186)	\$ 3,664,262	\$ 1,916,969	\$ 2,044,841
County OPEB Plan - Health Insurance Credit	130,151	395,237	125,868	839,763
County VRS OPEB Plan - Group Life Insurance	111,687	1,070,188	510,794	3,009,642
	<u>\$ (87,348)</u>	<u>\$ 5,129,687</u>	<u>\$ 2,553,631</u>	<u>\$ 5,894,246</u>
School System Stand-Alone Plan - Retiree Medical	\$ 883,653	\$ 3,295,776	\$ 2,412,123	\$ 10,934,674
School System OPEB Plan - Health Insurance Credit - Teacher	785,090	1,597,747	690,595	21,504
School System OPEB Plan - Health Insurance Credit - Non-Professional	(118,893)	109,148	24,154	7,120
School System VRS OPEB Plan - Group Life Insurance - Teacher	64,284	1,276,255	815,789	21,014
School System VRS OPEB Plan - Group Life Insurance - Non-Professional	6,674	89,111	37,024	3,854
	<u>\$ 1,620,808</u>	<u>\$ 6,368,037</u>	<u>\$ 3,979,685</u>	<u>\$ 10,988,166</u>

Retiree Medical Program – OPEB Plan Disclosures

Employees Covered by Benefits Terms - As of the June 30, 2025 actuarial valuation, the following employees were covered by the benefit terms of the Retiree Medical Plan:

Inactive members:	
Retirees	66
Active members	455
	<hr/>
Total covered members	<u>521</u>

Contributions - The Retiree Medical Plan is funded with contributions from plan members and the County. Plan members receiving benefits contribute specified amounts monthly, ranging from 41.7% to 71.8%, towards the cost of the health insurance premiums. For fiscal year ended June 30, 2025, the retirees contributed approximately \$454,738 or 48.4% of total premiums, through their required contributions of \$358.31 to \$1,548.48 per month depending on the coverage (single, single plus dependent, single plus spouse, or family and the number of years of service completed by the employee).

The County's actuarially determined contribution rate for the year ended June 30, 2025 was 1.30% of covered employee compensation for the Retiree Medical Plan. The total amount contributed was \$925,927. This rate was based on the actuarially determined rate from actuarial valuations as June 30, 2025.

Net OPEB Liability - The Plan data for the Retiree Medical Plan was measured as of July 1, 2025 based on an actuarial valuation performed as of June 30, 2025.

Actuarial Methods and Assumptions - The net OPEB liability as of June 30, 2025 was based on an actuarial valuation date of July 1, 2024 projected to June 30, 2025, with adjustments for actual premiums, trend assumption and discount rate changes from 2024 to 2025. For fiscal year ending June 30, 2025, a June 30, 2025 measurement date was used. The Entry Age Normal actuarial cost method was used, with the following assumptions:

Discount rate	7.50%
Salary increases.....	3.50%, including a 2.50% inflation assumption and a 1.00% productivity component
Investment rate of return	7.00%

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Health Care cost trend rate – Medical Initial rate of 8.00% decreasing down by 0.25% annually
to an ultimate rate of 4.50%

Mortality rates

General Retirees SOA Pub-2010 General Headcount Weighted Mortality Table fully
generational using Scale MP-2021

Surviving Spouses SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table
fully generational using Scale MP-2021

Disabled Retirees SOA Pub-2010 Non-Safety Disabled Retiree Headcount Weighted
Mortality Table fully generational using Scale MP-2021

The plan does not have sufficient data to have credible experience. Therefore, mortality assumptions are set to reflect general population trends based upon Pub-2010 Mortality tables and the most recent generational projection scale MP-2021 released by the Society of Actuaries (SOA) for future mortality improvements.

OPEB Liabilities and OPEB Expense for the Retiree Medical Plan as of 2025 measurement date

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2024	\$ 12,571,388	\$ 10,497,583	\$ 2,073,805
Changes for the year:			
Service cost	220,979	-	220,979
Interest	863,606	-	863,606
Change in assumptions	626,219	-	626,219
Difference between expected and actual experience	433,293	-	433,293
Contribution - employer	-	925,927	(925,927)
Net investment income	-	927,751	(927,751)
Benefit payments including refunds of member contributions	(925,927)	(925,927)	-
Administrative expense	-	(10,961)	10,961
Net Changes	1,218,170	916,790	301,380
Balances at June 30, 2025	\$ 13,789,558	\$ 11,414,373	\$ 2,375,185

Net OPEB Liability - The net OPEB liability (NOL) is calculated separately, the OPEB Plan represents its total OPEB liability determined in accordance with GAAP, less the fiduciary net position. As of June 30, 2025, NOL amounts are as follows:

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Total OPEB Liability	\$	13,789,558
Plan Fiduciary Net Position		11,414,373
Net OPEB Liability	<u>\$</u>	<u>2,375,185</u>

Fiduciary Net Position as a Percentage
of Total OPEB Liability 82.78%

Sensitivity to Changes in the Discount Rate - The following presents the County's net OPEB liability using the discount rate of 7.50%, as well as what it would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	<u>1.00% Decrease</u> (6.50%)	<u>Current Rate</u> (7.50%)	<u>1.00% Increase</u> (8.50%)
Net OPEB Liability	\$ 3,334,816	\$ 2,375,185	\$ 1,489,865

Sensitivity to the Changes in the Healthcare Cost Rate - The following presents the County's net OPEB liability using the health care cost rate of 8.00% grading to 4.50%, as well as what it would be if it were calculated using a healthcare cost rate that is one percentage point lower (7.00% grading to 3.50%) or one percentage point higher (9.00% grading to 5.50%) than the current rate:

	<u>1.00% Decrease</u> (7.00% decreasing to 3.50%)	<u>Current Rate</u> (8.00% decreasing to 4.50%)	<u>1.00% Increase</u> (9.00% decreasing to 5.50%)
Net OPEB Liability	\$ 1,234,514	\$ 2,375,185	\$ 3,666,752

Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Retiree Medical Plan - At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to the Retiree Medical Plan from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$1,277,080	\$ 621,371
Change in assumptions	1,439,646	126,287
Net difference between projected and actual earnings on OPEB plan investments	48,723	-
Total	<u>\$2,765,449</u>	<u>\$ 747,658</u>

COUNTY OF ROANOKE, VIRGINIA
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in the OPEB expense in future reporting periods as follows:

Year ended June 30:

2026	\$	236,118
2027		266,365
2028		466,436
2029		461,675
2030		435,839
Thereafter		151,358
		\$ 2,017,791

Retiree Medical Program – Employer Recognition of the OPEB Plan – Roanoke County

Employees Covered by Benefits Terms - At June 30, 2024 (measurement date), the following employees were covered by the benefit terms of the Retiree Medical Plan:

Inactive members:	
Retirees	64
Active members	452
Total covered members	516

Contributions - The County’s contractually required contribution rate for the year ended June 30, 2024 was 2.4% of covered employee compensation, actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The total amount contributed was \$854,820.

Net OPEB Liability - The Employer data for the Retiree Medical Plan was measured as of June 30, 2024. The total 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. The actuarial valuation was performed for the County and its fiscal agents as a whole. The below information reflects the County portion only.

Actuarial Methods and Assumptions - The net OPEB liability as of June 30, 2024 was based on an actuarial valuation date of July 1, 2024 with no adjustments to get to the June 30, 2024 measurement date. For fiscal year ending June 30, 2024, a June 30, 2024 measurement date was used. The Entry Age Normal actuarial cost method was applied, using the following assumptions:

Discount rate	7.00%
Salary increases.....	3.50%, including a 2.50% inflation assumption and a 1.00% productivity component
Investment rate of return	7.00%
Healthcare cost trend rate – Medical	Initial rate of 8.00% decreasing down by 0.50% annually to an ultimate rate of 4.50%

COUNTY OF ROANOKE, VIRGINIA
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Mortality rates

- General RetireesSOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021
- Surviving SpousesSOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021
- Disabled RetireesSOA Pub-2010 Non-Safety Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2021

The plan does not have sufficient data to have credible experience. Therefore, mortality assumptions are set to reflect general population trends based upon Pub-2010 Mortality tables and the most recent generational projection scale MP-2021 released by the Society of Actuaries (SOA) for future mortality improvements.

OPEB Liabilities and OPEB Expense

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2023	\$ 10,613,124	\$ 9,516,056	\$ 1,097,068
Changes for the year:			
Service cost	185,956	-	185,956
Interest	774,116	-	774,116
Change of benefit terms	(228,309)	-	(228,309)
Change in assumptions	1,122,016		1,122,016
Difference between expected and actual experience	841,559	-	841,559
Impact in change in proportion	(57,849)	(51,869)	(5,980)
Contribution - employer	-	854,820	(854,820)
Net investment income	-	896,652	(896,652)
Benefit payments including refunds of member contributions	(854,820)	(854,820)	-
Administrative expense	-	(9,887)	9,887
Net Changes	<u>1,782,669</u>	<u>834,896</u>	<u>947,773</u>
Balances at June 30, 2024	<u>\$ 12,395,793</u>	<u>\$ 10,350,952</u>	<u>\$ 2,044,841</u>

For the year ended June 30, 2025, the County recognized OPEB expense (benefit) of (\$329,186).

Net OPEB Liability - The net OPEB liability (NOL) is calculated separately; the OPEB Plan represents its total OPEB liability determined in accordance with GAAP, less the fiduciary net position. As of June 30, 2024, NOL amounts are as follows:

COUNTY OF ROANOKE, VIRGINIA
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Total OPEB Liability	\$	12,395,793
Plan Fiduciary Net Position		10,350,952
Net OPEB Liability	\$	2,044,841

Fiduciary Net Position as a Percentage
of Total OPEB Liability 83.50%

The County of Roanoke has fiscal entities who participate in the Retiree Medical Program. The above information reflects only the County's portion of the total OPEB liability.

Sensitivity to Changes in the Discount Rate - The following presents the County's net OPEB liability using the discount rate of 7.00%, as well as what it would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1.00% Decrease (6.00%)	Current Rate (7.00%)	1.00% Increase (8.00%)
Net OPEB Liability	\$ 2,905,126	\$ 2,044,841	\$ 1,250,056

Sensitivity to the Changes in the Healthcare Cost Rate - The following presents the County's net OPEB liability using the health care cost rate of 8.00% grading to 4.50% over six years, as well as what it would be if it were calculated using a healthcare cost rate that is one percentage point lower (7.00% grading to 3.50% over six years) or one percentage point higher (9.00% grading to 5.50% over six years) than the current rate:

	1.00% Decrease (7.00% decreasing to 3.50% over 6 years)	Current Rate (8.00% decreasing to 4.50% over 6 years)	1.00% Increase (9.00% decreasing to 5.50% over 6 years)
Net OPEB Liability	\$ 1,095,576	\$ 2,044,841	\$ 3,118,915

Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Retiree Medical Plan - At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to the Retiree Medical Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,089,370	\$ 1,667,921
Change in assumptions	1,505,776	249,048
Net difference between projected and actual earnings on OPEB plan investments	154,449	-
Employer contributions subsequent to the measurement date	914,667	-
Total	\$3,664,262	\$ 1,916,969

COUNTY OF ROANOKE, VIRGINIA
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Deferred outflows of resources resulting from the contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026 in addition to other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2026	\$ (413,992)
2027	121,694
2028	151,520
2029	348,794
2030	344,103
Thereafter	280,507
	<u>\$ 832,626</u>

VRS Health Insurance Credit and Group Life Insurance Programs – Roanoke County

Plan Description - All full-time, salaried permanent employees of the County are automatically covered by the VRS Political Subdivision Health Insurance Credit Program (HIC) upon employment. 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.

These plans are administered by the Virginia Retirement System (System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. 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. The Virginia Retirement System (VRS) Group Life Insurance Program is a multiple employer, cost-sharing plan.

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. 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.

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 about the Health Insurance Credit Program and the Group Life Program, including eligibility, coverage, and benefits is set out in the table below:

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OPEB PLAN PROVISIONS BY PLAN STRUCTURE

HEALTH INSURANCE CREDIT	GROUP LIFE INSURANCE
Eligible Members	
<p>The County's Retiree Health Insurance Credit Program was established July 1, 1993 for retired County employees who retire with at least 15 years of service credit.</p> <p>Eligible employees are enrolled automatically upon employment. They include full-time, permanent, salaried employees of the County who are covered under the VRS pension plan.</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.</p> <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>
Benefit Amounts	
<p>The County's Retiree Health Insurance Credit Program provides the following benefits for eligible employees:</p> <p><u>At Retirement</u> For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month.</p> <p><u>Disability Retirement</u> 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.</p>	<p>The benefits payable under the Group Life Insurance Program have several components.</p> <p><u>Natural Death Benefit</u> The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.</p> <p><u>Accidental Death Benefit</u> The accidental death benefit is double the natural death benefit.</p> <p><u>Other Benefit Provisions</u> In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:</p> <ul style="list-style-type: none"> • Accidental dismemberment benefit • Safety belt benefit • Repatriation benefit • Felonious assault benefit • Accelerated death benefit option
Program Notes	
<p>The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.</p> <p>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.</p> <p>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.</p>	<p><u>Reduction in Benefit Amounts</u> 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.</p> <p><u>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</u></p>

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HEALTH INSURANCE CREDIT	GROUP LIFE INSURANCE
	For covered members with at least 30 years of creditable service, 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 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.

Detailed information about the VRS Political Subdivision Health Insurance Credit Program’s Fiduciary Net Position and the Group Life Insurance Program’s Fiduciary Net Position is available in the separately issued VRS 2024 ACFR. A copy of the 2024 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2024-annual-report.pdf>, or by writing the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Employees Covered by Benefit Terms - As of the June 30, 2024 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

Inactive members or their beneficiaries currently receiving benefits	354
Vested inactive members	15
Inactive members active elsewhere in VRS	149
Total inactive members	518
Active members	796
Total covered members	1,314

Contributions - Under the Health Insurance Credit Program, the contribution requirement for active employees is governed by §51.1-1402(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Under the Group Life Program, the contribution requirements 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 the funding provided to state agencies and school systems by the Virginia General Assembly.

The County’s contractually required employer contribution rate for the year ended June 30, 2025 was 0.30% of covered employee compensation for employees in the Health Insurance Credit Program. This rate was 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 County to the Political Subdivision Health Insurance Credit Program were \$203,762 and \$197,961 for the years ended June 30, 2025 and June 30, 2024, respectively.

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 the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023.

COUNTY OF ROANOKE, VIRGINIA
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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. Contributions to the Group Life Insurance Program from the entity were \$319,192 and \$356,162 for the years ended June 30, 2025 and June 30, 2024, respectively.

Net OPEB Liability - The County's net Health Insurance Credit OPEB liability and Group Life Insurance OPEB liability were measured as of June 30, 2024. The total OPEB liability for each program 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.

Actuarial Assumptions - The total OPEB liability for the Health Insurance Credit Program and Group Life Insurance 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.

Inflation.....	2.50%
Salary increases, including inflation.....	3.50% – 5.35%
Investment rate of return.....	6.75% net of investment expenses, including inflation

Mortality rates – General Employees

Pre-Retirement	Pub-2010 Amount Weighted General Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement.....	Pub-2010 Amount Weighted General 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 General 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 and VRS board action are as follows:

Mortality Rates	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 (pre-retirement, post-retirement healthy, and disabled)
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

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Withdrawal RatesAdjusted rates to better fit experience at each age and service decrement through 9 years of service

Disability RatesNo change

Salary ScaleNo change

Line of Duty Disability....No change

Discount Rate.....No change

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:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of 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 Partnerships	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 expected 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 return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Discount Rate - The discount rate used to measure the total OPEB liability for the Health Insurance Credit Program and the Group Life Insurance Program 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 and the member rate. Through the fiscal year ending June 30, 2024, the rate contributed by the

COUNTY OF ROANOKE, VIRGINIA
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County for the HIC OPEB was 100% of the actuarially determined contribution 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 OPEB plans' fiduciary net positions were projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

Net OPEB Liability - Health Insurance Credit Program

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2023	\$ 2,114,837	\$ 1,038,493	\$ 1,076,344
Changes for the year:			
Service cost	32,778	-	32,778
Interest	140,405	-	140,405
Difference between expected and actual experience	(100,432)	-	(100,432)
Contribution - employer	-	207,345	(207,345)
Net investment income	-	103,449	(103,449)
Benefit payments, including refunds of member contributions	(135,096)	(135,096)	-
Administrative expense	-	(1,463)	1,463
Other changes	-	1	(1)
Net Changes	(62,345)	174,236	(236,581)
Balances at June 30, 2024	<u>\$ 2,052,492</u>	<u>\$ 1,212,729</u>	<u>\$ 839,763</u>

Net OPEB Liability - Group Life Insurance Program - 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 are as follows:

Total GLI OPEB Liability	\$ 11,318,699
Plan Fiduciary Net Position	<u>8,309,057</u>
Net OPEB Liability	<u>\$ 3,009,642</u>

Fiduciary Net Position as a Percentage of Total OPEB Liability	73.41%
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COUNTY OF ROANOKE, VIRGINIA
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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 GASB Statement No. 74 in the County's notes to the financial statements and required supplementary information.

Sensitivity of the Health Insurance Credit Net OPEB Liability and the County's proportionate Share of the net GLI OPEB Liability to Changes in the Discount Rate - The following presents the County's Health Insurance Credit Program net HIC OPEB liability and proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the County's net HIC OPEB liability and 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:

	1.00% Decrease (5.75%)	Current Rate (6.75%)	1.00% Increase (7.75%)
Net HIC OPEB Liability	\$ 1,063,379	\$ 839,763	\$ 650,578
Net GLI OPEB Liability	\$ 4,680,384	\$ 3,009,642	\$ 1,659,902

Health Insurance Credit Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Health Insurance Credit Program OPEB - For the year ended June 30, 2025, the County recognized Health Insurance Credit Program OPEB expense of \$130,151. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to the Health Insurance Credit Program from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 48,728	\$ 103,722
Change in assumptions	142,747	-
Net difference between projected and actual earnings on OPEB plan investments	-	22,146
Employer contributions subsequent to the measurement date	203,762	-
Total	\$ 395,237	\$ 125,868

\$203,762 reported as deferred outflows of resources related to the HIC OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net 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 HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

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Year ended June 30:

2026	\$	19,231
2027		36,747
2028		21,028
2029		(2,267)
2030		(9,132)
		(9,132)
	\$	65,607

Group Life Insurance Program OPEB Liabilities, 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 County reported a liability of \$3,009,642 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 performed 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 was 0.26970% as compared to 0.25678% at June 30, 2023.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of \$111,687. 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 GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 474,690	\$ 73,515
Change in assumptions	17,155	149,152
Changes in Proportionate Share	259,151	34,446
Net difference between projected and actual earnings on OPEB plan investments	-	253,681
Employer contributions subsequent to the measurement date	319,192	-
Total	\$1,070,188	\$ 510,794

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\$319,192 reported as deferred outflows of resources related to the GLI OPEB 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 GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year ended June 30:

2026	\$	(89,685)
2027		107,630
2028		70,631
2029		81,483
2030		70,143
	<u>\$</u>	<u>240,202</u>

Retiree Medical Program – OPEB Plan Disclosures – School System

The GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, in June 2015. This GASB Statement requires the School System to report extensive note disclosures and required supplementary information (RSI) about the Retiree Medical Plan since the plan does not issue a separate financial report. Information for these required disclosures and RSI are based on the June 30, 2025 actuarial valuation with measurement date of June 30, 2025. Given this, the information for the Retiree Medical Plan below is one year after the required Employer Disclosures of the Plan as recognized in the Statement of Net Position and discussed in the following pages.

Employees Covered by Benefit Terms – As of the valuation and measurement date of June 30, 2025, the following employees were covered by the benefit terms in the Retiree Medical Plan:

Inactive employees or beneficiaries currently receiving benefits	75
Active employees	<u>1,564</u>
Total covered employees	<u><u>1,639</u></u>

Contributions – The Retiree Medical Plan is funded through member and employer contributions. Plan members receiving benefits contribute monthly premiums towards the cost of the health insurance depending on the coverage selected (single, single plus dependent, single plus spouse, or family). As of the valuation and measurement date of June 30, 2025, the School System's Retiree Medical Plan's average contribution rate was 0.70% of covered employee payroll. The total amount contributed was \$614,005.

Net School System OPEB Plan Liability – The net School System OPEB Plan Liability (NOL) for the Retiree Medical Plan represents its total Net School System Plan liability calculated by the actuary in accordance with GASB Statement No. 74 less the fiduciary net position. The total School System Plan liability used to calculate the net School System Plan liability was determined by an actuarial valuation performed as of June 30, 2025. At June 30, 2025, the Retiree Medical Plan reported a net OPEB liability of \$10,934,674.

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	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2024	\$ 9,169,863	\$ 1,916,317	\$ 7,253,546
Changes for the year:			
Service cost	447,793	-	447,793
Interest	652,109	-	652,109
Changes in benefit terms	1,620,844	-	1,620,844
Changes of assumptions	656,475	-	656,475
Difference between expected and actual experience	1,085,045	-	1,085,045
Contribution - employer	-	614,005	(614,005)
Net investment income	-	169,338	(169,338)
Benefit payments, including refunds of member contributions	(614,005)	(614,005)	-
Administrative expense	-	(2,205)	2,205
Net Changes	3,848,261	167,133	3,681,128
Balances at June 30, 2025	\$ 13,018,124	\$ 2,083,450	\$ 10,934,674

Fiduciary Net Position as a Percentage of Total OPEB Liability 16.00%

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – As June 30, 2025, the School System Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,808,778	\$ 1,116,293
Change in assumptions	1,486,998	1,292,617
Net difference between projected and actual earnings on OPEB plan investments	-	3,213
Total	\$ 3,295,776	\$ 2,412,123

The following table reconciles the deferred outflows of resources and deferred inflows of resources to the amortization schedule.

Deferred Outflows of Resources	\$ 3,295,776
Deferred Inflows of Resources	(2,412,123)
Total amortization schedule	\$ 883,653

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the School System's Retiree Medical Plan will be recognized in Retiree Medical Plan expense as follows:

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Year ended June 30:

2026	\$	(168,015)
2027		(219,799)
2028		(217,887)
2029		343,079
2030		350,135
Thereafter		796,140
	<u>\$</u>	<u>883,653</u>

Long-Term Expected Rate of Return – The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis of expected real returns by asset class, weighted by the target allocation and adjusted for inflation. The analysis reflects the Plan’s investment policy and long-term capital market assumptions provided by the investment consultant to the Trust’s Board.

Expected future real rates of return (net of investment expenses and inflation) were developed for each major asset class and combined to produce the long-term expected rate of return. The following table presents the target asset allocation and the best estimate of arithmetic real rates of return (net of investment expense and inflation) for each major asset class as of June 30, 2024.

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Nominal Rate of Return</u>	<u>Arithmetic Long-Term Real Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Core Plus Bonds	16.00%	5.58%	2.83%	0.45%
Absolute Return	4.00%	7.00%	4.25%	0.17%
U.S. Large Cap Equity	21.00%	9.95%	7.20%	1.51%
U.S. Small Cap Equity	10.00%	11.34%	8.59%	0.86%
International Developed Equity	13.00%	10.72%	7.97%	1.04%
Emerging Market Equity	5.00%	11.99%	9.24%	0.46%
Long/Short Equity	6.00%	8.14%	5.39%	0.32%
Private Equity	10.00%	13.26%	10.51%	1.05%
Core Real Estate	10.00%	9.20%	6.45%	0.65%
Opportunistic Real Estate	5.00%	12.20%	9.45%	0.47%
Total	<u>100.00%</u>			<u>6.98%</u>
			Inflation	<u>2.75%</u>
			Expected arithmetic nominal return	<u>9.73%</u>

- 1) *Long-Term Arithmetic Average Nominal Return is the average return assumption for any given year derived from long-term risk premiums and a long-term average risk-free rate.*
- 2) *Long-Term Arithmetic Average Real Return is the Long-Term Arithmetic Average Nominal Return minus an average annual inflation rate of 2.75%.*

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Benefits will be financed through a combination of accumulated trust funds and on a pay as you go basis until sufficient funds are accumulated in the OPEB trust. Therefore, the discount rate of 7.50% used to measure the total OPEB liability is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2025. All investments are reported at fair value, and the investment policy, including target asset allocations and performance benchmarks, is reviewed annually by the Trust's Board to ensure consistency with long-term funding objectives and the actuarial assumptions used in the valuation.

Sensitivity of the School System Plan OPEB Liability to Changes in the Discount Rate – The following presents the Retiree Medical Plan's net School System's Plan OPEB liability using the discount rate of 7.50%, as well as what it would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	1.00% Decrease (6.00%)	Current Rate (7.50%)	1.00% Increase (8.50%)
Net OPEB Liability	\$ 11,692,005	\$ 10,934,674	\$ 10,205,386

Sensitivity of the School System Plan OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following presents the Retiree Medical Plan's net OPEB liability using the health care cost rate of 8.00% decreasing to 4.50% over 7 years, as well as what it would be if it were calculated using a healthcare cost rate that is one percentage point lower (7.00% decreasing to 3.50% over 7 years) or one percentage point higher (9.00% decreasing to 5.50% over 7 years) than the current rate:

	1.00% Decrease (7.00% decreasing to 3.50% over 7 years)	Current Rate (8.00% decreasing to 4.50% over 7 years)	1.00% Increase (9.00% decreasing to 5.50% over 7 years)
Net OPEB Liability	\$ 9,885,958	\$ 10,934,674	\$ 12,128,099

Actuarial Assumptions – The total School System Plan OPEB liability was based on an actuarial valuation date of June 30, 2025, using the Entry Age normal actuarial fair value method and the following assumptions:

Inflation.....	2.50% per annum
Discount rate	7.50% as of June 30, 2025 per annum
Salary increases.....	3.50% per annum plus a step-rate/promotional component based on the VRS actuarial valuation as of June 30, 2025
Investment rate of return	7.50% per annum
Medical	8.00% graded down to 4.50% over 15 years beginning in 2026

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Mortality rates

Professionals.....	SOA Pub-2010 Teacher Headcount Weighted Mortality Table fully generational using Scale MP-2021
Non-Professionals.....	SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021
Surviving Spouses	SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021
Disabled Retirees.....	SOA Pub-2010 Non-Safety Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2021

The following changes were made to the actuarial assumptions and methods effective June 30, 2024:

- The discount rate has been updated as of June 30, 2025 (measurement date) with the updated forward-looking long-term rate of return information from the Trust’s target investment policy. The discount rate is 7.50% as of June 30, 2025, and 7.0% as of June 30, 2024. Making this change increased liabilities.
- The health care trend rates were reset to an initial rate of 8.00%, decreasing annually by 0.50% to an ultimate rate of 4.50%. Making this change increased liabilities.

Retiree Medical Program – Employer Recognition of the OPEB Plan – School System

Plan Description – The School System administers and sponsors a single-employer defined benefit healthcare plan (Retiree Medical Plan). Employees are eligible for this benefit if they retire after age 55 with at least 10 years of service and 12 months enrollment in the School System’s self-insured health insurance program. The benefits, employee contributions, and employer contributions are governed by School Board policy and can be amended through School Board action. Information for the June 30, 2025 School System Retiree Medical Plan balances are based on the June 30, 2024 actuarial valuation with a measurement date of June 30, 2024.

The School System participates in the OPEB Trust Fund, an irrevocable trust established for the purpose of accumulating assets to fund postemployment benefits other than pensions. The OPEB Trust Fund issues a separate report, which can be obtained by requesting a copy from the plan administrator, Virginia Municipal League (VML) at P.O. Box 12164, Richmond, VA 23241.

Benefits Provided – The School System contributes up to \$3,000 per year towards the total medical premium for each eligible retiree for up to five years after retiring under the Employee Extended Work Plan. Retirees also receive an implicit rate subsidy, as premiums are based on blended rate for active and retired participants in the self-insured health plan.

All health care benefits are provided through the School System’s self-insured health insurance program. The benefit levels are the same as those provided to active employees. Benefits include general inpatient and outpatient medical services, mental, nervous and substance abuse care, vision care, and prescriptions. Retirees are removed from the plan at age 65.

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Employees Covered by Benefit Terms – As of the Valuation Date of June 30, 2024, the following employees were covered by the benefit terms in the Retiree Medical Plan:

Inactive employees or beneficiaries currently receiving benefits	75
Active employees	<u>1,564</u>
Total covered employees	<u><u>1,639</u></u>

Contributions – The Retiree Medical Plan is funded through member and employer contributions. Plan members receiving benefits contribute monthly premiums towards the cost of the health insurance depending on the coverage selected (single, single plus dependent, single plus spouse, or family).

For the year ended June 30, 2025, the School System’s average contribution rate was 0.50% of covered employee payroll. The total amount contributed was \$472,853. This rate was based on the actuarially determined rate from the actuarial valuation performed as of June 30, 2025.

Net OPEB Liability – The net OPEB liability (NOL) for the Retiree Medical Plan represents its total OPEB liability calculated by the actuary in accordance with GASB Statement No. 74 less the fiduciary net position. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2024. As of June 30, 2025, the Retiree Medical Plan reported a net OPEB liability of \$7,253,546.

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2023	\$ 7,282,861	\$ 1,660,113	\$ 5,622,748
Changes for the year:			
Service cost	385,593	-	385,593
Interest	561,121	-	561,121
Changes in benefit terms	(585,412)	-	(585,412)
Changes of assumptions	801,367	-	801,367
Difference between expected and actual experience	1,104,896	-	1,104,896
Contribution - employer	-	472,853	(472,853)
Net investment income	-	166,080	(166,080)
Benefit payments, including refunds of member contributions	(380,563)	(380,563)	-
Administrative expense	-	(2,166)	2,166
Net Changes	1,887,002	256,204	1,630,798
Balances at June 30, 2024	\$ 9,169,863	\$ 1,916,317	\$ 7,253,546

Fiduciary Net Position as a Percentage of Total OPEB Liability 20.90%

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OPEB Expense – For the year ended June 30, 2025, the School System recognized OPEB expense of \$975,072, based on the actuarial valuation and measurement date ended June 30, 2024.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At June 30, 2025, the School System reported deferred outflows of resources and deferred inflows of resources related to the Retiree Medical Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 982,130	\$ 1,359,427
Net difference between projected and actual earnings on OPEB plan investments	18,780	-
Change in assumptions	1,042,951	1,723,488
Employer contributions subsequent to the measurement date	614,005	-
Total	<u>\$ 2,657,866</u>	<u>\$ 3,082,915</u>

\$614,005 of deferred outflows of resources resulting from the School System’s contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2026.

The following table reconciles the deferred outflows of resources and deferred inflows of resources to the amortization schedule.

Deferred Outflows of Resources	\$ 2,657,866
Employer contributions subsequent to the measurement date	(614,005)
Deferred Inflows of Resources	<u>(3,082,915)</u>
Total amortization schedule	<u><u>\$ (1,039,054)</u></u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Retiree Medical Plan will be recognized in OPEB expense as follows:

Year ended June 30:

2025	\$ (427,095)
2026	(378,651)
2027	(430,435)
2028	(428,523)
2029	132,445
Thereafter	493,205
	<u>\$ (1,039,054)</u>

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Long-Term Expected Rate of Return – The long-term expected rate of return on RCPS OPEB Plan investments was determined using a log-normal distribution analysis of expected real returns by asset class, weighted by the target allocation and adjusted for inflation. Expected future real rates of return (net of investment expenses and inflation) were developed for each major asset class and combined to produce the long-term expected rate of return.

The target asset allocation and the best estimate of arithmetic real rates of return (net of investment expense and inflation) for each major asset class are shown below as of June 30, 2025, the valuation and measurement date for the Plan.

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Nominal Rate of Return</u>	<u>Arithmetic Long-Term Real Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Core Bonds	5.00%	5.31%	2.56%	0.13%
Core Plus	11.00%	5.62%	2.87%	0.32%
Liquid Absolute Return	4.00%	6.00%	3.25%	0.13%
Large Cap Equity (Domestic)	21.00%	9.90%	7.15%	1.50%
Small Cap Equity (Domestic)	10.00%	11.33%	8.58%	0.86%
International Equity (Developed)	13.00%	10.78%	8.03%	1.04%
Emerging Markets	5.00%	12.04%	9.29%	0.46%
Long/Short Equity	6.00%	8.30%	5.55%	0.33%
Private Equity	10.00%	13.26%	10.51%	1.05%
Private Core Real Estate	10.00%	9.24%	6.49%	0.65%
Opportunistic Real Estate	5.00%	12.24%	9.49%	0.47%
Total	<u>100.00%</u>			<u>6.94%</u>
			Inflation	<u>2.75%</u>
		Expected arithmetic nominal return		<u>9.70%</u>

- 1) *Long-Term Arithmetic Average Nominal Return is the average return assumption for any given year derived from long-term risk premiums and a long-term average risk-free rate.*
- 2) *Long-Term Arithmetic Average Real Return is the Long-Term Arithmetic Average Nominal Return minus an average annual inflation rate of 2.75%.*

The target allocation produces a one-year expected nominal return of 9.70%; however, this figure does not reflect the volatility inherent in each asset class. To evaluate long-term sustainability, stochastic modeling was used to project a range of future returns under various economic and market conditions. Based on the investment consultant's 2024 capital market assumptions, the median expected return was 8.74% over a 20-year horizon. The Trust's Board has established a long-term return objective of 7.50%, which supports the reasonableness of the current asset allocation and the 7.00% discount rate used in the actuarial valuation.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the Retiree Medical Plan's net OPEB liability using the discount rate of 7.00%, as well as what it would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

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	1.00% Decrease (6.00%)	Current Rate (7.00%)	1.00% Increase (8.00%)
Net OPEB Liability	\$ 7,805,019	\$ 7,253,546	\$ 6,552,414

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following presents the Retiree Medical Plan’s net OPEB liability using the health care cost rate of 8.00% decreasing to 4.50% over 10 years, as well as what it would be if it were calculated using a healthcare cost rate that is one percentage point lower (7.00% decreasing to 3.50% over 10 years) or one percentage point higher (9.00% decreasing to 5.50% over 10 years) than the current rate:

	1.00% Decrease (7.00% decreasing to 3.50% over 10 years)	Current Rate (8.00% decreasing to 4.50% over 10 years)	1.00% Increase (9.00% decreasing to 5.50% over 10 years)
Net OPEB Liability	\$ 6,724,940	\$ 7,253,546	\$ 8,058,711

Actuarial Assumptions – The total OPEB liability was based on an actuarial valuation as of June 30, 2024, using the Entry Age normal actuarial fair value method and the following assumptions:

- Inflation.....2.50% per annum
- Discount rate 7.50% as of June 30, 2024 per annum
- Salary increases.....3.50% per annum plus a step-rate/promotional component based on the VRS actuarial valuation as of June 30, 2024
- Investment rate of return 7.00% per annum
- Medical cost trend rate 8.00% graded down to 4.50% over 10 years beginning in 2025

Mortality rates

- Professionals.....SOA Pub-2010 Teacher Headcount Weighted Mortality Table fully generational using Scale MP-2021
- Non-Professionals.....SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021
- Surviving SpousesSOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021
- Disabled Retirees.....SOA Pub-2010 Non-Safety Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2021

The following changes were made to the actuarial assumptions and methods effective June 30, 2024:

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- Health care trend rates have been updated from
 - 7.50% graded down to 4.50% over 7 years beginning in 2022 to
 - 7.00% graded down to 4.50% over 5 years beginning in 2024.

VRS Health Insurance Credit and Group Life Insurance Programs – School System

Health Credit Program Plan Description – All full-time, salaried permanent (professional) employees of public school systems are automatically covered by the VRS Teacher Employee (Teacher Plan) Health Insurance Credit Program (Health Credit Program). All full-time, salaried permanent (professional) employees of participating political subdivisions are automatically covered by the VRS Political Subdivision (Non-Professional Plan) Health Insurance Credit Program (Health Credit Program). These plans are administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

Members of the Health Credit Program 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.

Group Life Program 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 (Group Life Program) upon employment. These plans are administered by the Virginia Retirement System (the System), along with pension 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 the Health Credit and the Group Life Programs, including eligibility, coverage, and benefits for each program are set out in the following table.

Health Credit Program		Group Life Program
Teacher Plan	Non-Professional Plan	Both
Eligible Members		
The Health Credit Program was established July 1, 1993, for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit.	The Health Credit Program was established July 1, 1993, for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit.	The Group Life Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program.

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Health Credit Program		Group Life Program
Teacher Plan	Non-Professional Plan	Both
<p>Eligible employees are enrolled automatically upon employment.</p> <p>They include:</p> <ul style="list-style-type: none"> • Full-time permanent (professional) salaried employees of public school systems covered under VRS. 	<p>Eligible employees are enrolled automatically upon employment.</p> <p>They include:</p> <ul style="list-style-type: none"> • Full-time permanent salaried employees of the participating political subdivision who are covered under VRS. 	<p>Basic group life insurance coverage is automatic upon employment.</p> <p>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>
Benefit Amounts		
<p><u>At Retirement</u> For Teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.</p> <p><u>Disability Retirement</u> For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either:</p> <ul style="list-style-type: none"> • \$4.00 per month, multiplied by twice the amount of service credit, or • \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower. 	<p><u>At Retirement</u> For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month.</p> <p><u>Disability Retirement</u> 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.</p>	<p><u>Natural Death Benefit</u> The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.</p> <p><u>Accidental Death Benefit</u> The accidental death benefit is double the natural death benefit.</p> <p><u>Other Benefit Provisions</u> In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:</p> <ul style="list-style-type: none"> • Accidental dismemberment benefit • Safety belt benefit • Repatriation benefit • Felonious assault benefit • Accelerated death benefit option

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Health Credit Program		Group Life Program
Teacher Plan	Non-Professional Plan	Both
Program Notes		
<p>The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.</p> <p>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.</p>	<p>The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.</p> <p>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.</p> <p>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.</p>	<p><u>Reduction in Benefit Amounts</u> The benefit amounts provided to members covered under the Group Life 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.</p> <p><u>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</u> For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Program. The minimum benefit was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for COLA was \$9,532 effective June 30, 2025.</p>

OPEB Plan Data - The system issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information for the Health Care and Group Life programs administered by VRS. A copy of the 2023 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Employees Covered by Benefit Terms – As of the June 30, 2024 actuarial valuation the following employees in the Health Credit Program Non-Professional Plan were covered by the benefit terms of the plan:

Inactive members or their beneficiaries currently receiving benefits	93
Inactive members:	
Vested inactive members	4
Inactive members active elsewhere in VRS	65
Total inactive members	69
Active members	81
Total covered members	243

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VRS OPEB Contributions – The contribution requirement for Health Credit Program active employees is governed by §51.1-1401(E) of the *Code of Virginia*, as amended for the Teacher plan and § 51.1-1402(E) of the *Code of Virginia*, as amended for the Non-Professional Plan. 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. Contribution requirements for both plans but may be impacted as a result of funding provided to state agencies and school systems by the Virginia General Assembly.

The School System’s contractually required employer contribution rate for the Health Credit Program for years ended June 30, 2025, was 1.21% and 2.18% of covered employee compensation for the Teacher and Non-Professional Plans, respectively. This rate was 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.

The total rate for the Group Life 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%). Although not required, the School System elected to pay the employee component, which is separate from the contractually required employer component. 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.

For the years ended June 30, 2024 and June 30, 2025, the actual contribution rates and total amount contributed were as follows:

	Teacher Plan		Non-Professional Plan		Total
	Contractually Required Rate	Amount of Contribution	Contractually Required Rate	Amount of Contribution	Amount of Contribution
Health Credit Program	1.21%	\$ 1,212,213	2.18%	\$ 98,568	\$ 1,310,781
Group Life Program - Employee	0.80%	803,395	0.80%	36,460	839,855
Group Life Program - Employer	0.54%	542,286	0.54%	24,611	566,897
For the year ended June 30, 2023		<u>\$ 2,557,894</u>		<u>\$ 159,639</u>	<u>\$ 2,717,533</u>
Health Credit Program	1.21%	\$ 1,279,464	2.18%	\$ 109,148	\$ 1,388,612
Group Life Program - Employee	0.71%	752,326	71.00%	35,635	787,961
Group Life Program - Employer	0.47%	498,019	47.00%	23,590	521,609
For the year ended June 30, 2024		<u>\$ 2,529,809</u>		<u>\$ 168,373</u>	<u>\$ 2,698,182</u>

Payable to the VRS OPEB Plan – The Teacher Plan and Non-Professional Plan reported payables of \$21,504 and \$7,120, respectively, for the outstanding amount of contributions to the Health Care Programs required for the year ended June 30, 2025. The Teacher Plan and Non-Professional Plan reported payables of \$21,014 and \$3,854, respectively, for the outstanding amount of contributions to the Group Life Programs required for the year ended June 30, 2025. Of these payables, the Teacher Plan and Non-Professional Plan included \$12,644 and \$2,319, respectively, for the required employer contribution. The difference is the employee component the School System elected to pay on behalf of the employee. At June 30, 2025 the total combined total payable to the VRS OPEB was \$24,868.

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

Net VRS OPEB Liabilities – At June 30, 2025, the School System reported a liability of \$10,806,349 for its proportionate share of the Teacher Plan Health Credit Program Net VRS OPEB Liability. The Teacher Plan Health Credit Program Net OPEB Liability was measured as of June 30, 2024, and the Teacher Plan Health Credit Program total OPEB liability used to calculate the Teacher Plan Health Credit Program Net 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 System’s proportion of the Teacher Plan Health Credit Program Net OPEB Liability was based on the School System’s actuarially determined employer contributions to the Teacher Plan Health 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, 2025, the School System’s proportion of the Health Credit Program was 0.93509% as compared to 0.93328% at June 30, 2024.

At June 30, 2025, the School System reported \$4,364,594 and \$198,076 for its proportionate share of the Group Life Program Net VRS OPEB Liability for teachers and non-professional employees, respectively. The Group Life Program Net VRS OPEB Liability was measured as of June 30, 2024, and the total Group Life Program VRS OPEB Liability used to calculate the Group Life Program Net VRS OPEB Liability was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2023. The covered employer’s proportion of the Group Life Program Net VRS 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, 2025, the participating employer’s proportion was 0.39112% and 0.01775% for teachers and non-professional employees, respectively, as compared to 0.39611% and 0.01554% for teachers and non-professional employees, respectively, at June 30, 2024.

At June 30, 2025, the School System reported \$251,876 for its Non-Professional Health Credit Program Net VRS OPEB Liability. The changes in the Non-Professional Health Credit Program Net OPEB Liability were as follows:

	Total VRS OPEB Liability (a)	Fiduciary Net Position (b)	Net VRS OPEB Liability (a) - (b)
Health Credit Program Non-Professional Balances at June 30, 2024	\$ 466,969	\$ 94,634	\$ 372,335
Changes for the year:			
Service cost	2,232	-	2,232
Interest	30,323	-	30,323
Difference between expected and actual experience	(42,676)	-	(42,676)
Contribution - employer	-	98,568	(98,568)
Net investment income	-	11,962	(11,962)
Benefit payments, including refunds of member contr	(39,946)	(39,946)	-
Administrative expense	-	(193)	193
Other changes	-	1	(1)
<i>Net Changes</i>	(50,067)	70,392	(120,459)
Balances at June 30, 2025	\$ 416,902	\$ 165,026	\$ 251,876

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

As of June 30, 2025, total combined Net VRS OPEB Liability was \$15,620,895.

	Total VRS OPEB Liability (a)	Fiduciary Net Position (b)	Net VRS OPEB Liability (a) - (b)
Health Credit Program Teacher Balances at June 30, 2025	\$ 13,821,616	\$ 3,015,267	\$ 10,806,349
Health Credit Program Non-Professional Balances at June 30, 2025	416,902	165,026	251,876
Group Life Program Teacher Balances at June 30, 2025	16,411,609	12,047,015	4,364,594
Group Life Program Non-Professional Balances at June 30, 2025	744,800	546,724	198,076
Combined VRS OPEB Balances	<u>\$ 31,394,927</u>	<u>\$ 15,774,032</u>	<u>\$ 15,620,895</u>

Detailed information about the OPEB Plan's fiduciary net position is available in the separately issued VRS 2024 ACFR, which was previously referenced.

The net VRS OPEB liability is calculated separately for each school system and represents that particular division's total VRS OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. The net VRS OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

VRS OPEB Expense – For the year ended June 30, 2025, the School System recognized Health Credit Program OPEB expense (benefit) of \$785,090 and (\$118,893) for the Teacher Plan and Non-Professional Plan, respectively. For the year ended June 30, 2025, the School System recognized Group Life Program OPEB expense of \$64,284 and \$6,674 for teachers and non-professional employees, respectively. Total VRS OPEB Expense for all plans combined was \$737,355 for the year ended June 30, 2025.

Since there was a change in proportionate share between measurement dates, a portion of the Health Care Program for both the Teacher Plan and Non-Professional Plan Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions. Since there was a change in proportionate share between measurement dates, a portion of the Group Life Program expense was related to deferred amounts from changes in proportion.

VRS OPEB Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2025, the School System reported deferred outflows of resources and deferred inflows from the following sources:

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

	Health Credit Program		Group Life Program		Total
	Teacher Plan	Non-Professional Plan	Teacher Plan	Non-Professional Plan	
<i>Deferred Outflows of Resources</i>					
Differences between expected and actual experience	\$ -	\$ -	\$ 688,397	\$ 31,241	\$ 719,638
Changes in assumptions	186,192	-	24,878	1,129	212,199
Changes in proportion and differences between employer contributions and proportionate share of contributions	132,091	-	64,961	33,151	230,203
Employer contributions subsequent to the measurement date	1,279,464	109,148	498,019	23,590	1,910,221
Total	\$ 1,597,747	\$ 109,148	\$1,276,255	\$ 89,111	\$3,072,261

<i>Deferred Inflows of Resources</i>					
Differences between expected and actual experience	\$ 511,979	\$ 21,653	\$ 106,612	\$ 4,838	\$ 645,082
Changes in assumptions	-	-	216,300	9,816	226,116
Changes in proportion and differences between employer contributions and proportionate share of contributions	140,177	2,501	124,987	5,674	273,339
Net difference between projected and actual earnings on plan investments	38,439	-	367,890	16,696	423,025
Total	\$ 690,595	\$ 24,154	\$ 815,789	\$ 37,024	\$1,567,562

In the Health Credit Program, \$1,279,464 and \$109,148 of deferred outflows of resources resulting from the School System's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026, for the Teacher Plan and Non-Professional Plan, respectively.

In the Group Life Program, \$498,019, and \$23,590 of deferred outflows of resources resulting from the School System's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026, for Teacher Plan and Non-Professional Plan, respectively.

The following table reconciles the deferred outflows of resources and deferred inflows of resources to the amortization schedule.

	Health Credit Program		Group Life Program		Total
	Teacher Plan	Non-Professional Plan	Teacher Plan	Non-Professional Plan	
Deferred Outflows of Resources	\$ 1,597,747	\$ 109,148	\$ 1,276,255	\$ 89,111	\$ 3,072,261
Employer contributions subsequent to the measurement date	(1,279,464)	(109,148)	(498,019)	(23,590)	(1,910,221)
Deferred Inflows of resources	(690,595)	(24,154)	(815,789)	(37,024)	(1,567,562)
	\$ (372,312)	\$ (24,154)	\$ (37,553)	\$ 28,497	\$ (405,522)

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB programs will be recognized in OPEB expense as follows:

Year ended June 30:	Health Credit Program		Group Life Program		Total
	Teacher Plan	Non-Professional Plan	Teacher Plan	Non-Professional Plan	
2026	\$ (131,069)	\$ (21,931)	\$ (206,938)	\$ (4,992)	\$ (364,930)
2027	(53,942)	(709)	84,672	9,649	39,670
2028	(59,598)	(792)	(1,605)	8,090	(53,905)
2029	(71,439)	(722)	27,562	8,672	(35,927)
2030	(40,389)	-	58,756	7,078	25,445
Thereafter	(15,905)	-	-	-	(15,905)
	<u>\$ (372,342)</u>	<u>\$ (24,154)</u>	<u>\$ (37,553)</u>	<u>\$ 28,497</u>	<u>\$ (405,552)</u>

Discount Rate – The discount rate used to measure the total Health Credit Program and Group Life Program liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be 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 systems for the Teacher Plans 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, school systems are assumed to contribute 100% of the actuarially determined contribution rates.

Based on those assumptions, the Health Credit Program’s and Group Life Program’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 Health Credit Program and Group Life Program liabilities.

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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<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of 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%
Private Investment Partnership	1.00%	8.00%	0.08%
Diversity 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%. 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 7.04% including expected inflation of 2.50%.

*On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

Sensitivity of the School System’s Proportionate Share of the Net VRS OPEB Liability to Changes in the Discount Rate – The following presents the School System’s proportionate share of the Net VRS OPEB liability using the discount rate of 6.75%, as well as what the School System’s proportionate share of the net 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:

	<u>1.00% Decrease (5.75%)</u>	<u>Current Rate (6.75%)</u>	<u>1.00% Increase (7.75%)</u>
Health Credit Program Teacher	\$ 12,289,515	\$ 10,806,349	\$ 9,549,230
Health Credit Program Non-Professional	287,098	251,876	221,292
Group Life Program Teacher	6,787,511	4,364,594	2,407,196
Group Life Program Non-Professional	308,034	198,076	109,245
Combined VRS OPEB Balances	<u>\$ 19,672,158</u>	<u>\$ 15,620,895</u>	<u>\$ 12,286,963</u>

Actuarial Assumptions – The total OPEB liability for the Health Credit Program and Group Life 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.....	2.50%
Salary increases, including inflation.....	3.50% to 5.95% for Teacher Plan 3.50% to 5.35% for Non-Professional Plan
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates for Teacher Plan

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.

Mortality rates for Non-Professional Retirement Plan –

Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement.....	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
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:

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- Mortality RatesUpdate to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- Retirement RatesAdjusted 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 RatesAdjusted rates to better fit experience at each year age and service through 9 years of service
- Disability RatesNo change
- Salary ScaleNo change
- Discount Rate.....No change

(14) Fire and Rescue Pension Trust Length of Service Awards Program

Plan Description

The County established a Length of Service Awards Program (LOSAP) on January 1, 1989, to recognize the service the volunteers for the County Fire and Rescue provide to the County. LOSAP is a single employer, noncontributory defined benefit plan. It is owned by the County and governed by the Volunteer Fireman’s Insurance Services, Inc. (VFIS). The plan’s fiscal year follows the calendar year January 1 through December 31. It was active until December 31, 2005, at which time the County Board froze all member benefits in the program. LOSAP was open to any volunteer member over 18 years of age who met specific eligibility and service requirements. No assets are accumulated in a trust that meets the reporting and disclosure criteria of GAAP. Plan assets are accumulated in a revocable trust reported in the General Fund.

Benefits provided. The Plan provides a benefit of \$12 for each year of credited fire or rescue service completed after January 1, 1989, plus \$12 for each year of credited fire or rescue service completed between January 1, 1979 and January 1, 1989. No participant receives credit for more than a total of 20 years of fire or rescue service. The maximum per month benefit under this plan is \$240. The plan does not provide for post-retirement increases.

Members vested over a ten-year period in accordance with the following vesting schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 5 years	0%
5 years	50%
6 years	60%
7 years	70%
8 years	80%
9 years	90%
10 years	100%

COUNTY OF ROANOKE, VIRGINIA
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Volunteers Covered by Benefit Terms - As of the most recent actuarial report, the program membership consisted of the following:

Vested-Terminated Members	135
Retired and Beneficiaries	280
Total	415

The program is closed to new entrants.

Total Pension Liability

The County's total LOSAP pension liability of \$8,688,320 was measured as of July 31, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of August 1, 2023 rolled forward to July 31, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation.....	0.00%
Salary increases.....	Not applicable
Investment rate of return	4.20%, net of pension plan investment expense, including inflation
Mortality.....	No pre-retirement mortality; Post retirement RP2000 projected to 2030
Retirement.....	First eligible
Turnover	None
Disability	None

The discount rate was based on the 20-year, AA general obligation bond rate of 4.20% as of July 31, 2024 (the disclosure date).

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June 30, 2025

Changes in the Total Pension Liability

	Total Pension Liability
Balance at August 1, 2023	\$ 9,219,432
Charges for the year:	
Service cost	6,200
Interest	376,532
Differences between expected and actual experience	(28,072)
Changes of assumptions	(370,815)
Benefit payments	(514,957)
Net changes	(531,112)
Balance at July 31, 2024	\$ 8,688,320

Changes in assumptions reflect change in the discount rate from 3.86% to 4.20%.

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

The following presents the total pension liability of the County as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.20%) or 1-percentage point higher (5.20%) than the current discount rate:

	1% Decrease (3.20%)	Current Discount Rate (4.20%)	1% Increase (5.20%)
Total Pension Liability	\$ 9,756,808	\$ 8,688,320	\$ 7,803,196

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

For the year ended July 31, 2024, the LOSAP recognized pension expense (benefit) of (\$16,155). At July 31, 2024, there were no deferred outflows of resources nor deferred inflows of resources related to LOSAP pensions.

(15) Unearned and Unavailable Revenues

Unearned revenues, representing amounts for which asset recognition criteria have been met but for which revenue recognition criteria have not been met, was comprised of the following as of June 30, 2025:

	County	Component Units
Grant Revenue	\$ 4,936,390	\$ 2,082,778
Contractor Escrows	602,509	-
Registration and Other Fees	378,895	3,500
Rental Income & STARS Revenue	107,134	-
Prepaid Adult and Student Food	-	230,076
Charges for Services	-	4,341
Total	\$ 6,024,928	\$ 2,320,695

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Unavailable revenues in the fund financial statements at June 30, 2025 were comprised of the following:

	General Fund
Opioid Abatement Settlement*	\$ 2,130,939
Sales tax	1,330,591
Other local tax	195,547
Total	\$ 3,657,077

*Virginia and its cities and counties joined and signed a final Distributors Settlement agreement and the Janssen Settlement agreement as of July 21, 2021. Additionally, Virginia and the cities and counties entered into and signed the Virginia statewide MOU on August 20, 2021. These actions resulted in an exchange transaction creating an event that results in a revenue accrual. Roanoke County continues to evaluate the impact of this settlement to their financial statements and has recorded their expected future direct distribution amount. These funds are deemed unavailable for spending.

(16) Commitments, Contingencies, and Other Information

Encumbrances – The County had \$8,126,619 of encumbrances reported as restricted and committed under the general governmental funds and \$10,817,016 for capital projects.

Litigation – Various claims are pending against the County. In the opinion of County management, after consulting with legal counsel, the potential loss on all claims will not materially affect the County’s financial position or activities.

Grant Programs – Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement of the grantor agencies. County management believes disallowances, if any, would not be material to the financial position of the County at June 30, 2025.

Other Commitments –

- In August 1999, the Board adopted a resolution to enter into a Local Participation Agreement with Virginia’s First Regional Industrial Facility Authority, and to purchase 10,000 shares of a 150,000 share pool for the financing of the initial phase of the New River Valley Commerce Park Project. The County’s annual required payment for the shares and the administrative costs are currently \$34,255 per year.
- In November 2007, the Board approved a three-party agreement between the Western Virginia Water Authority (WVWA), Franklin County, and the County. The agreement is to provide for the construction of a water line in the Route 220 corridor from Clearbrook in the County to the Wirtz Plateau in Franklin County. The WVWA will design, construct, and issue revenue bonds for this \$5.5 million project. The County’s contribution to this project is approximately \$2.3 million payable over 20 years, beginning in FY 2009. The County’s contribution to the WVWA for the year ended June 30, 2025 totaled \$175,075.
- The Economic Development Authority of Roanoke County, Virginia (Authority) has issued various revenue bonds which are secured by lease proceeds and the underlying properties of the entities involved. Although the Authority retains no liability on pass through leases, the Authority and the County may choose at their option to assume responsibility for the bonds in the event of default by lessees to preserve the credit rating of the Authority for future issues.

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June 30, 2025

- The Roanoke Valley Broadband Authority (RVBA), formed by the County, City of Roanoke, City of Salem, and Botetourt County, has constructed a core fiber network of approximately 25 miles to service Roanoke County. The County's contribution to this project is expected to be approximately \$3.85 million payable over 10 years. The County's contribution to the RVBA for the year ended June 30, 2025 totaled \$373,892, which included contributions for debt related principal and interest payments.
- The Western Virginia Regional Industrial Facility Authority (WVRIFA) was formed in 2014 and includes the County, Franklin County, Botetourt County, Town of Vinton, City of Salem and City of Roanoke. The purpose of the WVRIFA was to provide a mechanism for local jurisdictions to engage in partnerships that would facilitate economic growth and development in the Roanoke Valley. The County, City of Salem and Roanoke City entered into a partnership agreement for the acquisition of the Wood Haven Property. The County's contribution to this project is approximately \$4.4 million payable over 20 years, beginning in FY 2018. The County's debt related payments for the year ended June 30, 2025 totaled \$318,435.
- On September 20, 2023, the Roanoke County Economic Development Authority (EDA) consented to the assignment to, and assumption by, Friendship Foundation (Friendship) of Richfield Living's (Richfield) obligations under its Series 2019 financing through the EDA. Upon execution of the purchase agreement, Friendship assumed Richfield's Series 2019 indebtedness in the aggregate principal amount of \$93,520,000. Following the acquisition, Friendship and the Series 2019 Bondholders agreed to various amendments to the Series 2019 Bond documents. The various amendments together constitute a "reissuance" of the Series 2019 Bonds for tax purposes. Both the EDA and the County Board of Supervisors approved the amended and restated trust indenture and loan agreement in April 2024. Neither the County nor the EDA incurred any expenses in connection with the bond reissuance in the aggregate principal amount of \$59.8 million.
- The Roanoke County EDA has several future commitments related to performance agreements. Many are tied to net new local tax revenues and/or new full-time job creation during the performance agreement periods. Future maximum commitments include the following:
 - Mack Trucks, Inc. – An expanded performance agreement was signed in September 2024 for the company to construct a facility expansion with an estimated total capital investment of \$14.5 million and the creation of 51 new full-time jobs. The EDA has agreed to an economic development incentive grant of up to \$842,420 over seven years, beginning in fiscal year 2026.
 - The McDevitt Company (Vinton Hotel Project) – A performance agreement was signed with The McDevitt Company to develop a limited-service hotel in the Town of Vinton. The current investment estimate is \$16 million. The incentive has a maximum commitment of \$480,000 and includes \$30,000 worth of permit fee reimbursements and \$450,000 of net new taxes. The EDA anticipates the project will begin in fiscal year 2026.
 - Wells Fargo – A performance agreement was signed in September 2023 for Wells Fargo to construct a facility expansion with an estimated total capital investment of \$87 million and the creation of 1,100 new full-time jobs. The EDA has agreed to an economic development incentive grant of up to \$5.375 million over seven years, beginning in fiscal year 2028.
 - Gish Mill - A performance agreement was signed with Gish Mill Davii, LLC to generate three new commercial uses for the property at 350 Gus Nicks Blvd within the Town of Vinton. The incentive has a maximum commitment of \$220,000 and includes \$20,000 worth of permit fee reimbursements and \$200,000 of net new taxes. The EDA anticipates the project will begin in fiscal year 2026.

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

(17) Jointly Governed Organizations

The following entities are considered to be jointly governed. The County has no ongoing financial responsibility or interest in jointly governed organizations.

Roanoke Valley Resource Authority

The Roanoke Valley Resource Authority (RVRA) was established on October 23, 1991 under a user agreement between the County, City of Roanoke, Virginia (City), and the Town of Vinton, Virginia (Town) to develop a regional solid waste disposal facility. The old regional sanitary landfill operated by the Roanoke Valley Regional Solid Waste Management Board was closed on September 30, 1993. The City of Salem became a member of the RVRA, effective November 1, 2016.

RVRA is presently governed by a nine-member board appointed by the governing bodies of the Charter Members. The County has control over the budget and financing of the RVRA only to the extent of representation by the board members appointed. For the fiscal year ended June 30, 2025, the County remitted \$2,319,288 to RVRA for services. Participating localities are responsible for their pro-rata share, based on population, of any year-end deficit. RVRA is currently self-supporting and is expected to remain as such in the future. The County is the fiscal agent for RVRA and reports its assets and liabilities in a custodial fund.

Roanoke Regional Airport Commission

The Roanoke Regional Airport Commission (Commission) was established on July 1, 1987 by legislative act of the Commonwealth of Virginia to own and operate the Roanoke Regional Airport. The Commission is composed of seven members.

Two members are appointed by the County Board, four by the Roanoke City Council, and one by the Salem City Council. The County and Cities are each responsible for their pro-rata share, based on population, of any year-end operating deficit or capital expenditures if any additional funding is required. The Commission is responsible for paying all outstanding debt. No subsidy has been required since inception.

Roanoke Valley Detention Commission

The Counties of Botetourt, Craig, and Roanoke, and the Cities of Roanoke and Salem formed the Roanoke Valley Detention Commission (RVDC) to renovate, expand, and operate a detention facility for juveniles. RVDC is governed by a six-member board. Each locality's financial obligation is based on the number of juveniles housed at the facility. The County's contribution for the year ended June 30, 2025 was \$741,396.

RVDC has the authority to issue debt and such debt is the responsibility of RVDC. On September 10, 2024, RVDC authorized the issuance of \$3,605,000 of tax-exempt bonds, which will be used to provide funding for various capital projects and purchases (which may include, but not limited to, the repairs and replacement of a roof and a HVAC system) and to pay costs of issuance associated with the 2024 Bond.

Blue Ridge Behavioral Healthcare

The Counties of Botetourt, Craig, and Roanoke, and the Cities of Roanoke and Salem formed Blue Ridge Behavioral Healthcare (Blue Ridge) to provide a system of comprehensive community mental health, development disabilities, and substance abuse services. Blue Ridge is governed by a sixteen-member board. Each locality's financial obligation is based on the type and amount of services performed for individuals in the locality. The annual contribution for the year ended June 30, 2025, was \$521,573.

Fifth Planning District Disability Services Board

The Counties of Allegheny, Botetourt, Craig, and Roanoke, the Town, and the Cities of Roanoke, Salem, Covington, and Clifton Forge jointly participate in the Fifth Planning District Disability Services Board, which

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

provides input to state and local agencies on service needs and priorities with physical and sensory disabilities.

Regional Center for Animal Care and Protection

The Regional Center for Animal Care and Protection (RCACP) was created by an intergovernmental agreement dated December 11, 2012 between the charter members of the County, the City, the Town, and Botetourt County pursuant to code section 3.26546 of the *Code of Virginia* which requires the governing body of each county, or city to maintain or cause an animal shelter to be maintained and allows one or more local governing bodies to operate a single animal shelter in conjunction with one another. This agreement established a format to transition the management of the “pound” from the Roanoke Valley Society for the Prevention of Cruelty to Animals to the governing localities and also established the County as the fiscal agent effective July 1, 2013. Participating localities are responsible for their pro-rata share of the operating budget, which is billed on a monthly basis. Effective July 1, 2019, the County of Roanoke was responsible for payment of the Town of Vinton’s pro-rata share of operating, debt, and capital expenses due to the equitable ending of the Vinton Gainsharing Agreement. For the year ended June 30, 2025, the County’s share was \$730,289.

Debt issued on behalf of the Regional Center for Animal Care and protection would be the responsibility of the participating localities on a pro-rata share of the outstanding debt. For the year ended June 30, 2025, there is no outstanding debt and therefore no liability to the participating localities.

Western Virginia Water Authority

The Western Virginia Water Authority (WVWA) was created by the County and the City on July 1, 2004. The WVWA is a full-service authority that provides water and wastewater treatment to both County and City citizens. The WVWA is governed by a seven-member board of which three are appointed by the County Board. The County has no financial responsibility for the debt issued by the WVWA.

Western Virginia Regional Jail Authority

The Counties of Roanoke, Franklin, Montgomery, and the City of Salem formed the Western Virginia Regional Jail Authority (WVRJA) in June 2005 for the purpose of developing and operating a regional jail authority for the benefit of the Member Jurisdictions. The Board consists of three representatives from each of the Member Jurisdictions. The Member Jurisdictions will each be responsible for a per diem cost based on their prisoner days used. For the year ended June 30, 2025, the County’s share was approximately \$3,292,471.

Roanoke Valley Broadband Authority

In 2011, the regional business community initiated a work group to examine the region’s broadband infrastructure. Based on the findings of the work group, the County of Roanoke, City of Roanoke, City of Salem, and Botetourt County concurrently took action to form the Roanoke Valley Broadband Authority (RVBA) for the purpose of bringing enhanced broadband services to the Roanoke Valley. In 2015, the City of Salem and the City of Roanoke, through the RVBA, initiated construction of approximately 47 miles of fiber network in their respective jurisdictions, which became operational in early 2016.

In May 2016, the Roanoke County Board of Supervisors authorized an expansion of the RVBA fiber network to include construction of approximately 25 miles of broadband infrastructure in Roanoke County. As a result, RVBA issued a revenue bond on June 17, 2016 in the amount of \$3,000,000 (plus amounts for a required Local Debt Service Reserve Fund, administrative costs, and costs of issuance) to design, construct, and operate the expanded network. The County is responsible for the amount of debt service on the Series 2016 Local Bond. Additionally, the County of Roanoke, City of Roanoke, and City of Salem will each be responsible for one-third of the operation and maintenance expenses related to the expansion. The County’s contribution to the RVBA for the year ended June 30, 2025 totaled \$373,892.

COUNTY OF ROANOKE, VIRGINIA
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June 30, 2025

Western Virginia Regional Industrial Facility Authority

The Western Virginia Regional Industrial Facility Authority (WVRIFA) was formed in 2014, and includes the Counties of Roanoke, Franklin, and Botetourt, the Town of Vinton, and the Cities of Roanoke and Salem. The purpose of the WVRIFA is to provide a mechanism for local jurisdictions to engage in partnerships that would facilitate economic growth and development in the Roanoke Valley.

Through the WVRIFA, the County entered into a partnership agreement with the Cities of Salem and Roanoke for the acquisition of the Wood Haven Property, which consists of several tracts of land comprising over 100 acres of developable land situated at the intersection of Interstate 81 and 581. According to the terms of the Partnership Agreement, the costs of acquisition and site development will be shared by the County (44.2%), City of Roanoke (44.2%), and the City of Salem (11.6%). The County's contribution to this project is expected to be approximately \$4.4 million payable over 20 years, beginning in FY 2018. For the year ended June 30, 2025, the County share of principal and interest was \$318,435.

(18) Incentive Agreements and Tax Abatements

The County, along with the Economic Development Authority of Roanoke County, which is reported as a discretely presented component unit, provides economic development incentive grants as permitted by *Code of Virginia* section 15.2-4905, Powers of authorities. During the fiscal year ended June 30, 2025, the County abated taxes and fees totaling \$670,270 through such agreements. A summary of the key provisions of each major agreement follows.

On August 11, 2015, the Authority, in conjunction with the County and Town of Vinton, approved an agreement with Old School Partners, LLC, whereby the Company has acquired from the County and redeveloped the old Roland E. Cook Elementary School building for the Company's use. The complete restoration contains twenty-one (21) apartments, while maintaining the historic character of the building and incorporating modern conveniences. This agreement provides for the Authority, with funds provided by the County and the Town of Vinton, to grant funds not to exceed \$150,000 for the Economic Development Incentive Grant, based on new local tax revenues collected in calendar years 2017 through 2026. The agreement also calls for reimbursement by the Authority of certain permitting and other fees imposed by the County and of utility connection fees imposed by the Town of Vinton. In accordance with the terms of this agreement, Roanoke County local tax revenues in the amount of \$6,788 were reimbursed to the Company in the form of an Economic Development Incentive Grant during the year ended June 30, 2025. This payment represents the final installment to fulfill the multi-year Economic Development Incentive Grant.

On April 7, 2016, the Authority, in conjunction with the County, approved an agreement with Waukeshaw Development, Inc., whereby the Company has acquired from the County the Old William Byrd High School building and associated acreage for the Company's use. The Company has converted the building to market rate apartments, at a density and unit mix to be determined by the Town of Vinton's zoning requirements and the Company's sole discretion. In accordance with the agreement, the Company was required to deposit \$200,000 in escrow payable to the County or the Authority prior to commencing any renovation or construction. The agreement provides for the Authority, with funds provided by the County and Town of Vinton, to provide an Economic Development Incentive Grant not to exceed \$1 million based on new real estate tax revenues collected in calendar years 2018 through 2027. In accordance with the terms of this agreement, Roanoke County local tax revenues in the amount of \$55,060 and Town of Vinton local tax revenues in the amount of \$3,706 were reimbursed to the Company in the form of an Economic Development Incentive Grant during the year ended June 30, 2025.

On June 26, 2016, the Authority, in conjunction with the County, approved an agreement with Vindos, LLC, whereby the Company has acquired from the County the old Vinton Library for \$700,000. The Company has converted the building into a restaurant. The agreement provides for the Authority, with funds provided

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

by the Town of Vinton, to provide an Economic Development Incentive Grant not to exceed \$500,000 based on new meals tax revenues collected in calendar years 2018 through 2027. No local funds were reimbursed to the Company during the year ended June 30, 2025.

On November 6, 2019, the Authority, in conjunction with the County and Town of Vinton, approved an agreement with Vinyard Station, LLC, whereby the Company shall redevelop a group of real estate located at the intersection of Washington Avenue and South Pollard Street in the Town of Vinton. The agreement calls for the Authority, with funds provided by the Town of Vinton, to provide an Economic Development Incentive Grant of \$750,000 over a ten-year term. In accordance with the terms of this agreement, Roanoke County local tax revenues in the amount of \$71,993 and Town of Vinton tax revenues in the amount of \$50,000 were reimbursed to the Company in the form of an Economic Development Incentive Grant during the year ended June 30, 2025.

On February 11, 2020, the Authority, in conjunction with the County and the Virginia Economic Development Partnership Authority (VEDP), approved an agreement with Mack Trucks, Inc., whereby the Company shall lease, equip, improve, and operate a medium-duty truck manufacturing facility in Roanoke County. The agreement calls for the Authority to provide an Economic Development Incentive Grant of \$700,000 based on new tax revenues over a ten-year term. The agreement also authorized the County to accept and provide the proceeds of the VEDP's Commonwealth Development Opportunity Fund (COF Grant) to the Company totaling \$700,000, upon satisfaction of certain criteria relating to capital investment and new jobs. In accordance with the terms of this agreement, the COF Grant funding was paid to the Company in Fiscal Year 2022 for \$700,000. Tax revenues in the amount of \$23,855 were reimbursed to the Company in the form of an Economic Development Incentive Grant during the year ended June 30, 2025.

On October 1, 2024, the Authority, in conjunction with the County, approved another agreement with Mack Trucks, Inc., whereby the Company desires to expand an existing building at 6450 Technology Drive at an estimated total capital investment of \$14.5 million and the creation of 51 new jobs. This cost consists of \$10 million in construction costs, \$2.5 million in machinery and tools, and \$2 million in personal property. The agreement provides for the Authority, with funds provided by the County, to provide an Economic Development Incentive Grant up to \$842,420 over seven (7) years for the reimbursement of related new taxes generated. If the Company successfully invests \$14.5 million towards the project, the agreement extends to ten (10) years in length. No local funds were reimbursed to the Company in the form of an Economic Development Incentive Grant during the year ended June 30, 2025.

On May 2, 2023, the Authority, in conjunction with the Town of Vinton, approved an agreement with CMarkt Holdings, LLC, whereby the Company shall acquire the former Cleveland Mart building and redevelop, renovate, and convert the building into a mixed-use building with residential and commercial components. The agreement calls for the Authority, with funds provided by the Town of Vinton, to provide an Economic Development Incentive Grant of \$250,000 for expenses associated with infrastructure improvements, site engineering and development, and facade enhancements. Local funds in the amount of \$118,868 were provided to the Company in the form of an Economic Development Incentive Grant during the year ended June 30, 2025.

On May 11, 2021, the Authority, in conjunction with the Town of Vinton, approved an agreement with Gish Mill Davii, LLC, whereby the Company shall rehabilitate the historical Gish Mill property located at 350 Gus Nicks Blvd, and among other objectives, create new jobs within the Town. The Virginia Department of Housing & Community Development (DHCD) awarded the Town of Vinton an Industrial Revitalization Fund grant (IRF Grant) in the amount of \$468,750. The Town shall provide grant funds to the EDA who will loan them to the Company. Upon Closing, IRF grant proceeds were paid to the EDA and then loaned to the Company in the amount of \$398,750 in the fiscal year 2024. In June 2021, and amended on April 5, 2022, the Town of Vinton and Roanoke County entered a Memorandum of Understanding to support a proposed Performance Agreement that would provide a Construction Loan up to \$1,000,000 of which the County would provide \$200,000 from net new taxes generated and \$20,000 from permit fees. The Town would provide the remainder through support of in-kind contributions, site improvements, performance incentives

COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

and reimbursement of permitting and connection fees. Local funds from the Town in the amount of \$200,000 were loaned to the Company in the form of a Construction Loan during the year ended June 30, 2025.

On October 3, 2023, the Authority, in conjunction with the Town of Vinton, approved an agreement with Tacorita, Inc, whereby the Company shall acquire the former Red Jasmine building located at 210 South Pollard Street to renovate into a new restaurant to be known as Tacorita Tacos & Tequila Bar. The agreement calls for the Authority, with funds provided by the Town of Vinton, to provide an Economic Development Incentive Grant of \$25,000 with \$15,000 upon execution of the performance agreement and \$10,000 upon the company receiving a Certificate of Occupancy. No local funds were reimbursed to the Company during the year ended June 30, 2025.

On July 2, 2024, the Authority, in conjunction with the Town of Vinton, approved an agreement with MVGA, LLC, whereby the Company shall redevelop the exterior of the rear of the property at 109 South Pollard Street. The agreement calls for the Authority, with funds provided by the Town of Vinton, to provide an Economic Development Incentive Grant of \$40,000 upon completion of the project. Local funds in the amount of \$40,000 were reimbursed to the Company in the form of an Economic Development Incentive Grant during the year ended June 30, 2025.

On October 15, 2024, the Authority, in conjunction with the Town of Vinton, approved an agreement with The Wilkinson Group, Inc., whereby the Company intends to invest \$1 million to renovate and relocate buildings on 100 block of West Lee Avenue. The Company intends to improve the public alley into a "public plaza". The Company shall create at least 6 full-time equivalent jobs and lease out 50% of the space. The agreement calls for the Authority, with funds provided by the Town of Vinton, to provide an Economic Development Incentive Grant of \$425,000 with up to \$100,000 upon acquiring the property, \$50,000 for public utility reimbursements, \$100,000 for improvements to the alleys and plazas and \$175,000 for leasing the property. Local funds in the amount of \$100,000 were reimbursed to the Company in the form of an Economic Development Incentive Grant during the year ended June 30, 2025.

On November 24, 2024, and amended May 15, 2025, the Authority, in conjunction with the Town of Vinton, approved an agreement with KARA Hospitality, LLC, whereby the Company intends to acquire property located at the intersection of 1st Street and West Virginia Avenue for \$475,000 and construct approximately 92 hotel rooms and improve the surrounding area at a cost not less than \$12 million. The Company shall maintain 10 jobs and will be reimbursed any paid Transient Occupancy Tax for five (5) years and up to \$100,000 annually. The agreement calls for the Authority, with funds provided by the Town of Vinton, to provide an Economic Development Incentive Grant of up to \$500,000 for Transient Occupancy Taxes and \$475,000 over twenty-five (25) months following the hotel's opening. No local funds were reimbursed to the Company during the year ended June 30, 2025.

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COUNTY OF ROANOKE, VIRGINIA
Notes to Basic Financial Statements
June 30, 2025

(19) Adoption of Accounting Principle:

The County implemented provisions of the Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. The objective of Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Beginning net position for the County was restated to include additional leave options, as defined in Note 1, as part of the implementation of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*.

	Net Position
Beginning balance, as previously reported	\$ 91,189,663
Increase in compensated absences	(1,106,493)
Beginning balance, as restated	\$ 90,083,170

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REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2025
(Unaudited)

	Original Budget	Final Budget, as Amended	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
General property taxes	\$ 180,655,327	\$ 169,307,661	\$ 172,105,982	\$ 2,798,321
Other local taxes	48,025,000	48,025,000	46,969,446	(1,055,554)
Permits, fees, and licenses	1,365,182	1,365,182	1,174,041	(191,141)
Fines and forfeitures	568,500	568,500	456,368	(112,132)
Use of money and property	1,429,300	1,476,781	1,669,743	192,962
Charges for services	9,990,219	10,291,318	10,703,846	412,528
Intergovernmental revenues	30,369,638	74,188,435	58,404,064	(15,784,371)
Miscellaneous	3,998,472	4,288,308	4,164,254	(124,054)
Total revenues	276,401,638	309,511,185	295,647,744	(13,863,441)
Expenditures:				
General government:				
Board of Supervisors	409,860	341,423	335,585	5,838
County Administrator	600,148	382,165	453,456	(71,291)
Community Relations	369,247	826,507	905,490	(78,983)
Internal Auditor	224,743	236,396	175,122	61,274
Human resources	1,212,530	1,329,119	1,337,956	(8,837)
County Attorney	812,690	869,397	957,555	(88,158)
Commissioner of Revenue	1,150,992	1,250,063	1,245,245	4,818
Assessor	1,145,943	1,241,116	1,206,187	34,929
Treasurer	1,344,417	1,433,256	1,407,332	25,924
Assistant County Administrator - Management services	285,127	323,368	311,297	12,071
Finance	2,121,828	2,312,923	2,318,970	(6,047)
Management and budget	362,525	379,870	310,146	69,724
Procurement	574,040	616,060	564,431	51,629
Electoral Board and officials	1,038,250	1,105,096	929,221	175,875
Judicial administration:				
Circuit Court	317,068	317,068	424,336	(107,268)
General District Court	103,440	126,332	99,131	27,201
Special magistrates	1,590	1,590	1,072	518
Juvenile and Domestic Relations Court	39,086	39,086	42,440	(3,354)
Clerk of the Circuit Court	1,450,808	1,503,116	1,464,781	38,335
Commonwealth's Attorney	1,976,721	2,146,622	2,183,683	(37,061)
Public safety:				
Sheriff and police	21,126,952	25,250,110	25,921,586	(671,476)
E911 maintenance	6,631,483	6,476,117	6,361,886	114,231
Fire and rescue services	25,510,476	29,744,368	30,528,664	(784,296)
Confinement and care of prisoners	12,007,228	12,082,466	11,457,215	625,251
Court service unit	795,737	795,737	747,121	48,616
VJCCCA grant	408,854	316,895	316,895	-
Animal control	1,305,828	1,308,262	1,273,993	34,269

See accompanying notes to required supplementary information.
See accompanying independent auditors' report.

(continued)

COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2025
(Unaudited)

Exhibit XII
(continued)

	<u>Original Budget</u>	<u>Final Budget, as Amended</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public works:				
General services administration	\$ 1,162,947	\$ 6,794,556	\$ 3,450,935	\$ 3,343,621
Refuse disposal	6,228,560	6,282,747	6,661,618	(378,871)
Maintenance of general buildings and grounds	5,970,277	5,885,474	6,021,385	(135,911)
Engineering	2,851,962	7,184,253	4,346,259	2,837,994
Inspections	1,132,091	1,132,186	1,218,291	(86,105)
Health and welfare:				
Public health	767,419	1,001,694	981,618	20,076
Social services administration	10,856,721	11,985,613	11,614,169	371,444
Comprehensive Services Act	12,083,175	12,083,175	14,354,510	(2,271,335)
Public assistance	4,918,666	4,918,666	4,645,952	272,714
Parks, recreation and cultural:				
Assistant County Administrator - Human Services	292,629	299,158	293,254	5,904
Parks and recreation	8,048,954	20,479,465	15,903,581	4,575,884
Library	5,221,194	6,234,407	6,017,981	216,426
Community development:				
Planning and zoning	1,922,932	6,417,219	4,107,286	2,309,933
Cooperative extension program	145,391	145,391	101,922	43,469
Economic development	680,371	2,921,006	1,378,201	1,542,805
Public transportation	510,000	1,340,188	938,256	401,932
Nondepartmental	16,713,273	13,985,369	7,796,372	6,188,997
Technology Outlay:				
Right-to-use subscriptions	-	-	1,002,716	(1,002,716)
Debt Service:				
Principal	-	-	1,600,159	(1,600,159)
Interest and Other Charges	-	-	57,856	(57,856)
Total Expenditures	<u>162,834,173</u>	<u>201,845,095</u>	<u>185,773,117</u>	<u>16,071,978</u>
Excess of revenues over expenditures	113,567,465	107,666,090	109,874,627	2,208,537
Other Financing Sources (Uses):				
Proceeds from right-to-use subscription	-	-	1,002,716	1,002,716
Transfers in	-	2,202,977	2,202,977	-
Transfers out	<u>(119,483,062)</u>	<u>(112,341,198)</u>	<u>(112,117,386)</u>	<u>223,812</u>
Total other financing sources (uses), net	<u>(119,483,062)</u>	<u>(110,138,221)</u>	<u>(108,911,693)</u>	<u>1,226,528</u>
Net change in fund balances	(5,915,597)	(2,472,131)	962,934	3,435,065
Fund balances at beginning of the year	<u>35,285,442</u>	<u>43,468,372</u>	<u>43,468,372</u>	<u>-</u>
Fund balances at end of year	<u>\$ 29,369,845</u>	<u>\$ 40,996,241</u>	<u>\$ 44,431,306</u>	<u>\$ 3,435,065</u>

See accompanying notes to required supplementary information.
See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Year Ended June 30, 2025
(Unaudited)

Exhibit XIII

Virginia Retirement System	County of Roanoke Employees									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date:	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
<i>Total pension liability:</i>										
Service Cost	\$ 9,082,061	\$ 7,308,065	\$ 6,274,546	\$ 5,870,132	\$ 5,788,075	\$ 5,345,891	\$ 5,269,835	\$ 5,358,767	\$ 5,283,828	\$ 5,207,280
Interest	21,430,129	20,139,055	19,386,561	17,608,681	16,748,382	16,178,857	15,786,598	15,156,698	14,606,824	14,176,909
Changes in assumptions between expected and actual experience	-	-	-	10,798,347	-	7,368,804	-	(504,631)	-	-
Differences between expected and actual experience	21,167,985	5,184,821	(1,812,659)	(1,551,230)	3,198,412	1,203,647	(2,793,363)	283,025	156,418	(3,178,877)
Impact in change on proportion	579,965	840,362	1,129,897	202,032	(516,831)	(703,792)	(86,209)	(1,732,097)	(182,776)	(1,384,013)
Benefit payments, including refunds of employee contributions	(16,616,759)	(15,100,983)	(14,047,566)	(13,535,234)	(12,848,272)	(12,317,141)	(11,593,993)	(10,824,191)	(10,095,057)	(9,666,752)
Net change in total pension liability	35,643,381	18,371,320	10,930,779	19,392,728	12,369,766	17,076,266	6,582,868	7,737,571	9,769,236	5,154,547
Total pension liability - beginning	316,129,745	297,758,425	286,827,646	267,434,918	255,065,152	237,988,886	231,406,018	223,668,447	213,899,211	208,744,662
Total pension liability - ending (a)	<u>\$ 351,773,126</u>	<u>\$ 316,129,745</u>	<u>\$ 297,758,425</u>	<u>\$ 286,827,646</u>	<u>\$ 267,434,918</u>	<u>\$ 255,065,152</u>	<u>\$ 237,988,886</u>	<u>\$ 231,406,018</u>	<u>\$ 223,668,447</u>	<u>\$ 213,899,209</u>
<i>Plan fiduciary net position:</i>										
Impact in change on proportion	506,115	739,231	1,047,525	160,715	(433,938)	(609,022)	(73,075)	(1,393,043)	(154,093)	(1,171,025)
Contributions - employer	10,084,116	8,797,213	7,000,627	6,496,924	5,628,312	5,491,969	4,943,269	4,812,332	4,697,194	4,589,017
Contributions - employee	3,123,262	2,729,306	2,454,311	2,243,247	2,281,124	2,215,083	2,214,542	2,219,705	2,136,523	2,064,188
Net investment income	26,780,785	16,946,509	(286,549)	57,948,883	4,103,304	13,577,327	14,440,097	21,594,685	3,083,905	8,008,131
Benefit payments, including refunds of employee contributions	(16,616,759)	(15,100,983)	(14,047,566)	(13,535,234)	(12,848,272)	(12,317,141)	(11,593,993)	(10,824,191)	(10,095,057)	(9,666,752)
Administrative expense	(173,860)	(168,206)	(166,173)	(144,991)	(139,386)	(135,811)	(126,070)	(125,909)	(112,789)	(110,989)
Other	5,646	6,831	6,154	5,236	(4,797)	(8,548)	(12,782)	(19,169)	(1,320)	(1,682)
Net change in plan fiduciary net position	23,709,305	13,949,901	(3,991,671)	53,174,780	(1,413,653)	8,213,857	9,791,988	16,264,410	(445,637)	3,710,888
Plan fiduciary net position - beginning	275,875,521	261,925,620	265,917,291	212,742,511	214,156,164	205,942,307	196,150,319	179,885,909	180,331,546	176,620,656
Plan fiduciary net position - ending (b)	<u>\$ 299,584,826</u>	<u>\$ 275,875,521</u>	<u>\$ 261,925,620</u>	<u>\$ 265,917,291</u>	<u>\$ 212,742,511</u>	<u>\$ 214,156,164</u>	<u>\$ 205,942,307</u>	<u>\$ 196,150,319</u>	<u>\$ 179,885,909</u>	<u>\$ 180,331,544</u>
Total net pension liability - beginning	40,254,224	35,832,805	20,910,355	54,692,407	40,908,988	32,046,579	35,255,699	43,782,538	33,567,665	32,124,006
Total net pension liability - ending (a - b)	<u>\$ 52,188,300</u>	<u>\$ 40,254,224</u>	<u>\$ 35,832,805</u>	<u>\$ 20,910,355</u>	<u>\$ 54,692,407</u>	<u>\$ 40,908,988</u>	<u>\$ 32,046,579</u>	<u>\$ 35,255,699</u>	<u>\$ 43,782,538</u>	<u>\$ 33,567,665</u>
Plan fiduciary net position as a percentage of total pension liability	85.16%	87.27%	87.97%	92.71%	79.55%	83.96%	86.53%	84.76%	80.43%	84.31%
Covered payroll	\$ 65,035,554	\$ 56,543,268	\$ 50,034,238	\$ 46,381,208	\$ 47,123,041	\$ 45,853,501	\$ 45,263,004	\$ 43,733,860	\$ 42,627,702	\$ 41,432,034
Net pension liability as a percentage of covered payroll	80.25%	71.19%	71.62%	45.08%	116.06%	89.22%	70.80%	80.61%	102.71%	81.02%

See accompanying notes to required supplementary information.
See accompanying independent auditor's report.

COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Year Ended June 30, 2025
(Unaudited)

Exhibit XIII
(continued)

Virginia Retirement System	School System Non-Professional Employees									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date:	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
<i>Total pension liability:</i>										
Service Cost	\$ 367,448	\$ 319,350	\$ 257,913	\$ 272,235	\$ 295,894	\$ 300,766	\$ 298,984	\$ 318,248	\$ 326,990	\$ 590,031
Interest	2,202,512	2,151,652	2,202,865	2,115,819	2,163,509	2,172,731	2,167,570	2,177,707	2,219,068	2,164,578
Changes in assumptions between expected and actual experience	-	-	-	1,526,735	-	743,564	-	(66,597)	-	-
Differences between expected and actual experience	372,688	774,108	(716,275)	(241,202)	(471,339)	190,670	(282,722)	(496,773)	(1,113,216)	76,137
Benefit payments, including refunds of employee contributions	(2,514,687)	(2,564,758)	(2,564,541)	(2,719,321)	(2,669,867)	(2,119,648)	(2,100,554)	(2,054,245)	(1,993,180)	(2,111,460)
Net change in total pension liability	427,961	680,352	(820,038)	954,266	(681,803)	1,288,083	83,278	(121,660)	(560,338)	719,286
Total pension liability - beginning	33,519,702	32,839,350	33,659,388	32,705,122	33,386,925	32,098,842	32,015,564	32,137,224	32,697,562	31,978,276
Total pension liability - ending (a)	\$ 33,947,663	\$ 33,519,702	\$ 32,839,350	\$ 33,659,388	\$ 32,705,122	\$ 33,386,925	\$ 32,098,842	\$ 32,015,564	\$ 32,137,224	\$ 32,697,562
<i>Plan fiduciary net position:</i>										
Contributions - employer	24,482	22,602	47,011	45,833	47,759	50,964	147,119	144,668	209,100	206,447
Contributions - employee	201,047	165,182	145,313	136,658	145,004	144,753	153,729	150,511	152,767	152,195
Net investment income	3,366,677	2,223,049	1,492	8,474,537	635,055	2,185,110	2,419,142	3,725,620	525,814	1,454,882
Benefit payments, including refunds of employee contributions	(2,514,687)	(2,564,758)	(2,564,541)	(2,719,321)	(2,669,867)	(2,119,648)	(2,100,554)	(2,054,245)	(1,993,180)	(2,111,460)
Administrative expense	(23,947)	(23,643)	(24,442)	(22,930)	(23,385)	(23,221)	(21,956)	(22,797)	(20,892)	(21,377)
Other	630	882	842	784	(729)	(1,365)	(2,107)	(3,259)	(231)	(305)
Net change in plan fiduciary net position	1,054,202	(176,686)	(2,394,325)	5,915,561	(1,866,163)	236,593	595,373	1,940,498	(1,126,622)	(319,618)
Plan fiduciary net position - beginning	35,658,684	35,835,370	38,229,695	32,314,134	34,180,297	33,943,704	33,348,331	31,407,833	32,534,455	32,854,073
Plan fiduciary net position - ending (b)	\$ 36,712,886	\$ 35,658,684	\$ 35,835,370	\$ 38,229,695	\$ 32,314,134	\$ 34,180,297	\$ 33,943,704	\$ 33,348,331	\$ 31,407,833	\$ 32,534,455
Total net pension liability - beginning	(2,138,982)	(2,996,020)	(4,570,307)	390,988	(793,372)	(1,844,862)	(1,332,767)	729,391	163,107	(875,797)
Total net pension liability (asset) - ending (a - b)	\$ (2,765,223)	\$ (2,138,982)	\$ (2,996,020)	\$ (4,570,307)	\$ 390,988	\$ (793,372)	\$ (1,844,862)	\$ (1,332,767)	\$ 729,391	\$ 163,107
Plan fiduciary net position as a percentage of total pension liability (asset)	108.15%	106.38%	109.12%	113.58%	98.80%	102.38%	105.75%	104.16%	97.73%	99.50%
Covered payroll	\$ 4,514,884	\$ 3,655,780	\$ 3,170,647	\$ 2,914,661	\$ 3,051,242	\$ 3,039,400	\$ 3,112,471	\$ 3,068,829	\$ 3,081,526	\$ 3,027,639
Net pension liability (asset) as a percentage of covered payroll	-61.25%	-58.51%	-94.49%	-156.80%	12.81%	-26.10%	-59.27%	-43.43%	23.67%	5.39%

See accompanying notes to required supplementary information.
See accompanying independent auditor's report.

COUNTY OF ROANOKE, VIRGINIA
Required Supplemental Information
Schedule of Employer's Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2025
(Unaudited)

<u>Virginia Retirement System</u>	School System Teacher Retirement Plan									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date:	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Schools System's proportion of the net pension liability	0.94343%	0.94007%	0.94158%	0.93501%	0.92573%	0.93221%	0.95745%	0.97725%	0.94772%	0.94973%
Schools System's proportionate share of the net pension liability	\$ 88,559,158	\$ 95,014,800	\$ 89,644,053	\$ 72,585,738	\$ 134,718,026	\$ 122,684,122	\$ 112,596,000	\$ 120,182,000	\$ 132,815,000	\$ 119,536,000
Schools System's covered payroll	\$ 100,174,627	\$ 93,086,943	\$ 87,024,278	\$ 81,351,646	\$ 80,389,368	\$ 77,499,484	\$ 77,053,264	\$ 76,745,715	\$ 72,258,672	\$ 70,615,294
Schools System's proportionate share of the net pension liability as a percentage of its covered payroll	88.40%	102.07%	103.01%	89.22%	167.58%	158.30%	146.13%	156.60%	183.80%	169.28%
Plan fiduciary net position as a percentage of the total pension liability	84.52%	82.45%	82.61%	85.46%	71.47%	73.51%	74.81%	72.92%	68.28%	70.68%

See accompanying notes to required supplementary information.
 See accompanying independent auditor's report.

COUNTY OF ROANOKE, VIRGINIA
Required Supplemental Information
Schedule of Contributions
For the Year Ended June 30, 2025
(Unaudited)

Exhibit XV

Year Ended	Actuarial Valuation Date	Contractually Required Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution (Deficiency) Excess	Covered Payroll	Contributions as a % of Covered Payroll
<u>County of Roanoke Retirement Plan:</u>						
June 30, 2025	June 30, 2023	\$ 12,080,767	\$ 12,080,767	\$ -	\$ 66,941,854	18.05%
June 30, 2024	June 30, 2021	10,510,023	10,510,023	-	65,035,554	16.16%
June 30, 2023	June 30, 2021	9,140,578	9,140,578	-	56,543,268	16.17%
June 30, 2022	June 30, 2019	7,268,195	7,268,195	-	50,034,238	14.53%
June 30, 2021	June 30, 2019	6,730,418	6,730,418	-	46,381,208	14.51%
June 30, 2020	June 30, 2018	5,846,191	5,846,191	-	47,123,041	12.41%
June 30, 2019	June 30, 2017	5,664,637	5,664,637	-	45,853,501	12.35%
June 30, 2018	June 30, 2016	5,081,170	5,081,170	-	45,263,004	11.23%
June 30, 2017	June 30, 2016	4,893,436	4,893,436	-	43,733,860	11.19%
June 30, 2016	June 30, 2014	4,638,384	4,638,384	-	42,627,702	10.88%
<u>School System Teacher Retirement Plan:</u>						
June 30, 2025	June 30, 2023	\$ 15,025,577	\$ 15,025,726	\$ 149	\$ 105,739,458	14.21%
June 30, 2024	June 30, 2021	16,649,023	15,898,757	(750,266)	100,174,627	15.87%
June 30, 2023	June 30, 2021	15,471,050	14,828,794	(642,256)	93,086,943	15.93%
June 30, 2022	June 30, 2019	14,463,435	13,999,677	(463,758)	87,024,278	16.09%
June 30, 2021	June 30, 2019	13,520,644	13,245,307	(275,337)	81,351,646	16.28%
June 30, 2020	June 30, 2018	12,605,053	12,283,727	(321,326)	80,389,368	15.28%
June 30, 2019	June 30, 2017	12,647,916	11,968,521	(679,395)	77,499,484	15.44%
June 30, 2018	June 30, 2016	11,296,009	12,566,803	1,270,794	77,053,264	16.31%
June 30, 2017	June 30, 2016	10,790,448	11,251,117	460,669	76,745,715	14.66%
June 30, 2016	June 30, 2014	10,477,507	10,159,568	(317,939)	72,258,672	14.06%
<u>School System Non-Professional Retirement Plan:</u>						
June 30, 2025	June 30, 2023	\$ 192,258	\$ 146,044	\$ (46,214)	\$ 5,006,709	3.84%
June 30, 2024	June 30, 2021	51,921	24,482	(27,439)	4,514,884	1.15%
June 30, 2023	June 30, 2021	76,406	22,646	(53,760)	3,655,780	2.09%
June 30, 2022	June 30, 2019	66,267	47,011	(19,256)	3,170,647	2.09%
June 30, 2021	June 30, 2019	60,916	45,833	(15,083)	2,914,661	2.09%
June 30, 2020	June 30, 2018	58,584	56,224	(2,360)	3,051,242	1.92%
June 30, 2019	June 30, 2017	58,356	50,964	(7,392)	3,039,400	1.92%
June 30, 2018	June 30, 2016	65,673	153,066	87,393	3,112,471	2.11%
June 30, 2017	June 30, 2016	148,224	148,080	(144)	3,068,829	4.83%
June 30, 2016	June 30, 2014	210,776	210,558	(218)	3,081,526	6.84%

Actuarial Assumptions:

County of Roanoke and School System Non-Professional Retirement Plans:

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age Normal
Amortization method	Level percentage of payroll, closed
Payroll growth	3.00%
Remaining amortization period	30 years
Asset valuation method	5-year smoothed fair value
Salary increases	3.50 - 5.35%
Investment rate of return	6.75%
Inflation	2.50%
Cost of living adjustments	2.25 - 2.50%

School System Teacher Retirement Plan:

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age Normal
Amortization method	Level percentage of payroll, closed
Payroll growth	3.00%
Remaining amortization period	30 years
Asset valuation method	5-year smoothed fair value
Salary increases	3.50 - 5.95%
Investment rate of return	6.75%
Inflation	2.50%
Cost of living adjustments	2.25 - 2.50%

See accompanying notes to required supplementary information.
See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Schedules of Changes in Total Pension Liability and Related Ratios
Fire and Rescue Pension Trust Length of Service Awards Program
For the Year Ended June 30, 2025
(Unaudited)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement Date:	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Actuarial Valuation Date:	7/31/2024	7/31/2023	7/31/2022	7/31/2021	7/31/2020	7/31/2019	7/31/2019	7/31/2018	7/31/2017
<i>Total pension liability:</i>									
Service cost	\$ 6,200	\$ 7,600	\$ 6,800	\$ 6,800	\$ 6,370	\$ 6,440	\$ 6,440	\$ 6,050	\$ 5,613
Interest on total pension liability	376,532	366,125	431,526	219,678	252,591	300,425	343,290	354,080	295,965
Changes of assumptions ①	(370,815)	33,035	(123,261)	533,301	1,671,210	912,720	455,355	1,562,137	(574,306)
Differences between expected and actual experience	(28,072)	(427,598)	(2,640,584)	59,171	(124,425)	44,042	19,496	-	-
Benefit payments	(514,957)	(482,069)	(485,878)	(441,686)	(429,471)	(405,360)	(405,360)	(422,801)	(347,975)
Net change in total pension liability	(531,112)	(502,907)	(2,811,397)	377,264	1,376,275	858,267	419,221	1,499,466	(620,703)
Total pension liability - beginning	<u>\$ 9,219,432</u>	<u>\$ 9,722,339</u>	<u>\$ 12,533,736</u>	<u>\$ 12,156,472</u>	<u>\$ 10,780,197</u>	<u>\$ 9,921,930</u>	<u>\$ 9,502,709</u>	<u>\$ 8,003,243</u>	<u>\$ 8,623,946</u>
Total pension liability - ending	<u>\$ 8,688,320</u>	<u>\$ 9,219,432</u>	<u>\$ 9,722,339</u>	<u>\$ 12,533,736</u>	<u>\$ 12,156,472</u>	<u>\$ 10,780,197</u>	<u>\$ 9,921,930</u>	<u>\$ 9,502,709</u>	<u>\$ 8,003,243</u>
Covered Payroll ②	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

① Changes of assumptions reflect change in the discount rate from 3.86% to 4.20% and changes in the mortality tables used.

② There is no covered employee payroll since this plan provides benefits for volunteers.

Notes:

Schedule is intended to show information for 10 years. Since 2025 is the ninth year for this presentation, only eight additional years of data are available. However, additional years will be included as they become available.

No assets are accumulated in a trust that meets the reporting and disclosure criteria of GAAP. Plan assets are accumulated in a revocable trust reported in the General Fund.

COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios
For the Year Ended June 30, 2025
(Unaudited)

Measurement Date:	County of Roanoke Members								
	2026	2025	2024	2023	2022	2021	2020	2019	2018
	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<i>Total OPEB liability:</i>									
Service Cost	\$ 220,979	\$ 188,590	\$ 179,047	\$ 209,532	\$ 213,572	\$ 237,164	\$ 497,351	\$ 891,598	\$ 849,141
Interest	863,606	785,082	769,088	765,723	848,803	998,382	940,257	1,024,059	943,357
Differences between expected and actual experience	433,293	853,480	451,426	88,899	(1,386,189)	(1,577,201)	-	(5,174,702)	(56,957)
Change of benefit terms	-	(231,543)	-	-	-	-	-	-	-
Changes of assumptions	626,219	1,137,910	-	210,219	-	(884,021)	-	3,453,025	-
Contributions - employee	-	-	-	-	-	-	-	502,321	470,020
Benefit payments, including refunds of employee contributions	(925,927)	(866,929)	(1,513,096)	(896,096)	(667,798)	(819,674)	(917,093)	(1,204,285)	(1,493,500)
Net change in total OPEB liability	1,218,170	1,866,590	(113,535)	378,277	(991,612)	(2,045,350)	520,515	(507,984)	712,061
Total OPEB liability - beginning	12,571,388	10,704,798	10,818,333	10,440,056	11,431,668	13,477,018	12,956,503	13,464,487	12,752,426
Total OPEB liability - ending (a)	<u>\$ 13,789,558</u>	<u>\$ 12,571,388</u>	<u>\$ 10,704,798</u>	<u>\$ 10,818,333</u>	<u>\$ 10,440,056</u>	<u>\$ 11,431,668</u>	<u>\$ 13,477,018</u>	<u>\$ 12,956,503</u>	<u>\$ 13,464,487</u>
<i>Plan fiduciary net position:</i>									
Contributions - employer	925,927	866,929	1,634,921	1,017,921	789,623	941,499	1,038,918	823,789	1,219,282
Contributions - employee	-	-	-	-	-	-	-	502,321	470,020
Net investment income	927,751	909,354	675,162	(883,928)	2,190,495	214,926	305,644	560,627	661,110
Benefit payments, including refunds of employee contributions	(925,927)	(866,929)	(1,513,096)	(896,096)	(667,798)	(819,674)	(917,093)	(1,204,285)	(1,493,500)
Administrative expense	(10,961)	(10,027)	(9,509)	(10,760)	(8,731)	(8,209)	(7,567)	(7,071)	(6,596)
Net change in plan fiduciary net position	916,790	899,327	787,478	(772,863)	2,303,589	328,542	419,902	675,381	850,316
Plan fiduciary net position - beginning	10,497,583	9,598,256	8,810,778	9,583,641	7,280,052	6,951,510	6,531,608	5,856,227	5,005,911
Plan fiduciary net position - ending (b)	<u>\$ 11,414,373</u>	<u>\$ 10,497,583</u>	<u>\$ 9,598,256</u>	<u>\$ 8,810,778</u>	<u>\$ 9,583,641</u>	<u>\$ 7,280,052</u>	<u>\$ 6,951,510</u>	<u>\$ 6,531,608</u>	<u>\$ 5,856,227</u>
Total net OPEB liability - beginning	2,073,805	1,106,542	2,007,555	856,415	4,151,616	6,525,508	6,424,895	7,608,260	7,746,515
Total net OPEB liability - ending (a - b)	<u>\$ 2,375,185</u>	<u>\$ 2,073,805</u>	<u>\$ 1,106,542</u>	<u>\$ 2,007,555</u>	<u>\$ 856,415</u>	<u>\$ 4,151,616</u>	<u>\$ 6,525,508</u>	<u>\$ 6,424,895</u>	<u>\$ 7,608,260</u>
Plan fiduciary net position as a percentage of total OPEB liability	82.78%	83.50%	89.66%	81.44%	91.80%	63.68%	51.58%	50.41%	43.49%
Covered payroll	\$ 37,137,658	\$ 35,881,795	\$ 36,256,134	\$ 34,203,900	\$ 32,083,550	\$ 34,512,829	\$ 34,634,840	\$ 33,955,725	\$ 39,941,319
Net OPEB liability as a percentage of covered payroll	6.40%	5.78%	3.05%	5.87%	2.67%	12.03%	18.84%	18.92%	19.05%

The County of Roanoke has fiscal entities who participate in the Retiree Medical OPEB plan. The above information reflects the total plan liability and related ratios. However, the "Retiree Medical Program - Employer Recognition of the OPEB Plan" section of footnote 13 only reflects the County employer portion.

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

(continued)

COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios
For the Year Ended June 30, 2025
(Unaudited)

Measurement Date:	School System Members								
	2026	2025	2024	2023	2022	2021	2020	2019	2018
	6/30/2025	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
<i>Total OPEB liability:</i>									
Service Cost	\$ 447,793	\$ 385,593	\$ 378,451	\$ 300,875	\$ 298,947	\$ 889,124	\$ 593,436	\$ 977,606	\$ 931,053
Interest	652,109	561,121	552,815	503,205	516,619	351,384	323,704	471,102	476,676
Differences between expected and actual experience	1,085,045	1,104,896	(499,198)	(272,944)	(444,524)	(1,101,996)	-	(2,488,407)	(28,590)
Changes of benefit terms	1,620,844	(585,412)	-	-	-	-	-	-	-
Changes of assumptions	656,475	801,367	-	454,609	-	(3,877,843)	-	(3,035,172)	-
Contributions - employee	-	-	-	-	-	-	-	939,187	94,298
Benefit payments, including refunds of employee contributions	(614,005)	(380,563)	(278,211)	(521,121)	(581,415)	(572,183)	(487,194)	(1,785,359)	(684,162)
Net change in total OPEB liability	3,848,261	1,887,002	153,857	464,624	(210,373)	(4,311,514)	429,946	(4,921,043)	789,275
Total OPEB liability - beginning	9,169,863	7,282,861	7,129,004	6,664,380	6,874,753	11,186,267	10,756,321	15,677,364	14,888,089
Total OPEB liability - ending (a)	<u>\$ 13,018,124</u>	<u>\$ 9,169,863</u>	<u>\$ 7,282,861</u>	<u>\$ 7,129,004</u>	<u>\$ 6,664,380</u>	<u>\$ 6,874,753</u>	<u>\$ 11,186,267</u>	<u>\$ 10,756,321</u>	<u>\$ 15,677,364</u>
<i>Plan fiduciary net position:</i>									
Contributions - employer	614,005	472,853	370,501	613,411	673,705	664,473	671,774	846,172	682,154
Contributions - employee	-	-	-	-	-	-	-	939,187	94,298
Net investment income	169,338	166,080	121,516	(143,013)	326,848	30,365	35,334	65,111	74,106
Benefit payments, including refunds of employee contributions	(614,005)	(380,563)	(278,211)	(521,121)	(581,415)	(572,183)	(487,194)	(1,785,359)	(684,162)
Administrative expense	(2,205)	(2,166)	(2,063)	(2,100)	(1,728)	(1,592)	(1,370)	(1,263)	(1,169)
Net change in plan fiduciary net position	167,133	256,204	211,743	(52,823)	417,410	121,063	218,544	63,848	165,227
Plan fiduciary net position - beginning	1,916,317	1,660,113	1,448,370	1,501,193	1,083,783	962,720	744,176	680,328	515,101
Plan fiduciary net position - ending (b)	<u>\$ 2,083,450</u>	<u>\$ 1,916,317</u>	<u>\$ 1,660,113</u>	<u>\$ 1,448,370</u>	<u>\$ 1,501,193</u>	<u>\$ 1,083,783</u>	<u>\$ 962,720</u>	<u>\$ 744,176</u>	<u>\$ 680,328</u>
Total net OPEB liability - beginning	7,253,546	5,622,748	5,680,634	5,163,187	5,790,970	10,223,547	10,012,145	14,997,036	14,372,988
Total net OPEB liability - ending (a - b)	<u>\$ 10,934,674</u>	<u>\$ 7,253,546</u>	<u>\$ 5,622,748</u>	<u>\$ 5,680,634</u>	<u>\$ 5,163,187</u>	<u>\$ 5,790,970</u>	<u>\$ 10,223,547</u>	<u>\$ 10,012,145</u>	<u>\$ 14,997,036</u>
Plan fiduciary net position as a percentage of total OPEB liability	16.00%	20.90%	22.79%	20.32%	22.53%	15.76%	8.61%	6.92%	4.34%
Covered payroll	\$ 92,120,934	\$ 89,005,733	\$ 88,536,358	\$ 72,668,998	\$ 85,040,042	\$ 82,164,292	\$ 53,150,640	\$ 53,150,640	\$ 65,279,124
Net OPEB liability as a percentage of covered payroll	11.87%	8.15%	6.35%	7.82%	6.07%	7.05%	19.24%	18.84%	22.97%

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

COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Schedule of Employer Contributions
For the Year Ended June 30, 2025
(Unaudited)

Year Ended	Actuarial Valuation Date	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution (Deficiency) Excess	Percentage Contributed	Employer's Covered Payroll	Contributions as a % of Covered Payroll
<u>County of Roanoke Members:</u>							
June 30, 2025	June 30, 2024	\$ 484,581	\$ 925,927	\$ 441,346	191.08%	\$ 37,137,658	2.49%
June 30, 2024	June 30, 2024	333,082	866,929	533,847	260.27%	35,881,795	2.42%
June 30, 2023	June 30, 2022	419,906	1,634,921	1,215,015	389.35%	36,256,134	4.51%
June 30, 2022	June 30, 2022	318,931	1,017,921	698,990	319.17%	34,203,900	2.98%
June 30, 2021	June 30, 2020	669,662	789,623	119,961	117.91%	32,083,550	2.46%
June 30, 2020	June 30, 2020	927,268	941,499	14,231	101.53%	34,512,829	2.73%
June 30, 2019	June 30, 2018	1,137,882	1,038,918	(98,964)	91.30%	34,634,840	3.00%
June 30, 2018	June 30, 2018	1,644,235	823,789	(820,446)	50.10%	33,955,725	2.43%
June 30, 2017	June 30, 2016	1,219,282	1,415,084	195,802	116.06%	39,941,319	3.54%
<u>School System Members:</u>							
June 30, 2025	June 30, 2024	\$ 1,347,032	\$ 614,005	\$ (733,027)	45.58%	\$ 92,120,934	0.67%
June 30, 2024	June 30, 2024	1,076,858	472,853	(604,005)	43.91%	89,005,733	0.53%
June 30, 2023	June 30, 2022	1,050,378	370,501	(679,877)	35.27%	88,536,358	0.42%
June 30, 2022	June 30, 2022	888,248	613,411	(274,837)	69.06%	72,668,998	0.84%
June 30, 2021	June 30, 2020	935,211	673,705	(261,506)	72.04%	85,040,042	0.79%
June 30, 2020	June 30, 2020	2,009,130	664,473	(1,344,657)	33.07%	82,164,292	0.81%
June 30, 2019	June 30, 2018	1,289,794	579,484	(710,310)	44.93%	53,150,640	1.09%
June 30, 2018	June 30, 2018	1,997,378	938,462	(1,058,916)	46.98%	53,150,640	1.77%
June 30, 2017	June 30, 2016	682,154	682,154	-	100.00%	65,279,124	1.04%

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

See accompanying notes to required supplementary information.
 See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA
 Required Supplementary Information
 Schedule of Investment Returns
 Other Postemployment Benefits Plan
 For the Year Ended June 30, 2025
 (Unaudited)**

		County of Roanoke								
		2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense:		TBD	6.98%	6.95%	7.01%	6.95%	6.43%	6.31%	9.52%	13.04%

		School System								
		2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense:		TBD	6.98%	6.95%	7.01%	6.95%	6.43%	6.31%	9.52%	13.04%

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

See accompanying notes to required supplementary information.
 See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Virginia Retirement System Health Insurance Credit Program
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2025
(Unaudited)

Measurement Date:	County of Roanoke							
	2025 6/30/2024	2024 6/30/2023	2023 6/30/2022	2022 6/30/2021	2021 6/30/2020	2020 6/30/2019	2019 6/30/2018	2018 6/30/2017
<i>Total OPEB liability:</i>								
Service Cost	\$ 32,778	\$ 32,453	\$ 43,711	\$ 36,903	\$ 36,822	\$ 33,450	\$ 33,005	\$ 32,415
Interest	140,405	134,177	121,137	114,770	111,918	110,052	108,211	107,974
Differences between expected and actual experience	(100,432)	58,160	(38,344)	4,441	35,707	27,799	(3,870)	-
Changes of assumptions	-	-	216,177	38,904	-	42,641	-	(42,521)
Benefit payments, including refunds of employee contributions	(135,096)	(130,618)	(145,861)	(142,933)	(141,476)	(114,650)	(107,448)	(81,531)
Net change in total OPEB liability	(62,345)	94,172	196,820	52,085	42,971	99,292	29,898	16,337
Total OPEB liability - beginning	2,114,837	2,020,665	1,823,845	1,771,760	1,728,789	1,629,497	1,599,599	1,583,262
Total OPEB liability - ending (a)	\$ 2,052,492	\$ 2,114,837	\$ 2,020,665	\$ 1,823,845	\$ 1,771,760	\$ 1,728,789	\$ 1,629,497	\$ 1,599,599
<i>Plan fiduciary net position:</i>								
Contributions - employer	207,345	177,118	159,730	148,766	155,620	142,727	142,874	135,458
Net investment income	103,449	56,115	207	179,365	13,657	39,488	37,774	50,806
Benefit payments, including refunds of employee contributions	(135,096)	(130,618)	(145,861)	(142,933)	(141,476)	(114,650)	(107,448)	(81,531)
Administrative expense	(1,463)	(1,328)	(1,602)	(2,151)	(1,290)	(862)	(941)	(905)
Other changes	1	3,170	59,250	-	(6)	(47)	(2,370)	2,370
Net change in plan fiduciary net position	174,236	104,457	71,724	183,047	26,505	66,656	69,889	106,198
Plan fiduciary net position -- beginning	1,038,493	934,036	862,312	679,265	652,760	586,104	516,215	410,017
Plan fiduciary net position -- ending (b)	\$ 1,212,729	\$ 1,038,493	\$ 934,036	\$ 862,312	\$ 679,265	\$ 652,760	\$ 586,104	\$ 516,215
Total net OPEB liability - beginning	1,076,344	1,086,629	961,533	1,092,495	1,076,029	1,043,393	1,083,384	1,173,245
Total net OPEB liability - ending (a - b)	\$ 839,763	\$ 1,076,344	\$ 1,086,629	\$ 961,533	\$ 1,092,495	\$ 1,076,029	\$ 1,043,393	\$ 1,083,384
Plan fiduciary net position as a percentage of total OPEB liability	59.09%	49.11%	46.22%	47.28%	38.34%	37.76%	35.97%	32.27%
Covered payroll	\$ 65,035,554	\$ 56,543,268	\$ 50,034,238	\$ 46,381,208	\$ 47,123,041	\$ 45,853,501	\$ 45,263,004	\$ 43,733,860
Net OPEB liability as a percentage of covered payroll	1.29%	1.90%	2.17%	2.07%	2.32%	2.35%	2.31%	2.48%

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

COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Virginia Retirement System Health Insurance Credit Program Non-Professional Plan
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2025
(Unaudited)

Measurement Date:	2025	2024	School System 2023	2022	2021
	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
<i>Total OPEB liability:</i>					
Service Cost	\$ 2,232	\$ 2,065	\$ 3,738	\$ 5,056	\$ -
Interest	30,323	47,553	44,594	41,180	-
Differences between expected and actual experience	(42,676)	(264,117)	5,885	21,430	-
Changes of assumptions	-	-	33,083	-	-
Benefit payments	(39,946)	(41,906)	(41,676)	-	-
Other	-	-	-	-	610,084
Net change in total OPEB liability	(50,067)	(256,405)	45,624	67,666	610,084
Total OPEB liability - beginning	466,969	723,374	677,750	610,084	-
Total OPEB liability - ending (a)	<u>\$ 416,902</u>	<u>\$ 466,969</u>	<u>\$ 723,374</u>	<u>\$ 677,750</u>	<u>\$ 610,084</u>
<i>Plan fiduciary net position:</i>					
Contributions - employer	98,568	79,696	45,709	42,267	-
Net investment income	11,962	5,134	(199)	5,547	-
Benefit payments	(39,946)	(41,906)	(41,676)	-	-
Administrative expense	(193)	(135)	(78)	(187)	-
Other changes	1	24	438	-	-
Net change in plan fiduciary net position	70,392	42,813	4,194	47,627	-
Plan fiduciary net position - beginning	94,634	51,821	47,627	-	-
Plan fiduciary net position - ending (b)	<u>\$ 165,026</u>	<u>\$ 94,634</u>	<u>\$ 51,821</u>	<u>\$ 47,627.00</u>	<u>\$ -</u>
Total net OPEB liability - beginning	372,335	671,553	630,123	610,084	-
Total net OPEB liability - ending (a - b)	<u>\$ 251,876</u>	<u>\$ 372,335</u>	<u>\$ 671,553</u>	<u>\$ 630,123</u>	<u>\$ 610,084</u>
Plan fiduciary net position as a percentage of total OPEB liability	39.58%	20.27%	7.16%	7.03%	0.00%
Covered payroll	\$ 4,514,884	\$ 3,655,780	\$ 3,170,647	\$ 2,914,661	\$ 3,051,242
Net OPEB liability as a percentage of covered payroll	5.58%	10.18%	21.18%	21.62%	19.99%

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

See accompanying notes to required supplementary information.
See accompanying independent auditor's report.

COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Virginia Retirement System Health Insurance Credit Program
Schedule of Employer Contributions
For the Year Ended June 30, 2025
(Unaudited)

Year Ended	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution (Deficiency) Excess	Employer's Covered Payroll	Contributions as a % of Covered Payroll
<u>County of Roanoke Employees:</u>					
June 30, 2025	\$ 203,762	\$ 203,762	\$ -	\$ 66,941,854	0.30 %
June 30, 2024	197,961	197,961	-	65,035,554	0.30
June 30, 2023	172,022	172,022	-	56,543,268	0.34
June 30, 2022	152,737	152,737	-	50,034,238	0.31
June 30, 2021	140,406	140,406	-	46,381,208	0.30
June 30, 2020	144,688	144,688	-	47,123,041	0.31
June 30, 2019	104,564	104,564	-	45,853,501	0.23
June 30, 2018	135,906	135,906	-	45,263,004	0.30
June 30, 2017	106,244	106,244	-	43,733,860	0.24
June 30, 2016	95,257	95,257	-	42,627,702	0.22
<u>School System Employees - Teacher Plan:</u>					
June 30, 2025	\$ 1,279,447	\$ 1,279,464	\$ 17	\$ 105,739,458	1.21 %
June 30, 2024	1,212,113	1,212,213	100	100,174,627	1.21
June 30, 2023	1,126,352	1,125,781	(571)	93,086,943	1.21
June 30, 2022	1,052,994	1,053,639	645	87,024,278	1.21
June 30, 2021	984,355	991,342	6,987	81,351,646	1.22
June 30, 2020	964,672	963,455	(1,217)	80,389,368	1.20
June 30, 2019	929,994	930,288	294	77,499,484	1.20
June 30, 2018	947,755	947,188	(567)	77,053,264	1.23
June 30, 2017	851,877	851,887	10	76,745,715	1.11
June 30, 2016	765,942	765,995	53	72,258,672	1.06
<u>School System Employees - Non-Professional Plan:</u>					
June 30, 2025	\$ 109,146	\$ 109,148	\$ 2	\$ 5,006,709	2.18 %
June 30, 2024	98,424	98,568	144	4,514,884	2.18
June 30, 2023	79,696	79,696	-	3,655,780	2.18
June 30, 2022	45,657	45,709	52	3,170,647	1.44
June 30, 2021	41,971	42,267	296	2,914,661	1.45

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

See accompanying notes to required supplementary information.
 See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Required Supplemental Information
Virginia Retirement System Group Life Insurance Program
Schedule of Employer's Proportionate Share of Net OPEB Liability
For the Year Ended June 30, 2025
(Unaudited)

Measurement Date:	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Employer's proportion of the Net GLI OPEB Liability	0.26970%	0.25678%	0.24658%	0.24092%	0.24455%	0.24848%	0.25166%	0.25093%
Employer's proportionate share of the Net GLI OPEB Liability	\$ 3,009,642	\$ 3,079,597	\$ 2,969,061	\$ 2,804,962	\$ 4,081,139	\$ 4,043,431	\$ 3,822,000	\$ 3,776,000
Employer's covered payroll	\$ 53,368,933	\$ 46,907,682	\$ 41,475,756	\$ 49,741,151	\$ 48,710,165	\$ 47,852,850	\$ 46,284,675	\$ 44,698,860
Employer's proportionate share of the Net GLI OPEB Liability as a percentage of its covered payroll	5.64%	6.57%	7.16%	5.64%	8.38%	8.45%	8.26%	8.45%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability	73.41%	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

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

See accompanying notes to required supplementary information.
 See accompanying independent auditor's report.

COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Virginia Retirement System Group Life Insurance Program
Schedule of Employer Contributions
For the Year Ended June 30, 2025
(Unaudited)

Year Ended	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution (Deficiency) Excess	Employer's Covered Payroll	Contributions as a % of Covered Payroll
<i>County of Roanoke Employees:</i>					
June 30, 2025	\$ 319,192	\$ 319,192	\$ -	\$ 54,766,515	0.58 %
June 30, 2024	356,162	356,162	-	53,368,933	0.67
June 30, 2023	310,409	310,409	-	46,907,682	0.75
June 30, 2022	274,492	274,492	-	41,475,756	0.66
June 30, 2021	253,325	253,325	-	49,741,151	0.51
June 30, 2020	247,275	247,275	-	48,710,165	0.51
June 30, 2019	240,118	240,118	-	47,852,850	0.50
June 30, 2018	237,653	237,653	-	46,284,675	0.51
June 30, 2017	230,974	230,974	-	44,698,860	0.52
June 30, 2016	229,672	208,005	(21,667)	43,334,385	0.48
<i>School System Employees:</i>					
June 30, 2025	\$ 520,507	\$ 521,609	\$ 1,102	\$ 110,746,167	0.47 %
June 30, 2024	565,323	566,897	1,574	104,689,511	0.54
June 30, 2023	522,411	524,590	2,179	96,742,723	0.54
June 30, 2022	487,053	488,709	1,656	90,194,925	0.54
June 30, 2021	455,038	459,949	4,911	84,266,307	0.55
June 30, 2020	433,891	431,938	(1,953)	83,440,610	0.52
June 30, 2019	418,802	419,260	458	80,538,884	0.52
June 30, 2018	416,862	420,490	3,628	80,165,735	0.52
June 30, 2017	415,036	419,387	4,351	79,814,544	0.53
June 30, 2016	361,633	359,464	(2,169)	75,340,198	0.48

See accompanying notes to required supplementary information.
See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Required Supplemental Information
Roanoke County Public Schools
Schedule of Employer's Proportionate Share of Net OPEB Liability
For the Year Ended June 30, 2025
(Unaudited)

Measurement Date:	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<u>VRS Health Insurance Credit Program - Teacher Plan</u>								
Employer's proportion of the Net GLI OPEB Liability	93.50900%	0.93328%	0.93413%	0.92647%	0.91684%	0.92539%	0.95240%	0.97245%
Employer's proportionate share of the Net GLI OPEB Liability	\$ 10,806,349	\$ 11,305,916	\$ 11,667,718	\$ 11,891,883	\$ 11,960,329	\$ 12,114,255	\$ 12,093,000	\$ 12,337,000
Employer's covered payroll	\$ 100,174,627	\$ 93,086,943	\$ 87,024,278	\$ 81,351,646	\$ 80,389,368	\$ 77,499,484	\$ 77,053,264	\$ 76,745,715
Employer's proportionate share of the Net GLI OPEB Liability as a percentage of its covered payroll	10.79%	12.15%	13.41%	14.62%	14.88%	15.63%	15.69%	16.08%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability	21.82%	17.90%	15.08%	13.15%	9.95%	8.97%	8.08%	7.04%
<u>VRS Group Life Insurance Program - Teacher Plan</u>								
Employer's proportion of the Net GLI OPEB Liability	0.39112%	0.39611%	0.04011%	0.39775%	0.38934%	0.39603%	0.40541%	0.41724%
Employer's proportionate share of the Net GLI OPEB Liability	\$ 4,364,594	\$ 4,750,600	\$ 4,829,752	\$ 4,630,890	\$ 6,497,448	\$ 6,444,462	\$ 6,157,000	\$ 6,279,000
Employer's covered payroll	\$ 100,174,627	\$ 93,086,943	\$ 87,024,278	\$ 81,351,646	\$ 80,389,368	\$ 77,499,484	\$ 77,053,264	\$ 76,745,715
Employer's proportionate share of the Net GLI OPEB Liability as a percentage of its covered payroll	4.36%	5.10%	5.55%	5.69%	8.08%	8.32%	7.99%	8.18%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability	73.41%	69.30%	67.21%	52.64%	52.64%	52.00%	51.22%	48.86%
<u>VRS Group Life Insurance Program - Non-Professional Plan</u>								
Employer's proportion of the Net GLI OPEB Liability	0.01775%	0.01554%	0.01464%	0.01422%	0.01471%	0.01544%	0.01657%	0.01666%
Employer's proportionate share of the Net GLI OPEB Liability	\$ 198,076	\$ 186,374	\$ 176,280	\$ 165,558	\$ 245,485	\$ 251,250	\$ 252,000	\$ 250,000
Employer's covered payroll	\$ 4,514,884	\$ 3,655,780	\$ 3,170,647	\$ 2,914,661	\$ 3,051,242	\$ 3,039,400	\$ 3,112,471	\$ 3,068,829
Employer's proportionate share of the Net GLI OPEB Liability as a percentage of its covered payroll	4.39%	5.10%	5.56%	5.68%	8.05%	8.27%	8.10%	8.15%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability	73.41%	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.98%

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

COUNTY OF ROANOKE, VIRGINIA
Notes to Required Supplementary Information
For the Year Ended June 30, 2025
(Unaudited)

1. Budgetary Accounting and Control

Annual Budget Adoption - Annual budgets are legally adopted for the General, Debt Service, and School Board Component Unit Operating Funds. The Debt Service Fund is budgeted for principal and interest payments to be paid. Capital Projects Fund is budgeted on a project basis. The County follows these procedures in establishing the budgetary data reflected in the required supplementary information. The Code of Virginia requires adoption of a balanced budget by June 30 of each year. The County Board of Supervisors formally adopted the fiscal year 2024-2025 budget appropriation on May 28, 2024.

Budgetary Basis of Accounting - The General and Debt Service Fund budgets are adopted on the modified accrual basis of accounting, a basis of accounting consistent with accounting principles generally accepted in the United States of America.

Budgetary Process - At least sixty days prior to June 30, the County Administrator submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain citizen comments. Prior to June 30, the budget is legally enacted through an ordinance passed by the County Board of Supervisors.

Budgetary Controls - Legal budgetary control is maintained at the fund level. However, for management purposes, the budget is segregated into three categories: personnel, operating, and capital expenditures by department. The Department Head may use discretion to transfer from one category to another as long as the departmental total does not change. County debt is segregated into a separate fund for budgetary purposes. The County Administrator may authorize or delegate the authorization of a transfer of any unencumbered balance or portion thereof from one department to another within a fund. All other transfers require approval of the Board of Supervisors.

Formal budgetary integration into the financial accounting system is employed as a management control device during the year for the governmental type funds. Management control is maintained at the category level (i.e. personnel, operating, capital) and supplemental appropriations during the year-end cannot exceed the undesignated fund balance. Actual expenditures and operating transfers out may not legally exceed budget appropriations at the fund level. Unspent appropriations lapse at year-end for legally adopted budgets. The Board of Supervisors must approve any budget amendments increasing or decreasing appropriations. Major amendments are budget amendments that exceed one percent of the original budget, which is \$3.0 million for fiscal year 2024-2025. These major amendments must go through the same public hearing requirements as the original budget.

2. Pension Plan – Virginia Retirement System

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

General Employees / Non-Hazardous Duty:

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, except the change in the discount rate, which was based on the VRS Board action. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality RatesUpdate to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 (Pre-retirement, post-retirement healthy, and disabled)

COUNTY OF ROANOKE, VIRGINIA
Notes to Required Supplementary Information
For the Year Ended June 30, 2025
(Unaudited)

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 year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability....	No change
Discount Rate.....	No change

Public Safety Employees with Hazardous Duty Benefits:

Changes of assumptions – The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on the VRS Board. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 (Pre-retirement, post-retirement healthy, and disabled).
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70.
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty.
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability....	No change
Discount Rate.....	No change

Teacher Plan:

Changes of assumptions – The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on the VRS Board action. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
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COUNTY OF ROANOKE, VIRGINIA
Notes to Required Supplementary Information
For the Year Ended June 30, 2025
(Unaudited)

Retirement RatesAdjusted rates to better fit experience for Plan 1; set separate rates based on experience on Plan 2/Hybrid; Changed final retirement age.

Withdrawal RatesAdjusted rates to better fit experience at each year age and service through 9 years of service.

Disability RatesNo change

Salary ScaleNo change

Line of Duty Disability....No change

Discount Rate.....No change

3. Other Post-Employment Benefits Plan - VRS Health Insurance Credit (HIC) and Group Life Insurance (GLI) Programs

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020 except the change in the discount rate, which was based on VRS Board action. Changes to the actuarial assumptions as a result of the experience study and VRS board action are as follows:

Mortality RatesUpdate to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 (pre-retirement, post-retirement healthy, and disabled)

Retirement RatesAdjusted 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 RatesAdjusted rates to better fit experience at each age and service decrement through 9 years of service

Disability RatesNo change

Salary ScaleNo change

Line of Duty Disability....No change

Discount Rate.....No change

COUNTY OF ROANOKE, VIRGINIA
Notes to Required Supplementary Information
For the Year Ended June 30, 2025
(Unaudited)

4. Other Postemployment Benefits Plan - Retiree Medical

Changes of benefit terms – There has been a plan change since the last full valuation, which was for the fiscal year ending June 30, 2022. A new medical plan KC2000, was added for active participants effective July 1, 2024 and no segregation in premium rates with respect to Wellness option.

Changes of assumptions – The following changes in actuarial assumptions and methods were made effective for measurement date June 30, 2025:

- Coverage Election.....No change

- Mortality RatesNo change – using Scale MP-2021

- Retirement RatesUpdated to follow the most recent tables provided in the VRS actuarial valuation as of June 30, 2023

- Termination Rates.....Updated to follow the most recent tables provided in the VRS actuarial valuation as of June 30, 2023

- Disability RatesUpdated to follow the most recent tables provided in the VRS actuarial valuation as of June 30, 2023

- Payroll Growth.....Updated to follow the most recent tables provided in the VRS actuarial valuation as of June 30, 2023

- Health Care Trend Rate..Updated to an initial rate of 8.00% decreasing by 0.25% annually down to an ultimate rate of 4.50%.

- Discount Rate.....Updated to 7.5% as of June 30, 2025 from 7.0% as of June 30, 2024

5. Fire and Rescue Pension Trust Length Of Service Awards Program (LOSAP)

The County established a Length of Service Awards Program (LOSAP) on January 1, 1989, to recognize the service the volunteers for the County Fire and Rescue provide to the County. LOSAP is a single employer, noncontributory defined benefit plan. It is owned by the County and governed by the Volunteer Fireman’s Insurance Services, Inc. (VFIS). The plan’s fiscal year follows the calendar year January 1 through December 31. It was active until December 31, 2005, at which time the County Board froze all member benefits in the program. LOSAP was open to any volunteer member over 18 years of age who met specific eligibility and service requirements. No assets are accumulated in a trust that meets the reporting and disclosure criteria of GAAP. Plan assets are accumulated in a revocable trust reported in the General Fund.



SUPPLEMENTARY INFORMATION

GOVERNMENTAL FUNDS

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

The **Debt Service Fund** is the fund used to account for the financial resources for, and the payment of, general long-term debt principal, interest, and related costs.

The **Capital Projects Fund** is the fund used to account for the financial resources to be used for the acquisition or construction of capital activities.



COUNTY OF ROANOKE, VIRGINIA
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget as Amended	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Locality Compensation Payment	\$ 124,663	\$ 124,663	\$ 124,663	\$ -
Interest Income	-	-	6,743	6,743
Miscellaneous	249,500	255,005	255,005	-
Total Revenues	<u>374,163</u>	<u>379,668</u>	<u>386,411</u>	<u>6,743</u>
Expenditures				
Principal Payments				
General Obligation Bonds				
Schools Virginia Public Schools Authority Bonds	7,019,794	7,019,794	7,019,794	-
Total General Obligation Bonds	<u>7,019,794</u>	<u>7,019,794</u>	<u>7,019,794</u>	<u>-</u>
Lease Revenue Bonds				
General Government	4,630,000	4,630,000	4,630,000	-
Total Lease Revenue Bonds	<u>4,630,000</u>	<u>4,630,000</u>	<u>4,630,000</u>	<u>-</u>
Total Principal Payments	<u>11,649,794</u>	<u>11,649,794</u>	<u>11,649,794</u>	<u>-</u>
Interest Payments				
General Obligation Bonds				
Schools Virginia Public Schools Authority Bonds	2,791,269	2,791,269	2,791,269	-
Total General Obligation Bonds	<u>2,791,269</u>	<u>2,791,269</u>	<u>2,791,269</u>	<u>-</u>
Lease Revenue Bonds				
General Government	3,154,954	3,155,176	3,155,176	-
Total Lease Revenue Bonds	<u>3,154,954</u>	<u>3,155,176</u>	<u>3,155,176</u>	<u>-</u>
Total Interest Payments	<u>5,946,223</u>	<u>5,946,445</u>	<u>5,946,445</u>	<u>-</u>
Miscellaneous Costs	19,624	38,080	24,255	13,825
Total Expenditures	<u>17,615,641</u>	<u>17,634,319</u>	<u>17,620,494</u>	<u>13,825</u>
Excess (deficit) of revenues over (under) expenditures	(17,241,478)	(17,254,651)	(17,234,083)	20,568
Other financing sources (uses):				
Issuance of Lease Revenue bonds - General Government	-	14,135,000	14,135,000	-
Premium on Lease Revenue bonds - General Government	-	1,427,183	1,427,183	-
Payment to refunded escrow agent				
Lease Revenue bonds - General Government	-	(15,391,282)	(15,391,282)	-
Debt issuance costs on Lease Revenue bonds - General Government	-	(170,900)	(163,295)	7,605
Transfers				
Transfer from County General Fund	13,346,009	13,346,009	13,346,009	-
Transfer from School General Fund	4,125,345	4,125,345	4,125,345	-
Transfer (to) County Capital Fund	(124,750)	(124,750)	(124,750)	-
Transfer (to) School Capital Fund	-	(116,250)	(116,250)	-
Total other financing sources, net	<u>17,346,604</u>	<u>17,230,355</u>	<u>17,237,960</u>	<u>7,605</u>
Net change in fund balance	105,126	(24,296)	3,877	28,173
Fund balance at beginning of year	<u>424,020</u>	<u>301,755</u>	<u>326,052</u>	<u>24,297</u>
Fund balance at end of year	<u>\$ 529,146</u>	<u>\$ 277,459</u>	<u>\$ 329,929</u>	<u>\$ 52,470</u>

See accompanying independent auditors' report

COUNTY OF ROANOKE, VIRGINIA
Budgetary Comparison Schedule
Capital Projects Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget as Amended	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ 771,872	\$ 771,872
Charges for services	100,000	100,000	166,685	66,685
Intergovernmental revenue	4,365,506	4,372,407	3,688,361	(684,046)
Total revenues	<u>4,465,506</u>	<u>4,472,407</u>	<u>4,626,918</u>	<u>154,511</u>
EXPENDITURES				
Interest and other charges	-	834,555	893,200	(58,645)
Capital outlay	114,274,358	171,773,603	68,380,934	103,392,669
Total expenditures	<u>114,274,358</u>	<u>172,608,158</u>	<u>69,274,134</u>	<u>103,334,024</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(109,808,852)</u>	<u>(168,135,751)</u>	<u>(64,647,216)</u>	<u>103,488,535</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of bonds and temporary loans	95,000,000	121,560,000	78,234,050	(43,325,950)
Premium on bonds	-	2,460,292	2,460,292	-
Proceeds from sale of land, buildings, and equipment	-	-	128,327	128,327
Transfers in	5,943,058	5,977,552	5,977,552	-
Transfers out	-	(2,202,977)	(2,202,977)	-
Total other financing sources, net	<u>100,943,058</u>	<u>127,794,867</u>	<u>84,597,244</u>	<u>(43,197,623)</u>
Net change in fund balance	(8,865,794)	(40,340,884)	19,950,028	60,290,912
Fund balance at beginning of year	8,865,794	40,340,884	41,966,621	1,625,737
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,916,649</u>	<u>\$ 61,916,649</u>

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2025

Schedule 3

	<u>Final Budget as Amended</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
From local sources:			
General property taxes:			
Real property taxes	\$ 129,080,327	\$ 129,790,523	\$ 710,196
Real and personal public service corporation property taxes	5,500,000	5,812,954	312,954
Payments in lieu of taxes	225,000	110,379	(114,621)
Personal property taxes	33,152,334	34,816,442	1,664,108
Penalties and interest	1,350,000	1,575,684	225,684
Total general property taxes	<u>169,307,661</u>	<u>172,105,982</u>	<u>2,798,321</u>
Other local taxes:			
Local sales and use taxes	17,000,000	16,024,563	(975,437)
Business license taxes	9,100,000	9,108,839	8,839
Motor vehicle licenses	2,450,000	2,490,725	40,725
Bank franchise taxes	750,000	1,181,047	431,047
Taxes on recordation and wills	1,550,000	1,468,692	(81,308)
Utility license tax	565,000	445,052	(119,948)
Communications sales and use tax	2,625,000	2,550,915	(74,085)
Consumer utility tax	3,750,000	3,966,343	216,343
E911 tax	380,000	439,349	59,349
Hotel and motel tax	2,050,000	2,073,085	23,085
Tax on prepared food	6,450,000	6,275,427	(174,573)
Admissions tax	80,000	94,159	14,159
Cigarette tax	1,275,000	851,250	(423,750)
Total other local taxes	<u>48,025,000</u>	<u>46,969,446</u>	<u>(1,055,554)</u>
Permits, fees, and licenses:			
Animal licenses	42,500	72,248	29,748
Permits and other licenses	1,322,682	1,101,793	(220,889)
Total permits, fees, and licenses	<u>1,365,182</u>	<u>1,174,041</u>	<u>(191,141)</u>
Fines and forfeitures	<u>568,500</u>	<u>456,368</u>	<u>(112,132)</u>
Use of money and property	<u>1,476,781</u>	<u>1,669,743</u>	<u>192,962</u>
Charges for services:			
Refuse costs	20,700	14,428	(6,272)
Court costs	162,000	27,989	(134,011)
Charges for correction and detention	201,099	201,659	560
Charges for parks and recreation	5,435,000	4,864,853	(570,147)
Rescue fees	3,500,000	4,659,391	1,159,391
Other charges	972,519	935,526	(36,993)
Total charges for services	<u>10,291,318</u>	<u>10,703,846</u>	<u>412,528</u>
Miscellaneous:			
Reimbursements - shared programs	1,888,740	2,025,148	136,408
Miscellaneous	1,204,004	1,057,637	(146,367)
Legal services	11,362	30,000	18,638
Jail	455,000	344,978	(110,022)
Welfare department	86,074	18,520	(67,554)
Resource Authority	70,672	76,393	5,721
WVWA	42,500	60,958	18,458
WVRJA	179,956	200,620	20,664
Host locality fee	350,000	350,000	-
Total miscellaneous	<u>4,288,308</u>	<u>4,164,254</u>	<u>(124,054)</u>
Total revenue from local sources	<u>235,322,750</u>	<u>237,243,680</u>	<u>1,920,930</u>

See accompanying independent auditors' report.

(continued)

COUNTY OF ROANOKE, VIRGINIA
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2025

Schedule 3
(continued)

	Final Budget as Amended	Actual	Variance with Final Budget Positive (Negative)
From the Commonwealth:			
Non-categorical aid:			
Motor vehicles carriers tax	\$ 18,000	\$ 80,290	\$ 62,290
Trailer tax	400,000	470,146	70,146
Personal property tax relief	12,229,857	12,229,857	-
Total non-categorical aid	12,647,857	12,780,293	132,436
Categorical aid:			
Shared expenditures:			
Commonwealth's Attorney	912,332	1,070,401	158,069
Sheriff	4,137,824	4,511,665	373,841
Commissioner of the Revenue	306,039	352,776	46,737
Treasurer	264,627	365,980	101,353
Registrar/Electoral Board	49,131	101,744	52,613
Clerk of Court	676,000	753,149	77,149
Total shared expenditures	6,345,953	7,155,715	809,762
Other categorical aid:			
EMS	209,206	122,910	(86,296)
Recovered costs - welfare	5,425,000	3,943,004	(1,481,996)
Confiscated goods	41,702	41,702	-
VJCCCA grant	282,833	282,833	-
Library	250,000	264,509	14,509
Comprehensive Services Act	7,469,101	7,797,094	327,993
Police department grant	2,193,263	2,389,630	196,367
Other state grants	4,768,570	2,331,768	(2,436,802)
Total other categorical aid	20,639,675	17,173,450	(3,466,225)
Total categorical aid	26,985,628	24,329,165	(2,656,463)
Total from the Commonwealth	39,633,485	37,109,458	(2,524,027)
From the Federal government:			
Categorical aid:			
Seized goods	998	6,311	5,313
Greenways	10,035,483	5,999,756	(4,035,727)
Welfare reimbursement	6,830,000	7,261,797	431,797
Other federal grants	17,688,469	8,026,742	(9,661,727)
Total categorical aid	34,554,950	21,294,606	(13,260,344)
Total from the Federal government	34,554,950	21,294,606	(13,260,344)
Total Intergovernmental revenues	74,188,435	58,404,064	(15,784,371)
Total revenues	309,511,185	295,647,744	(13,863,441)
Expenditures:			
General government administration:			
Legislative:			
Board of Supervisors	341,423	335,585	5,838
General and financial administration:			
County Administrator	382,165	453,456	(71,291)
Community Relations	826,507	905,490	(78,983)
Internal Auditor	236,396	175,122	61,274
Human Resources	1,329,119	1,337,956	(8,837)
County Attorney	869,397	957,555	(88,158)
Commissioner of Revenue	1,250,063	1,245,245	4,818
Assessor	1,241,116	1,206,187	34,929
Treasurer	1,433,256	1,407,332	25,924
Assistant County Administrator -			
Management Services	323,368	311,297	12,071
Finance	2,312,923	2,318,970	(6,047)
Management and Budget	379,870	310,146	69,724
Procurement	616,060	564,431	51,629
Total general and financial administration	11,200,240	11,193,187	7,053

See accompanying independent auditor's report.

(continued)

COUNTY OF ROANOKE, VIRGINIA
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2025

Schedule 3
(continued)

	<u>Final Budget as Amended</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Electoral Board and officials	\$ 1,105,096	\$ 929,221	\$ 175,875
Total general government administration	<u>12,646,759</u>	<u>12,457,993</u>	<u>188,766</u>
Judicial administration			
Courts:			
Circuit Court	317,068	424,336	(107,268)
General District Court	126,332	99,131	27,201
Special magistrates	1,590	1,072	518
Juvenile and Domestic Relations Court	39,086	42,440	(3,354)
Clerk of the Circuit Court	1,503,116	1,464,781	38,335
Total courts	<u>1,987,192</u>	<u>2,031,760</u>	<u>(44,568)</u>
Commonwealth's Attorney	2,146,622	2,183,683	(37,061)
Total judicial administration	<u>4,133,814</u>	<u>4,215,443</u>	<u>(81,629)</u>
Public safety:			
Law enforcement and traffic control:			
Sheriff and Police	25,250,110	25,921,586	(671,476)
E911 maintenance	6,476,117	6,361,886	114,231
Total law enforcement and traffic control	<u>31,726,227</u>	<u>32,283,472</u>	<u>(557,245)</u>
Fire and rescue services:			
Fire and rescue services	29,744,368	30,528,664	(784,296)
Total fire and rescue services	<u>29,744,368</u>	<u>30,528,664</u>	<u>(784,296)</u>
Correction and detention:			
Confinement and care of prisoners	12,082,466	11,457,215	625,251
Court service unit	795,737	747,121	48,616
VJCCCA grant	316,895	316,895	-
Total correction and detention	<u>13,195,098</u>	<u>12,521,231</u>	<u>673,867</u>
Animal control	1,308,262	1,273,993	34,269
Total public safety	<u>75,973,955</u>	<u>76,607,360</u>	<u>(633,405)</u>
Public Works:			
General services administration	6,794,556	3,450,935	3,343,621
Refuse disposal	6,282,747	6,661,618	(378,871)
Maintenance of general buildings and grounds	5,885,474	6,021,385	(135,911)
Engineering	7,184,253	4,346,259	2,837,994
Inspections	1,132,186	1,218,291	(86,105)
Total public works	<u>27,279,216</u>	<u>21,698,488</u>	<u>5,580,728</u>
Health and welfare:			
Public health	1,001,694	981,618	20,076
Social services administration	11,985,613	11,614,169	371,444
Comprehensive Services Act	12,083,175	14,354,510	(2,271,335)
Public assistance	4,918,666	4,645,952	272,714
Total health and welfare	<u>29,989,148</u>	<u>31,596,249</u>	<u>(1,607,101)</u>
Parks, recreation and cultural:			
Assistant County Administrator - Human Services	299,158	293,254	5,904
Parks and recreation	20,479,465	15,903,581	4,575,884
Library	6,234,407	6,017,981	216,426
Total parks, recreation and cultural	<u>27,013,030</u>	<u>22,214,816</u>	<u>4,798,214</u>

See accompanying independent auditor's report.

(continued)

COUNTY OF ROANOKE, VIRGINIA
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2025

Schedule 3
(continued)

	Final Budget as Amended	Actual	Variance with Final Budget Positive (Negative)
Community development:			
Planning and zoning	\$ 6,417,219	\$ 4,107,286	\$ 2,309,933
Cooperative extension program	145,391	101,922	43,469
Economic development	2,921,006	1,378,201	1,542,805
Public transportation	1,340,188	938,256	401,932
Total community development	10,823,804	6,525,665	4,298,139
Nondepartmental:			
Employee benefits	1,332,777	757,034	575,743
Dixie Caverns landfill cleanup	62,700	62,191	509
Miscellaneous	9,342,290	4,173,223	5,169,067
Tax relief for the elderly and handicapped	1,694,060	2,578,924	(884,864)
Refuse credit - Town of Vinton	225,000	225,000	-
Board contingency	1,328,542	-	1,328,542
Total nondepartmental	13,985,369	7,796,372	6,188,997
Technology Outlay:			
Right-to-use subscriptions	-	1,002,716	(1,002,716)
Total technology outlay	-	1,002,716	(1,002,716)
Debt Service:			
Principal	-	1,600,159	(1,600,159)
Interest and Other Charges	-	57,856	(57,856)
Total Debt Service	-	1,658,015	(1,658,015)
Total expenditures	201,845,095	185,773,117	16,071,978
Excess of revenues over expenditures	107,666,090	109,874,627	2,208,537
Other financing sources (uses):			
Proceeds from right-to-use subscription	-	1,002,716	1,002,716
Transfers:			
Transfer to internal service fund	(1,007,967)	(1,007,967)	-
Transfer to debt service fund	(7,660,290)	(7,660,290)	-
Payment to school board	(97,670,139)	(97,596,327)	73,812
Transfer to capital projects fund	(3,799,825)	(3,649,825)	150,000
Total other financing sources (uses)	(110,138,221)	(108,911,693)	1,226,528
Net change in fund balance	(2,472,131)	962,934	3,435,065
Fund balance at beginning of year	43,468,372	43,468,372	-
Fund balance at end of year	\$ 40,996,241	\$ 44,431,306	\$ 3,435,065

See accompanying independent auditor's report.

(continued)

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of services, provided by one department to other departments of the County, on a cost reimbursement basis.

The **Health Insurance Fund** is a self-insured fund used to account for health care costs and other postemployment benefits.

The **Dental Insurance Fund** is a fully insured fund used to account for dental care costs.

The **Risk Management Fund** is a self-insured fund used to account for workers' compensation costs for employees injured on the job.



COUNTY OF ROANOKE, VIRGINIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Internal Service Funds			Total Internal Service Funds
	Health Insurance	Dental Insurance	Risk Management	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 4,363,524	\$ 150,441	\$ 3,338,579	\$ 7,852,544
Investments	404,403	13,942	309,413	727,758
Accounts receivable	172,945	243	2,524	175,712
Total current assets	<u>4,940,872</u>	<u>164,626</u>	<u>3,650,516</u>	<u>8,756,014</u>
LIABILITIES				
Current liabilities:				
Accounts payable	901,464	-	114,400	1,015,864
Claims payable	738,000	-	828,161	1,566,161
Total current liabilities	<u>1,639,464</u>	<u>-</u>	<u>942,561</u>	<u>2,582,025</u>
Noncurrent liabilities:				
Claims payable	-	-	1,425,339	1,425,339
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1,425,339</u>	<u>1,425,339</u>
Total liabilities	<u>1,639,464</u>	<u>-</u>	<u>2,367,900</u>	<u>4,007,364</u>
NET POSITION				
Unrestricted	3,301,408	164,626	1,282,616	4,748,650
Total net position	<u>\$ 3,301,408</u>	<u>\$ 164,626</u>	<u>\$ 1,282,616</u>	<u>\$ 4,748,650</u>

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2025

	Internal Service Funds			Total Internal Service Funds
	Health Insurance	Dental Insurance	Risk Management	
OPERATING REVENUES				
Charges for services	\$ 13,912,503	\$ 848,419	\$ 1,604,633	\$ 16,365,555
Total operating revenues	<u>13,912,503</u>	<u>848,419</u>	<u>1,604,633</u>	<u>16,365,555</u>
OPERATING EXPENSES				
Purchased services	1,335,734	-	1,223,937	2,559,671
Claims	11,779,201	832,462	969,669	13,581,332
Total operating expenses	<u>13,114,935</u>	<u>832,462</u>	<u>2,193,606</u>	<u>16,141,003</u>
Operating income/(loss)	797,568	15,957	(588,973)	224,552
NONOPERATING REVENUES				
Investment income	-	6,490	260,573	267,063
Total nonoperating revenues	<u>-</u>	<u>6,490</u>	<u>260,573</u>	<u>267,063</u>
Net income/(loss) before transfers	<u>797,568</u>	<u>22,447</u>	<u>(328,400)</u>	<u>491,615</u>
TRANSFERS				
Transfers in	1,007,967	-	-	1,007,967
Net transfers	<u>1,007,967</u>	<u>-</u>	<u>-</u>	<u>1,007,967</u>
Change in net position	1,805,535	22,447	(328,400)	1,499,582
Total net position at beginning of year	1,495,873	142,179	1,611,016	3,249,068
Total net position at end of year	<u>\$ 3,301,408</u>	<u>\$ 164,626</u>	<u>\$ 1,282,616</u>	<u>\$ 4,748,650</u>

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025

	Internal Service Funds			Total Internal Service Funds
	Health Insurance	Dental Insurance	Risk Management	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from interfund services provided	\$ 13,912,503	\$ 848,419	\$ 1,604,633	\$ 16,365,555
Payments to suppliers	(1,237,500)	-	(1,129,973)	(2,367,473)
Claims paid	(11,956,201)	(832,462)	(779,369)	(13,568,032)
Other receipts (payments), net	60,832	(82)	2,956	63,706
Net cash (used in)/provided by operating activities	<u>779,634</u>	<u>15,875</u>	<u>(301,753)</u>	<u>493,756</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	1,007,967	-	-	1,007,967
Net cash provided by noncapital financing activities	<u>1,007,967</u>	<u>-</u>	<u>-</u>	<u>1,007,967</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds (loss) from sale of investments	(17,367)	4,501	169,676	156,810
Interest and dividends received	-	6,490	260,573	267,063
Net cash (used in)/provided by investing activities	<u>(17,367)</u>	<u>10,991</u>	<u>430,249</u>	<u>423,873</u>
Net increase in cash and cash equivalents	1,770,234	26,866	128,496	1,925,596
Cash and cash equivalents at beginning of the year	2,593,290	123,575	3,210,083	5,926,948
Cash and cash equivalents at end of the year	<u>\$ 4,363,524</u>	<u>\$ 150,441</u>	<u>\$ 3,338,579</u>	<u>\$ 7,852,544</u>
<u>Reconciliation of operating income/(loss) to net cash (used in)/provided by operating activities:</u>				
Operating income/(loss)	\$ 797,568	\$ 15,957	\$ (588,973)	\$ 224,552
<i>Adjustments to reconcile operating income/(loss) to net cash (used in)/provided by operating activities</i>				
Change in assets and liabilities:				
Accounts receivable	60,832	(82)	2,956	63,706
Accounts payable	98,234	-	93,964	192,198
Claims payable	(177,000)	-	190,300	13,300
Net cash (used in)/provided by operating activities	<u>\$ 779,634</u>	<u>\$ 15,875</u>	<u>\$ (301,753)</u>	<u>\$ 493,756</u>

See accompanying independent auditors' report.

CUSTODIAL FUNDS

The **Roanoke Valley Resource Authority Fund** reflects cash held by the County as fiscal agent for the Roanoke Valley Resource Authority.

The **Commonwealth Fund** reflects activity related to monies collected in the County for the Commonwealth of Virginia.

The **Special Welfare Fund** reflects the receipt and disbursement of monies maintained in individual custodial accounts for certain County welfare recipients.

The **Cable TV Fund** reflects cash held by the County as fiscal agent for the Cable TV Committee.

The **Roanoke Valley Greenway Commission Fund** reflects cash held by the County as fiscal agent for Roanoke Valley Greenway Commission.

The **Regional Fire Training Center Fund** reflects the receipts and disbursements to fund the operating costs of the Regional Fire Training Center.

The **Virginia Recreational Facilities Authority Fund** reflects cash held by the County as fiscal agent for the Virginia Recreation Facilities Authority.

The **Western Virginia Regional Jail Authority Fund** reflects cash held by the County as fiscal agent for the Western Virginia Regional Jail Authority.

The **Regional Center for Animal Care and Protection Fund** reflects cash held by the County as fiscal agent for the Regional Center for Animal Care and Protection.



COUNTY OF ROANOKE, VIRGINIA
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2025

	Roanoke Valley Resource Authority	Common- wealth Fund	Special Welfare Fund	Cable TV	Roanoke Valley Greenway Commission	Regional Fire Training Center	Virginia Recreational Facilities Authority	Western Virginia Regional Jail Authority	Regional Center For Animal Care and Protection	Total
ASSETS										
Cash and cash equivalents	\$ 11,430,864	\$ 16,158	\$ 225,307	\$ 706,796	\$ 122,739	\$ 230	\$ 27,437	\$ 21,219,158	\$ 721,333	\$ 34,470,022
Equity in investments	1,003,211	-	-	-	-	-	-	-	-	1,003,211
Accounts receivable	2,172,217	35	14,742	-	-	-	-	459,659	169,835	2,816,488
Interest receivable	4,995	-	-	284	49	-	11	8,537	292	14,168
Prepaid items	-	-	-	2,392	-	-	-	2,699,786	-	2,702,178
Inventory	75,032	-	-	-	-	-	-	182,760	44,002	301,794
Total assets	<u>\$ 14,686,319</u>	<u>\$ 16,193</u>	<u>\$ 240,049</u>	<u>\$ 709,472</u>	<u>\$ 122,788</u>	<u>\$ 230</u>	<u>\$ 27,448</u>	<u>\$ 24,569,900</u>	<u>\$ 935,462</u>	<u>\$ 41,307,861</u>
LIABILITIES										
Accounts payable	\$ 1,155,337	\$ 2,926	\$ -	\$ 46	\$ -	\$ 953	\$ 7,768	\$ 600,713	\$ 38,574	\$ 1,806,317
Accrued payroll	459,012	-	-	46,895	-	-	-	2,312,157	41,195	2,859,259
Due to other governments	-	-	-	-	-	-	-	24,761	370	25,131
Total liabilities	<u>\$ 1,614,349</u>	<u>\$ 2,926</u>	<u>\$ -</u>	<u>\$ 46,941</u>	<u>\$ -</u>	<u>\$ 953</u>	<u>\$ 7,768</u>	<u>\$ 2,937,631</u>	<u>\$ 80,139</u>	<u>\$ 4,690,707</u>
NET POSITION										
Restricted for: Individuals, organizations, and other governments	<u>\$ 13,071,970</u>	<u>\$ 13,267</u>	<u>\$ 240,049</u>	<u>\$ 662,531</u>	<u>\$ 122,788</u>	<u>\$ (723)</u>	<u>\$ 19,680</u>	<u>\$ 21,632,269</u>	<u>\$ 855,323</u>	<u>\$ 36,617,154</u>

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2025

	Roanoke Valley Resource Authority	Common- wealth Fund	Special Welfare Fund	Cable TV	Roanoke Valley Greenway Commission	Regional Fire Training Center	Virginia Recreational Facilities Authority	Western Virginia Regional Jail Authority	Regional Center For Animal Care and Protection	Total
ADDITIONS										
Custodial fund additions	\$ 54,695,519	\$ 4,362,191	\$ 397,728	\$ 1,076,231	\$ 250,396	\$ 277,824	\$ 18,279	\$ 79,053,274	\$ 7,599,606	\$ 147,731,048
Total additions	<u>54,695,519</u>	<u>4,362,191</u>	<u>397,728</u>	<u>1,076,231</u>	<u>250,396</u>	<u>277,824</u>	<u>18,279</u>	<u>79,053,274</u>	<u>7,599,606</u>	<u>147,731,048</u>
DEDUCTIONS										
Custodial fund payments and withdrawals	52,318,704	4,362,191	275,348	1,058,827	208,431	257,461	22,027	77,712,533	7,434,444	143,649,966
Total deductions	<u>52,318,704</u>	<u>4,362,191</u>	<u>275,348</u>	<u>1,058,827</u>	<u>208,431</u>	<u>257,461</u>	<u>22,027</u>	<u>77,712,533</u>	<u>7,434,444</u>	<u>143,649,966</u>
Change in fiduciary net position	2,376,815	-	122,380	17,404	41,965	20,363	(3,748)	1,340,741	165,162	4,081,082
Total net position - beginning	10,695,155	13,267	117,669	645,127	80,823	(21,086)	23,428	20,291,528	690,161	32,536,072
Total net position - ending	<u>\$ 13,071,970</u>	<u>\$ 13,267</u>	<u>\$ 240,049</u>	<u>\$ 662,531</u>	<u>\$ 122,788</u>	<u>\$ (723)</u>	<u>\$ 19,680</u>	<u>\$ 21,632,269</u>	<u>\$ 855,323</u>	<u>\$ 36,617,154</u>

See accompanying independent auditors' report.

Component Units

Component units are organizations for which the primary government is financially accountable. The component units represent the financial data for the Roanoke County Public School System, the Economic Development Authority of Roanoke County, Virginia, and the South Peak Community Development Authority.



COUNTY OF ROANOKE, VIRGINIA
Component Unit
Roanoke County Public Schools
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 40,354,891
Investments	2,891,666
Accounts receivable	168,796
Due from other governments	6,219,126
Inventory	618,445
Prepaid and other assets	105,787
Net asset from pension	2,765,223
Capital assets:	
Land and construction in progress	12,132,447
Other capital assets, net	90,469,904
Capital assets, net	<u>102,602,351</u>
Total assets	<u>155,726,285</u>
Deferred outflows of resources	
Pension	32,964,828
Other postemployment benefit provided by Virginia Retirement System	3,072,231
Other postemployment benefit provided by Roanoke County Public Schools	2,657,866
Total deferred outflows of resources	<u>38,694,925</u>
Liabilities	
Accounts payable	1,378,570
Accrued liabilities	9,171,635
Unearned revenues	2,320,695
<i>Long-term liabilities due or payable within one year:</i>	
Lease obligations	3,811,300
Right to use subscription asset	486,565
Compensated absences	1,126,468
Claims payable	1,797,123
<i>Long-term liabilities due or payable after one year:</i>	
Lease obligations	7,277,101
Right to use subscription asset	618,026
Compensated absences	7,489,293
Claims payable	409,877
Net liability from pension	88,559,158
Net liability from other postemployment benefit provided by Virginia Retirement System	15,620,895
Net liability from other postemployment benefit provided by Roanoke County Public Schools	7,253,546
Total liabilities	<u>147,320,252</u>
Deferred inflows of resources	
Pension	15,296,134
Other postemployment benefit provided by Virginia Retirement System	1,567,562
Other postemployment benefit provided by Roanoke County Public Schools	3,082,915
Total deferred inflows of resources	<u>19,946,611</u>
Net Position	
Net investment in capital assets	83,213,260
Restricted for net asset from pension	2,765,223
Unrestricted deficit	(58,824,136)
Total net position	<u>\$ 27,154,347</u>

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Component Unit
Roanoke County Public Schools
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Instruction	\$ 161,261,483	\$ 920,536	\$ 53,101,482	\$ 5,124,372	\$ (102,115,093)
<i>Support services:</i>					
Administration	5,186,103	-	-	-	(5,186,103)
Attendance and health	4,006,784	-	-	-	(4,006,784)
Transportation	11,350,765	36,596	-	-	(11,314,169)
Operations and maintenance	20,877,230	158,691	-	15,595	(20,702,944)
Technology	16,206,476	-	-	-	(16,206,476)
Nutrition	10,040,770	1,784,711	5,882,591	-	(2,373,468)
Student activities	4,370,746	5,321,777	-	-	951,031
Interest	1,381,727	-	-	-	(1,381,727)
Payment for future capital	3,730,000	-	-	-	(3,730,000)
Total governmental activities	<u>\$ 238,412,084</u>	<u>\$ 8,222,311</u>	<u>\$ 58,984,073</u>	<u>\$ 5,139,967</u>	<u>(166,065,733)</u>
<i>General revenues:</i>					
Roanoke County					95,536,907
Non-categorical State aid					73,965,216
Gain on sale of assets					191,987
Miscellaneous					2,017,446
Total general revenues					<u>171,711,556</u>
Change in net position					5,645,823
Total net position, beginning					<u>21,508,524</u>
Total net position, ending					<u>\$ 27,154,347</u>

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Component Unit
Roanoke County Public Schools
Balance Sheet
Governmental Funds
June 30, 2025

	<u>General</u>	<u>Grant</u>	<u>Nutrition</u>	<u>Student Activity</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Assets						
Cash and cash equivalents	\$ 14,790,313	\$ 949,158	\$ 3,739,891	\$ 3,320,792	\$ 11,724,379	\$ 34,524,533
Investments	1,370,738	87,966	346,369	-	1,086,593	2,891,666
Accounts receivable	63,064	4,000	94,279	-	5,448	166,791
Due from other governments	4,035,770	1,533,477	564,866	-	-	6,134,113
Due from other fund	29,518	-	-	89,925	-	119,443
Inventory	403,365	-	215,080	-	-	618,445
Prepaid and other assets	83,940	21,847	-	-	-	105,787
Total assets	<u>\$ 20,776,708</u>	<u>\$ 2,596,448</u>	<u>\$ 4,960,485</u>	<u>\$ 3,410,717</u>	<u>\$ 12,816,420</u>	<u>\$ 44,560,778</u>
Liabilities						
Accounts payable	\$ 658,320	\$ 95,500	\$ 31,180	\$ 136,807	\$ 325,296	\$ 1,247,103
Accrued liabilities	8,561,583	366,619	243,433	-	-	9,171,635
Unearned revenues	3,500	2,082,778	230,076	-	-	2,316,354
Due to other fund	38,374	51,551	-	29,518	-	119,443
Total liabilities	<u>9,261,777</u>	<u>2,596,448</u>	<u>504,689</u>	<u>166,325</u>	<u>325,296</u>	<u>12,854,535</u>
Deferred inflows of resources						
Unavailable revenue	1,631,412	-	-	-	-	1,631,412
Total deferred inflows of resources	<u>1,631,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,631,412</u>
Fund balances						
<i>Nonspendable:</i>						
Inventory	403,365	-	215,080	-	-	618,445
Prepaid expenses	83,940	21,847	-	-	-	105,787
<i>Committed to:</i>						
Emergency contingency	2,000,000	-	-	-	-	2,000,000
Instruction	4,636,574	64,941	-	-	-	4,701,515
Transportation	105,356	-	-	-	-	105,356
Operations and maintenance	121,706	-	-	-	347,584	469,290
Technology	437,725	-	-	-	-	437,725
Nutrition	-	-	76,433	-	-	76,433
Capital Outlay	2,582,158	-	-	-	12,143,540	14,725,698
<i>Assigned to:</i>						
Nutrition	-	-	4,164,283	-	-	4,164,283
Student activities	-	-	-	3,244,392	-	3,244,392
<i>Unassigned</i>	(487,305)	(86,788)	-	-	-	(574,093)
Total fund balances	<u>9,883,519</u>	<u>-</u>	<u>4,455,796</u>	<u>3,244,392</u>	<u>12,491,124</u>	<u>30,074,831</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,776,708</u>	<u>\$ 2,596,448</u>	<u>\$ 4,960,485</u>	<u>\$ 3,410,717</u>	<u>\$ 12,816,420</u>	<u>\$ 44,560,778</u>

See accompanying independent auditors' report.

(continued)

COUNTY OF ROANOKE, VIRGINIA
Component Unit
Roanoke County Public Schools
Reconciliation of the Balance Sheet
to the Statement of Net Position
June 30, 2025

Total fund balances - total governmental funds \$ 30,074,831

Amounts reported for governmental activities in the Statement of Net Position are different because:

Internal service funds are used to charge the cost of health, dental, and workers' compensation insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. 3,574,568

Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds. 102,602,351

Revenues earned but not considered available are not current financial resources and, therefore, are not reported in the governmental funds. 1,631,412

Long-term assets or liabilities are not due and payable in the current period and, therefore, are not reported as assets or liabilities in the governmental funds:

Net asset from pension	2,765,223
Lease obligations	(11,088,401)
Right-to-use subscription liabilities	(1,104,591)
Compensated absences	(8,615,761)
Net liability from pension	(88,559,158)
Net liability from other postemployment benefit provided by Virginia Retirement System	(15,620,895)
Net liability from other postemployment benefit provided by Roanoke County Public Schools	(7,253,546)

Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the governmental funds:

Deferred outflows of resources:

Pension	32,964,828
Other postemployment benefit provided by Virginia Retirement System	3,072,231
Other postemployment benefit provided by Roanoke County Public Schools	2,657,866

Deferred inflows of resources:

Pension	(15,296,134)
Other postemployment benefit provided by Virginia Retirement System	(1,567,562)
Other postemployment benefit provided by Roanoke County Public Schools	(3,082,915)

Net position of governmental activities	\$ 27,154,347
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See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Component Unit
Roanoke County Public Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General	Grant	Nutrition	Student Activity	Capital Projects	Total Governmental Funds
Revenues						
<i>Intergovernmental:</i>						
Roanoke County	\$95,536,907	\$ -	\$ -	\$ -	\$ 4,241,757	\$99,778,664
Commonwealth of Virginia	113,825,823	6,208,817	238,962	-	156,615	120,430,217
Federal government	1,175,527	7,050,453	5,643,629	-	56,787	13,926,396
Charges for services	402,996	37,791	1,784,711	5,321,777	-	7,547,275
Investment income	258,777	-	186,484	-	-	445,261
Miscellaneous	487,990	83,713	83,529	540,346	203,524	1,399,102
Total revenues	<u>211,688,020</u>	<u>13,380,774</u>	<u>7,937,315</u>	<u>5,862,123</u>	<u>4,658,683</u>	<u>243,526,915</u>
Expenditures						
<i>Current:</i>						
Instruction	140,283,598	11,148,738	-	1,740,896	52,306	153,225,538
Administration	4,828,435	19,416	-	20,023	-	4,867,874
Attendance and health	3,837,953	61,604	-	985	-	3,900,542
Transportation	11,799,826	184,941	-	3,017	-	11,987,784
Operations and maintenance	19,108,651	759,130	-	76,046	1,637,414	21,581,241
Technology	8,146,165	712,305	69,476	99,499	213,402	9,240,847
Technology outlay for leased equipment	9,055,525	-	-	-	-	9,055,525
Technology outlay for subscriptions	274,608	-	-	-	-	274,608
Nutrition services	79,458	87,730	9,358,286	-	-	9,525,474
Student activities	-	-	-	4,200,082	-	4,200,082
<i>Debt service:</i>						
Principal	9,455,964	49,297	-	-	-	9,505,261
Interest	1,381,024	703	-	-	-	1,381,727
Payment for future capital	3,730,000	-	-	-	-	3,730,000
Capital outlay	268,219	1,439	-	31,449	2,416,490	2,717,597
Total expenditures	<u>212,249,426</u>	<u>13,025,303</u>	<u>9,427,762</u>	<u>6,171,997</u>	<u>4,319,612</u>	<u>245,194,100</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(561,406)</u>	<u>355,471</u>	<u>(1,490,447)</u>	<u>(309,874)</u>	<u>339,071</u>	<u>(1,667,185)</u>
Other financing sources (uses)						
Proceeds from lease purchase	9,055,525	-	-	-	-	9,055,525
Proceeds from subscriptions	274,608	-	-	-	-	274,608
Proceeds from sale of property	167,643	-	10,546	-	859,263	1,037,452
<i>Transfers:</i>						
Transfers from general fund	-	-	4,102	1,548,463	4,404,487	5,957,052
Transfers from technology replacement fund	-	-	-	3,663	-	3,663
Transfers from grants fund	99	-	-	358,472	-	358,571
Transfers from student activity fund	1,191,246	3,100	-	-	41	1,194,387
Transfers from capital projects fund	-	-	-	32,229	-	32,229
Transfers to general fund	-	-	-	(1,153,241)	-	(1,153,241)
Transfers to fleet replacement fund	-	(99)	-	(28,928)	-	(29,027)
Transfers to instructional resources fund	-	-	-	(75)	-	(75)
Transfers to technology replacement fund	-	-	-	(9,002)	-	(9,002)
Transfers to grants fund	-	-	-	(3,100)	-	(3,100)
Transfers to nutrition fund	(4,102)	-	-	-	-	(4,102)
Transfers to student activity fund	(1,552,126)	(358,472)	-	-	(32,229)	(1,942,827)
Transfers to capital projects funds	(4,404,487)	-	-	(41)	-	(4,404,528)
Transfers to internal service fund	(2,824,551)	-	-	-	-	(2,824,551)
Total other financing sources (uses), net	<u>1,903,855</u>	<u>(355,471)</u>	<u>14,648</u>	<u>748,440</u>	<u>5,231,562</u>	<u>7,543,034</u>
Net change in fund balances	1,342,449	-	(1,475,799)	438,566	5,570,633	5,875,849
Total fund balances, beginning	8,541,070	-	5,931,595	2,805,826	6,920,491	24,198,982
Total fund balances, ending	<u>\$ 9,883,519</u>	<u>\$ -</u>	<u>\$ 4,455,796</u>	<u>\$ 3,244,392</u>	<u>\$ 12,491,124</u>	<u>\$ 30,074,831</u>

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Component Unit
Roanoke County Public Schools
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

Net change in fund balances - total governmental funds \$ 5,875,849

Amounts reported for governmental activities in the Statement of Activities are different because:

Internal service funds are used to charge the costs of health, dental, and workers' compensation insurance to individual funds. The change in net position of internal service funds is reported with governmental activities. (1,149,195)

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate the cost of those assets over the life of the assets.

Capital outlay	6,246,493
Right to use leased equipment	9,055,525
Right to use subscription asses, including beginning balance of \$3,844,732	745,086
Capital donated by County and Parent Organizations	15,595
Depreciation and amortization expense	(13,109,726)
Loss on disposal of assets	(2,596,780)

Revenues earned but not considered available in the Statement of Activities are not reported as revenues in governmental funds. This is the amount by which the current year amount exceeds the prior year available resources. 117,481

Expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Proceeds from lease purchase	(9,055,525)
Lease payments	4,977,711
Proceeds from subscriptions	(274,608)
Difference in subscription liability and actual payment	(470,801)
Right to use Subscription asset	1,611,921
Compensated absences	(5,604,253)

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Deferred outflows of resources	3,598,846
Cost of benefits earned net of employee contributions	2,900,046

Governmental funds report other postemployment benefit provided by Virginia Retirement System contributions as expenditures. However, in the Statement of Activities, the cost of other postemployment benefit provided by Virginia Retirement System benefits earned net of employee contributions is reported as pension expense.

Deferred outflows of resources	49,643
Cost of benefits earned net of employee contributions	1,123,438

Governmental funds report other postemployment benefit provided by Roanoke County Public Schools contributions as expenditures. However, in the Statement of Activities, the cost of other postemployment benefit provided by Roanoke County Public Schools benefits earned net of employee contributions is reported as pension expense.

Deferred outflows of resources	1,753,217
Cost of benefits earned net of employee contributions	(164,140)
Change in net position of governmental activities	<u>\$ 5,645,823</u>

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Component Unit
Economic Development Authority of Roanoke County, Virginia
Balance Sheet
Governmental Fund
June 30, 2025

Assets	
Cash and cash equivalents	\$ 2,241,151
Interest receivable	902
Prepaid Items	1,674
Land Improvements	313,542
Land held for resale	<u>3,965,139</u>
Total assets	<u><u>\$ 6,522,408</u></u>
 Liabilities	
Accounts payable	\$ 146,853
Accrued Payroll	830
Due to VDOT	<u>313,542</u>
Total liabilities	<u>461,225</u>
 Fund balances	
Unassigned	<u>6,061,183</u>
Total fund balances	<u>6,061,183</u>
Total liabilities and fund balances	<u><u>\$ 6,522,408</u></u>

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Component Unit
Economic Development Authority of Roanoke County, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund
For the Year Ended June 30, 2025

REVENUES

Bondholders' assessments	\$ 37,366
Roanoke County contributions:	
Roland E Cook Project	6,788
Waukeshaw/William Byrd	55,060
Mack Truck	23,855
Vinyard Station	71,993
Broadband incentive grants	550,655
Other projects	4,860
Town of Vinton contributions:	
Waukeshaw/William Byrd	3,706
Vinyard Station	50,000
Gish Mill	200,000
E. Cleveland	118,868
Twin Creeks Brewery	40,000
West Lee Avenue	100,000
Investment income	74,468
Total revenues	<u>1,337,619</u>

EXPENDITURES

Professional fees	89,890
Miscellaneous	4,982
Road Improvements	50,860
Project disbursements:	
Roland E Cook Project	6,788
Waukeshaw/William Byrd	58,766
Vinyard Station	121,993
Mack Truck	23,855
Gish Mill	200,000
E. Cleveland	118,868
Twin Creeks Brewery	40,000
West Lee Avenue	100,000
Broadband incentive grants	610,032
Business Equipment Acquisition Program	49,473
Total operating expenditures	<u>1,475,507</u>
Excess of expenditures over revenues	<u>(137,888)</u>
Net change in fund balance	(137,888)
Fund balance at beginning of year	6,199,071
Fund balance at end of year	<u>\$ 6,061,183</u>

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Component Unit
Economic Development Authority of Roanoke County, Virginia
Schedule of Revenue Bonds and Notes Outstanding
For the Year Ended June 30, 2025

<u>Bondholders/Noteholders</u>	<u>Date Issued</u>	<u>Original Issue</u>	<u>Balance June 30, 2025</u>	<u>Type of Project</u>
Friendship RL, LLC	06/21/24	\$ 59,785,000	\$ 59,785,000	Residential Care Facility
		<u>\$ 59,785,000</u>	<u>\$ 59,785,000</u>	

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Component Unit
South Peak Community Development Authority
Statement of Net Position
June 30, 2025

Assets

Current assets:

Due from Primary Government	\$ 1,474,815
Accrued interest receivable	377
Total current assets	<u>1,475,192</u>

Noncurrent assets:

Capital assets	<u>5,330,063</u>
Total noncurrent assets	<u>5,330,063</u>

Total assets	<u>6,805,255</u>
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Liabilities

Current liabilities:

Accounts payable	7,564
Accrued interest payable	70,899
Current portion of long-term debt	<u>419,000</u>
Total current liabilities	<u>497,463</u>

Noncurrent liabilities:

Bonds payable	<u>4,279,000</u>
Total noncurrent liabilities	<u>4,279,000</u>

Total liabilities	<u>4,776,463</u>
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Net Position

Net investment in capital assets	632,063
Unrestricted	<u>1,396,729</u>
Total net position	<u>\$ 2,028,792</u>

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Component Unit
South Peak Community Development Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2025

Operating Revenues	
Incremental tax revenues	\$ 841,291
Total operating revenues	<u>841,291</u>
Operating Expenses	
Administrative fees	28,339
Legal fees	5,000
Insurance expenses	1,456
Accounting and audit fees	4,800
Total operating expenses	<u>39,595</u>
Operating income	801,696
Non-Operating Revenues/(Expenses)	
Note interest expense	(221,145)
Interest and dividend income	41,541
Total Non-Operating Revenues/(Expenses)	<u>(179,604)</u>
Change in Net Position	<u>622,092</u>
Net Position, Beginning of Year	1,406,700
Net Position, End of Year	<u>\$ 2,028,792</u>

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Component Unit
South Peak Community Development Authority
Statement of Cash Flows
For the Year Ended June 30, 2025

Cash Flows from Operating Activities	<u>\$</u>	-
Cash Flows from Capital and Related Financing Activities		<u>-</u>
Net increase in cash and cash equivalents		-
Cash and cash equivalents at beginning of year		-
Cash and cash equivalents at end of year	<u>\$</u>	<u>-</u>

Reconciliation of operating income to net cash used in operating activities:

Operating Activities:		
Operating income	\$	801,696
Adjustments to reconcile operating income to net cash used in Operating Activities		
Increase in accrued revenues		(238,138)
Increase in accounts payable		1,516
Accrued interest on County holdings		41,806
Accrued revenues used for debt service		(606,880)
Net cash used in operating activities	<u>\$</u>	<u>-</u>

See accompanying independent auditors' report.



STATISTICAL SECTION

Statistical Section (Unaudited)

This part of the County 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 County's overall financial health.

Contents

Financial Trends

Page

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time. 187

Revenue Capacity Information

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes. 192

Debt Capacity Information

These schedules contain information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. 196

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments. 199

Operating Information

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs. 201

COUNTY OF ROANOKE, VIRGINIA
Net Position by Component
Last Ten Fiscal Years
(unaudited)
(accrual basis of accounting)

	Fiscal Year									
	2025 ①	2024	2023 ②	2022	2021	2020	2019	2018 ③	2017	2016
Governmental activities										
Net investment										
in capital assets	\$ 80,433,882	\$ 92,693,142	\$ 92,395,719	\$ 79,559,484	\$ 93,376,262	\$ 90,616,318	\$ 94,294,227	\$ 108,276,652	\$ 111,249,469	\$ 117,285,621
Restricted	5,262,977	5,468,240	6,161,085	4,880,666	3,428,187	3,568,610	3,396,762	4,018,119	3,558,562	5,228,778
Unrestricted	14,752,853	(6,971,719)	(12,075,591)	(16,309,619)	(17,525,145)	(25,633,275)	(23,228,047)	(30,574,414)	(11,844,228)	(1,370,979)
Total governmental activities										
net position	\$ 100,449,712	\$ 91,189,663	\$ 86,481,213	\$ 68,130,531	\$ 68,551,653	\$ 74,462,942	\$ 81,720,357	\$ 102,963,803	\$ 121,143,420	\$ 132,260,929

- ① Fiscal year 2024 net position was restated in fiscal year 2025 due to the implementation of GASB Statement 101, "Compensated Absences."
- ② Fiscal year 2022 net position was restated in fiscal year 2023 due to the implementation of GASB Statement 96, "Subscription-Based Information Technology Arrangements."
- ③ Fiscal year 2017 net position was restated in fiscal year 2018 due to the implementation of GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."

COUNTY OF ROANOKE, VIRGINIA
Changes in Net Position, Last Ten Fiscal Years
(unaudited)
(accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities:										
Expenses										
General government	\$ 23,965,609	\$ 23,961,046	\$ 18,228,347	\$ 22,638,931	\$ 20,559,622	\$ 14,959,070	\$ 16,846,002	\$ 16,027,976	\$ 14,712,459	\$ 12,313,823
Judicial administration	4,675,712	3,781,943	3,516,597	3,368,032	3,337,128	3,287,260	3,330,368	3,009,591	3,044,106	2,956,266
Public safety	77,997,406	73,199,942	59,118,500	55,285,436	55,886,260	58,816,946	48,393,359	50,771,951	48,191,825	48,014,484
Public works	26,233,325	22,595,877	25,350,793	17,611,763	19,878,694	18,565,362	19,401,962	16,438,048	17,411,621	20,913,459
Library	6,915,670	6,319,135	6,513,658	5,946,524	5,900,826	6,030,245	5,894,548	5,871,360	6,803,503	5,296,128
Health and welfare	32,327,487	30,639,368	26,105,934	23,620,592	24,320,257	21,564,398	19,288,522	19,625,816	19,624,895	19,481,808
Parks, recreation, and culture	9,736,491	11,299,035	9,274,334	8,566,756	9,799,032	9,863,100	10,318,020	9,533,021	8,487,614	9,673,809
Community development	6,960,824	5,581,095	4,566,969	5,672,342	5,504,813	3,653,856	2,436,934	8,378,672	3,796,642	3,030,851
Education	99,808,077	104,769,360	86,828,357	102,899,875	80,416,431	81,396,425	88,884,391	80,977,546	83,509,170	85,645,780
Interest and other charges	6,937,545	6,120,032	6,688,890	6,384,734	6,559,521	7,925,589	8,497,775	8,314,005	8,594,638	6,325,692
Total governmental activities' expenses	295,558,146	288,266,833	246,192,379	251,994,985	232,162,584	226,062,251	223,291,881	218,947,986	214,176,473	213,652,100
Program Revenues										
Charges for services:										
General government	1,740,228	1,691,740	1,680,906	1,574,899	1,280,835	1,400,415	1,437,214	1,136,666	844,265	675,994
Judicial administration	860,930	861,572	1,029,609	1,065,252	935,752	813,853	987,506	957,315	884,334	1,058,476
Public safety	5,326,882	4,731,718	4,483,157	4,327,104	4,348,734	4,245,721	4,528,571	4,449,517	4,862,372	4,321,703
Public works	431,537	451,856	453,219	362,564	365,251	368,915	368,628	367,506	367,076	328,883
Library	431,272	133,624	115,259	108,959	99,642	268,317	356,175	366,911	383,560	53,919
Health and welfare	2,022,854	3,615,491	2,648,662	1,158,972	1,190,877	1,010,080	953,319	1,601,167	673,735	854,523
Parks, recreation, and culture	4,864,853	4,889,852	4,677,977	4,445,034	2,654,275	4,245,587	4,782,249	4,778,218	4,915,280	4,942,739
Community development	880,823	842,176	653,877	745,828	698,617	597,158	754,811	445,432	468,198	474,818
Operating grants and contributions	53,543,292	48,958,915	40,443,751	35,351,978	48,846,350	31,976,337	29,868,781	30,095,411	27,434,634	27,784,548
Capital grants and contributions	-	720,356	-	-	-	-	-	-	-	-
Total governmental activities' revenues	70,102,671	66,897,300	56,186,417	49,140,590	60,420,333	44,926,383	44,037,254	44,198,143	40,833,454	40,495,603
Net (Expense)/Revenue	(225,455,475)	(221,369,533)	(190,005,962)	(202,854,395)	(171,742,251)	(181,135,868)	(179,254,627)	(174,749,843)	(173,343,019)	(173,156,497)
General Revenues and Other Changes in Net Position										
Taxes										
Real estate and personal property	170,818,969	160,068,248	146,351,084	134,297,583	129,304,393	122,406,123	119,113,019	115,215,532	113,049,822	110,987,417
Local share of sales tax	16,003,441	15,722,733	15,212,693	14,032,192	13,052,496	12,151,618	11,011,106	10,273,373	10,708,955	10,060,910
Other local taxes	32,053,772	30,913,189	30,274,468	28,560,613	25,873,347	26,101,384	26,730,261	25,942,685	25,689,973	25,144,513
Non-categorical state aid	12,229,857	12,229,857	12,229,857	12,229,857	12,229,857	12,229,856	12,229,857	12,229,857	12,229,857	12,229,857
Gain on sale of capital assets	128,327	350,516	463,272	130,978	203,351	227,275	253,267	219,762	792,488	1,618,880
Investment earnings	4,179,659	4,155,617	3,028,056	1,387,867	1,258,439	1,417,470	1,832,127	1,189,032	1,121,537	1,664,589
Miscellaneous	407,992	2,637,823	797,214	986,819	548,019	690,853	827,575	280,514	194,716	332,822
Total general revenues and other changes in net position	235,822,017	226,077,983	208,356,644	191,625,909	182,469,902	175,224,579	171,997,212	165,350,755	163,787,348	162,038,988
Change in Net Position	\$ 10,366,542	\$ 4,708,450	\$ 18,350,682	\$ (11,228,486)	\$ 10,727,651	\$ (5,911,289)	\$ (7,257,415)	\$ (9,399,088)	\$ (9,555,671)	\$ (11,117,509)

COUNTY OF ROANOKE, VIRGINIA
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(unaudited)
(modified accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund:										
Nonspendable	\$ -	\$ 120,925	\$ 333,888	\$ 821,059	\$ 247,591	\$ 346,501	\$ 224,057	\$ 400,304	\$ 182,259	\$ 283,984
Restricted	3,796,794	4,236,970	5,158,111	4,100,980	2,707,492	2,787,514	2,581,342	3,205,947	2,773,044	4,521,364
Committed	9,936,150	8,261,690	15,367,231	20,013,423	19,835,293	8,705,280	7,299,040	6,583,134	7,976,704	8,818,598
Assigned	235,020	345,997	680,358	916,278	530,893	418,302	926,701	1,084,220	1,046,647	1,108,425
Unassigned	30,463,342	30,502,790	24,385,608	24,124,664	23,871,003	23,871,002	24,436,942	23,160,761	23,720,456	22,950,883
Total General Fund	\$ 44,431,306	\$ 43,468,372	\$ 45,925,196	\$ 49,976,404	\$ 47,192,272	\$ 36,128,599	\$ 35,468,082	\$ 34,434,366	\$ 35,699,110	\$ 37,683,254
All Other Governmental Funds:										
Nonspendable	\$ 51,526	\$ -	\$ -	\$ 26,417	\$ 200,549	\$ 31,255	\$ 181,422	\$ -	\$ -	\$ -
Restricted	27,128,884	1,627,183	1,885,039	11,268,181	961,904	2,124,871	22,929,713	1,633,267	1,223,632	1,399,111
Committed	36,533,797	41,896,760	45,851,908	24,576,976	22,323,822	26,612,563	18,852,346	24,933,361	22,388,838	20,997,219
Total All Other Governmental Funds	\$ 63,714,207	\$ 43,523,943	\$ 47,736,947	\$ 35,871,574	\$ 23,486,275	\$ 28,768,689	\$ 41,963,481	\$ 26,566,628	\$ 23,612,470	\$ 22,396,330
Total fund balances - all governmental funds	\$ 108,145,513	\$ 86,992,315	\$ 93,662,143	\$ 85,847,978	\$ 70,678,547	\$ 64,897,288	\$ 77,431,563	\$ 61,000,994	\$ 59,311,580	\$ 60,079,584

Table 4

COUNTY OF ROANOKE, VIRGINIA
Changes in Fund Balances
Governmental Funds
(unaudited)
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
REVENUES										
General property taxes	\$ 172,394,653	\$ 161,341,854	\$ 147,465,672	\$ 135,367,854	\$ 130,328,554	\$ 123,050,946	\$ 119,943,294	\$ 115,981,678	\$ 113,850,872	\$ 111,878,323
Other local taxes	47,522,068	46,181,612	44,985,891	42,306,841	38,340,138	37,692,790	37,204,213	35,815,717	35,978,018	34,806,191
Permits, fees, and licenses	1,174,041	1,089,363	954,121	1,015,324	935,262	837,800	1,005,537	722,265	710,051	796,474
Fines and forfeitures	456,368	448,483	460,492	527,158	407,824	364,007	512,634	478,764	452,348	497,757
Use of money and property	2,489,899	2,795,145	1,885,960	393,775	272,778	782,131	1,044,290	544,563	388,978	836,201
Charges for services	10,870,531	10,256,055	9,645,077	9,087,613	7,883,603	9,247,355	9,384,384	9,584,739	9,282,927	8,566,239
Intergovernmental revenue	66,217,770	61,967,734	52,588,082	47,168,870	60,234,083	43,420,108	42,062,047	42,103,481	39,900,415	40,121,358
Locality compensation payments	124,663	124,738	124,663	124,438	125,371	124,444	124,894	125,284	124,301	124,624
Miscellaneous	4,419,259	7,353,463	4,530,486	4,807,594	4,166,721	4,345,834	4,571,191	4,052,530	3,229,658	3,391,456
Total revenues	305,669,252	291,558,447	262,640,444	240,799,467	242,694,334	219,865,415	215,852,484	209,409,021	203,917,568	201,018,623
EXPENDITURES										
General government	20,254,365	19,730,959	18,626,498	17,389,535	20,685,109	14,631,086	15,644,724	14,401,607	13,564,460	12,405,928
Judicial administration	4,215,443	3,778,064	3,453,954	3,301,715	3,127,573	2,982,275	2,888,851	2,906,165	2,809,515	2,786,803
Public safety	76,607,360	73,494,782	60,700,404	53,631,798	49,983,802	49,882,643	46,470,016	47,266,283	44,876,375	43,753,458
Public works	21,698,488	19,336,079	20,213,030	15,853,689	17,716,616	14,991,285	15,188,632	14,104,319	14,622,163	16,639,108
Library	6,017,981	5,708,554	5,633,326	5,116,325	4,833,407	4,839,143	5,040,832	4,802,369	4,887,940	4,216,532
Health and welfare	31,596,249	29,255,558	25,571,923	23,176,426	23,282,780	20,500,549	19,114,976	18,913,665	18,244,195	18,623,203
Parks, recreation, and culture	16,196,835	14,269,970	9,495,607	7,170,073	8,303,893	7,654,122	7,767,986	7,492,934	7,484,888	8,070,880
Community development	6,565,260	4,822,021	3,842,956	4,595,737	4,930,055	2,381,491	2,667,160	4,691,220	2,373,565	2,146,072
Education	91,910,608	86,270,010	78,096,927	70,263,842	69,147,126	70,320,166	68,662,247	67,580,428	67,666,376	66,637,354
Technology outlay - right-to-use subscription	1,002,716	452,695	-	-	-	-	-	-	-	-
Debt service:										
Principal	13,629,953	14,311,240	12,153,501	12,460,438	13,213,398	13,086,287	12,151,043	12,161,384	11,906,869	13,104,653
Interest and other charges	7,428,181	7,150,848	7,604,817	6,808,275	7,501,067	8,165,298	6,983,180	7,574,249	7,736,239	7,891,500
Capital outlay	68,380,934	19,869,602	20,961,280	27,287,865	13,395,301	32,341,885	25,338,792	12,226,887	8,698,654	21,503,018
Total expenditures	365,504,373	298,450,382	266,354,223	247,055,718	236,120,127	241,776,230	227,918,439	214,121,510	204,871,239	217,778,509
(Deficiency) excess of revenues over/(under) expenditures	(59,835,121)	(6,891,935)	(3,713,779)	(6,256,251)	6,574,207	(21,910,815)	(12,065,955)	(4,712,489)	(953,671)	(16,759,886)

(continued)

Table 4
(continued)

COUNTY OF ROANOKE, VIRGINIA
Changes in Fund Balances
Governmental Funds
(unaudited)
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
OTHER FINANCING SOURCES (USES)										
Issuance of bonds	\$ 92,369,050	\$ -	\$ 12,660,000	\$ 19,910,000	\$ -	\$ 9,025,000	\$ 27,875,000	\$ 6,440,000	\$ -	\$ 44,175,000
Premium on bonds	3,887,475	-	812,376	2,543,232	-	1,245,358	2,201,943	857,521	-	2,331,690
Refunded escrow agent payment	(15,391,282)	-	-	-	-	-	-	-	-	(46,237,048)
Proceeds from sale of land, machinery and equipment	128,327	350,516	463,272	130,978	203,351	227,275	253,267	219,762	792,488	1,618,880
Proceeds from right-to-use subscriptions	1,002,716	452,695	-	-	-	-	-	-	-	-
Transfers in	21,526,538	25,093,094	31,515,508	30,995,401	26,703,254	21,268,022	20,665,441	23,080,070	22,345,552	24,408,165
Transfers out	(22,534,505)	(25,674,198)	(33,923,212)	(32,153,929)	(27,699,553)	(22,389,115)	(22,499,127)	(24,195,450)	(22,952,373)	(25,075,647)
Total other financing sources, net	80,988,319	222,107	11,527,944	21,425,682	(792,948)	9,376,540	28,496,524	6,401,903	185,667	1,221,040
Net change in fund balances	\$ 21,153,198	\$ (6,669,828)	\$ 7,814,165	\$ 15,169,431	\$ 5,781,259	\$ (12,534,275)	\$ 16,430,569	\$ 1,689,414	\$ (768,004)	\$ (15,538,846)
Debt service as a percentage of noncapital expenditures	7.1%	7.4%	8.1%	7.8%	9.4%	9.9%	9.6%	9.8%	10.2%	9.9%

COUNTY OF ROANOKE, VIRGINIA
Assessed Value and Estimated Actual Value of Taxable Property
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Public Service Corporation	Total Taxable Assessed Value	Real Property Total Direct Tax Rate	Personal Property Tax Rate		Estimated Actual Taxable Value
						Tangible	Machinery & Tools	
2025	\$ 13,023,944,429	\$ 1,417,469,075	\$ 554,896,700	\$ 14,996,310,204	\$1.03	\$3.40	\$2.80	\$ 17,730,326,559
2024	12,109,456,650	1,379,824,714	492,577,360	13,981,858,724	1.04	3.40	2.80	17,629,376,780
2023	11,077,450,150	1,361,223,414	354,591,260	12,793,264,824	1.06	3.40	2.80	16,826,601,110
2022	9,970,489,000	1,434,678,329	352,643,100	11,757,810,429	1.09	3.50	2.85	13,361,148,215
2021	9,321,504,400	1,085,989,709	340,427,300	10,747,921,409	1.09	3.50	2.85	11,942,134,899
2020	8,993,754,200	998,431,217	329,478,800	10,321,664,217	1.09	3.50	2.85	11,219,200,236
2019	8,719,015,700	991,949,413	305,072,700	10,016,037,813	1.09	3.50	2.85	10,655,359,376
2018	8,448,729,500	927,786,840	293,523,830	9,670,040,170	1.09	3.50	2.90	10,397,892,656
2017	8,254,177,800	916,529,122	275,690,440	9,446,397,362	1.09	3.50	2.95	10,049,358,896
2016	8,098,986,500	899,232,061	277,724,570	9,275,943,131	1.09	3.50	3.00	9,868,024,607

Source: Roanoke County Real Estate Land Books

Note: Property in Roanoke County is assessed annually and is assessed at approximately 84.58% of actual value for fiscal year 2025 and at approximately 88.90% for fiscal years 2016-2024. Estimated actual taxable value is calculated by dividing taxable assessed value by those percentages. Tax rates are per \$100 of assessed value. Personal Property Tax Rates = \$3.40 for Personal Property; \$2.80 for Machinery and Tools. Real Estate Tax Rate = \$1.03

COUNTY OF ROANOKE, VIRGINIA
Direct and Overlapping Property Tax Rates
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	Direct Rates					Overlapping Rates		
	County of Roanoke			Town of Vinton				
	Real Property		Total	Personal Property		Real Property	Personal Property	
First Half	Second Half	Tangible		Machinery & Tools	Tangible		Machinery & Tools	
2025	\$0.515	\$0.515	\$1.03	\$3.40	\$2.80	\$0.07	\$1.00	\$1.00
2024	0.520	0.520	1.04	3.40	2.80	0.07	1.00	1.00
2023	0.530	0.530	1.06	3.40	2.80	0.07	1.00	1.00
2022	0.545	0.545	1.09	3.50	2.85	0.07	1.00	1.00
2021	0.545	0.545	1.09	3.50	2.85	0.07	1.00	1.00
2020	0.545	0.545	1.09	3.50	2.85	0.07	1.00	1.00
2019	0.545	0.545	1.09	3.50	2.85	0.07	1.00	1.00
2018	0.545	0.545	1.09	3.50	2.85	0.07	1.00	1.00
2017	0.545	0.545	1.09	3.50	2.90	0.07	1.00	1.00
2016	0.545	0.545	1.09	3.50	2.95	0.07	1.00	1.00

Source: Roanoke County Real Estate Land Books

Notes: All tax rates per \$100 of assessed value.
 The County's tax rates are determined each year by the Roanoke County Board of Supervisors.
 Overlapping rates are those of the Town of Vinton, which is located in the County of Roanoke. Only those residents living in Vinton are subject to the Town of Vinton's tax, in addition to the County of Roanoke's tax.

COUNTY OF ROANOKE, VIRGINIA
Principal Property Tax Payers
(unaudited)
Fiscal Years 2025 and 2016

Taxpayer	2025			2016		
	Taxable Assessed Value (Millions)	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value (Millions)	Rank	Percentage of Total County Taxable Assessed Value
Appalachian Power Company	\$ 338	1	2.42 %	\$ 154	1	1.66 %
Friendship RL LLC	66	2	0.47	-	-	-
Roanoke Gas Company	51	3	0.36	22	7	0.24
Kroger Limited Partnership	47	4	0.34	39	2	0.42
Roanoke Owner 1 LLC (Formerly Pebble Creek, LLC)	44	5	0.31	-	-	-
Cellco Partnership dba Verizon Wireless	40	6	0.29	23	6	0.25
Shenandoah Cable Television, LLC	40	7	0.29	-	-	-
Edward Rose Development Company LLC	35	8	0.25	-	-	-
Tanglewood Venture LLC (Formerly Roanoke Tanglewood LLC)	32	9	0.23	24	4	0.26
Walmart Real Estate Business Trust	28	10	0.20	28	3	0.30
Verizon Virginia, Inc.	-	-	-	24	5	0.26
Norfolk and Western Railway Company	-	-	-	21	8	0.23
Mikeone EK Roanoke LLC	-	-	-	19	9	0.20
Integrity Windows, Inc.	-	-	-	18	10	0.19
Total	<u>\$ 721</u>		<u>5.16 %</u>	<u>\$ 372</u>		<u>4.01 %</u>

Source: County Real Estate Assessment Department

COUNTY OF ROANOKE, VIRGINIA
Property Tax Levies and Collections
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2025	\$ 180,444,746	\$ 173,145,073	95.95 %	\$ -	\$ 173,145,073	95.95 %
2024	170,862,672	163,825,251	95.88	7,037,421	170,862,672	100.00
2023	157,826,938	151,059,235	95.71	6,767,703	157,826,938	100.00
2022	145,560,336	139,498,315	95.84	5,704,971	145,203,286	99.75
2021	140,887,419	134,677,508	95.59	6,209,911	140,887,419	100.00
2020	136,412,657	129,752,896	95.12	5,809,268	135,562,164	99.38
2019	131,843,029	126,869,715	96.23	4,973,314	131,843,029	100.00
2018	127,348,757	123,195,790	96.74	4,152,967	127,348,757	100.00
2017	125,135,980	120,899,417	96.61	4,236,563	125,135,980	100.00
2016	123,023,949	118,615,971	96.42	4,064,674	122,680,645	99.72

Source: Roanoke County Commissioner of Revenue and Treasurer's Department

COUNTY OF ROANOKE, VIRGINIA
Ratios of Outstanding Debt by Type
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	Governmental Activities							Total Primary Government	Component Unit	Percentage of	Percentage Of Personal Income	Per Capita Personal Income
	General Obligation Debt	Lease Revenue Bonds	VPSA School Bonds	State Literary Loans	Lease Obligations	Right-to-Use Subscription Obligations	Bond Premiums		School Board Capital Lease	Assessed Value of Taxable Property		
					③	④				①	②	②
2025	\$ -	\$ 72,515,000	\$109,321,388	\$ 31,674,050	\$ 31,068	\$ 1,169,043	\$ 13,244,796	\$ 227,955,345	\$ -	1.52 %	2.91 %	\$ 2,362
2024	-	78,395,000	69,781,182	-	103,363	795,364	11,056,810	160,131,719	-	1.15	2.05	1,659
2023	-	82,760,000	77,829,551	-	172,565	1,800,059	12,147,305	174,709,480	-	1.37	2.23	1,808
2022	-	73,900,000	85,873,052	-	238,807	2,852,205	12,384,805	175,248,869	-	1.49	2.40	1,815
2021	-	77,530,000	74,515,490	-	-	-	10,777,149	162,822,639	-	1.51	2.33	1,680
2020	948,122	81,000,000	83,061,766	-	-	-	11,716,653	176,726,541	-	1.71	2.71	1,884
2019	1,866,987	75,035,000	91,947,188	-	-	-	11,356,388	180,205,563	484,939	1.80	2.93	1,929
2018	2,765,175	77,970,000	72,194,043	-	-	-	9,929,441	162,858,659	937,225	1.69	2.72	1,747
2017	3,640,935	74,535,000	80,301,667	-	-	-	9,832,624	168,310,226	1,358,518	1.80	2.90	1,806
2016	4,497,704	77,275,000	88,460,767	-	-	-	10,564,744	180,798,215	1,750,401	1.97	3.19	1,947

① Assessed Property Value from Table 5 Assessed Value and Estimated Actual Value of Taxable Property.
 ② Population, per capita personal income and personal income from Table 12 Demographic Statistics.
 ③ The County implemented GASB 87, *Leases*, during FY 2022.
 ④ The County implemented GASB 96, *Subscription-Based Information Technology Arrangements*, during FY 2023.

COUNTY OF ROANOKE, VIRGINIA
Ratios of General Bonded Debt Outstanding
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding - Governmental Activities ^①						Percentage of Actual Value of Taxable Property ^②	Per Capita Personal Income ^③
	General Obligation Debt	Lease Revenue Bonds	VPSA School Bonds	State Literary Bonds	Bond Premiums	Total		
2025	\$ -	\$ 72,515,000	\$ 109,321,388	\$ 31,674,050	\$ 13,244,796	\$ 226,755,234	1.51 %	\$ 2,350
2024	-	78,395,000	69,781,182	-	11,056,810	159,232,992	1.14	1,650
2023	-	82,760,000	77,829,551	-	12,147,305	172,736,856	1.35	1,788
2022	-	73,900,000	85,873,052	-	12,384,805	172,157,857	1.46	1,783
2021	-	77,530,000	74,515,490	-	10,777,149	162,822,639	1.51	1,680
2020	948,122	81,000,000	83,061,766	-	11,716,653	176,726,541	1.71	1,884
2019	1,866,987	75,035,000	91,947,188	-	11,356,388	180,205,563	1.80	1,924
2018	2,765,175	77,970,000	72,194,043	-	9,929,441	162,858,659	1.68	1,737
2017	3,640,935	74,535,000	80,301,667	-	9,832,624	168,310,226	1.78	1,792
2016	4,497,704	77,275,000	88,460,767	-	10,564,744	180,798,215	1.95	1,928

① Details regarding the County's outstanding debt can be found in the notes to the financial statements. All debt listed above is to be repaid with general government resources.

② Assessed Property Value from Table 5 Assessed Value and Estimated Actual Value of Taxable Property.

③ Population and per capita personal income from Table 12 Demographic Statistics.

COUNTY OF ROANOKE, VIRGINIA
Debt Policy Information
(Unaudited)
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General bonded debt outstanding ①										
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 948,122	\$ 1,866,987	\$ 2,765,175	\$ 3,640,935	\$ 4,497,704
Lease Revenue Bonds	72,515,000	78,395,000	82,760,000	73,900,000	77,530,000	81,000,000	75,035,000	77,970,000	74,535,000	77,275,000
VPSA School Bonds	109,321,388	69,781,182	77,829,551	85,873,052	74,515,490	83,061,766	91,947,188	72,194,043	80,301,667	88,460,767
State Literary Loans	31,674,050	-	-	-	-	-	-	-	-	-
Bond Premiums	13,244,796	11,056,810	12,147,305	12,384,805	10,777,149	11,716,653	11,356,388	9,929,441	9,832,624	10,564,744
Total net debt applicable to debt limits	<u>\$ 226,755,234</u>	<u>\$ 159,232,992</u>	<u>\$ 172,736,856</u>	<u>\$ 172,157,857</u>	<u>\$ 162,822,639</u>	<u>\$ 176,726,541</u>	<u>\$ 180,205,563</u>	<u>\$ 162,858,659</u>	<u>\$ 168,310,226</u>	<u>\$ 180,798,215</u>
Ratio of net debt to assessed taxable property value ②										
Actual	1.51%	1.14%	1.35%	1.46%	1.51%	1.71%	1.80%	1.68%	1.78%	1.95%
Debt limit per policy	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Ratio of net debt to general fund governmental expenditures ③										
Actual	4.24%	4.78%	5.17%	5.60%	6.35%	6.76%	6.26%	6.57%	6.78%	7.57%
Debt limit per policy	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

① Details regarding the County's outstanding debt can be found in the notes to the financial statements.

② Assessed Property Value from Table 5 Assessed Value and Estimated Actual Value of Taxable Property.

③ General governmental expenditures include the Governmental Fund expenditures, the School Board component unit expenditures, and County and School transfer to Capital Projects and Proprietary funds.

Note: The County does not have any Constitutional or Statutory Debt Limits.

COUNTY OF ROANOKE, VIRGINIA
Demographic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment	Unemployment Rate
	①	②	②	③	④
2025	96,497	\$ 7,822,610	\$ 63,792	13,256	3.80 %
2024	96,519	7,822,610	63,792	13,347	2.80
2023	96,605	7,822,610	63,792	13,353	2.60
2022	96,546	7,301,690	59,627	13,236	2.60
2021	96,929	6,977,811	57,154	13,184	3.60
2020	93,805	6,527,083	53,358	13,576	6.80
2019	93,672	6,160,759	50,540	13,671	2.70
2018	93,735	6,022,195	49,584	13,779	3.10
2017	93,924	5,841,313	48,260	13,830	3.60
2016	93,775	5,730,320	47,625	13,982	3.50

Sources:

- ① Weldon Cooper Center for Public Service, Demographics Research Group, www.coopercenter.org/demographics
- ② Personal Income & Per Capita Personal Income from the Bureau of Economic Analysis. The Bureau of Economic Analysis last updated these statistics in February 2025, which included updates as of 2023 and revised previous statistics in prior years.
- ③ Roanoke County Public School's Administration Department
- ④ Virginia Employment Commission and the U.S. Bureau of Labor Statistics

COUNTY OF ROANOKE, VIRGINIA
Principal Employers
(unaudited)
Fiscal Years 2025 and 2016

Employer	2025			2016		
	Rank	Ownership	Number of Employees	Rank	Ownership	Number of Employees
Wells Fargo Operations Center	1	Private	2,500+	2	Private	1,500+
Roanoke County Schools	2	Local Govt.	2,000+	1	Local Govt.	2,000+
Friendship Retirement Community	3	Private	1,000+	5	Private	500-999
County of Roanoke	4	Local Govt.	1,000+	3	Local Govt.	500-999
Kroger	5	Private	500-999	4	Private	500-999
Elbit Systems Ltd.	6	Private	500-999	-	-	-
Marvin Windows and Doors	7	Private	500-999	-	-	-
Allstate Insurance Company	8	Private	500-999	7	Private	500-999
Walmart	9	Private	250-499	8	Private	250-499
TMEIC Corp	10	Private	250-499	-	-	-
Richfield Recovery & Care Center	-	-	-	6	Private	500-999
ITT Exelis-Harris Corporation	-	-	-	9	Private	250-499
Integrity Windows	-	-	-	10	Private	250-499

Source: Roanoke County Economic Development Department

COUNTY OF ROANOKE, VIRGINIA
Full-time Equivalent County Government Employees by Function/Program
(unaudited)
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2025	2024	2023	2022	2021*	2020	2019	2018	2017	2016
General government										
Legislative	6	7	7	6	6	6	6.5	6.5	6	7
General and financial administration	71	71	71	71	71	71	70.5	70.5	72	69
Other	62	62	66	63	63	63	63	62	61	61
Judicial administration										
Courts	16	16	16	16	16	16	16	16	16	16
Commonwealth attorney	16	15	15	15	15	14	14	14	14	14
Public safety										
Sheriff	90	90	89	89	87	87	87	87	86	86
Police	156	156	156	156	156	156	156	156	156	154
Emergency Communication Center	40	40	42	42	42	42	42	42	42	42
Fire & rescue	203	203	203	203	203	188	177	168	164	164
Public works										
General services administration	5	5	5	4	4	3	3	3	3	3
Refuse disposal	34	34	34	34	34	34	34	34	34	34
Maintenance of general buildings and grounds	23	23	19	19	19	19	19	19	19	18
Garage	13	13	13	13	13	12	12	12	12	11
Engineering and inspections	34	34	34	34	34	31	32	33	33	32
Library										
	43	43	43	43	43	43	43	43	43	42
Health and welfare										
	136	129	123	118	115	113	107	103	103	101
Parks, recreation, and culture										
	73	72	72	72	72	74	75	69	69	69
Community development										
	21	21	20	19	19	21	19	19	19	19
Total	1042	1034	1028	1017	1012	993	976	957	952	942

* As Amended

Source: Roanoke County Budget Division

COUNTY OF ROANOKE, VIRGINIA
Operating Indicators by Function/Program
(Unaudited)
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government										
Number of sales	1,088	979	1,318	1,640	1,617	1,443	1,388	1,183	1,114	1,029
Median assessment/sales ratio	91.20%	91.20%	90.50%	90.60%	92.70%	94.10%	94.10%	91.86%	92.23%	92.73%
Coefficient of dispersion	6.29%	6.09%	6.98%	7.26%	6.48%	5.67%	5.64%	7.20%	6.82%	6.62%
Judicial administration										
Circuit Court civil cases concluded*	2,840	615	720	766	641	2,710	2,943	2,286	722	836
General District Court concluded	23,124	22,461	25,968	23,569	21,315	25,846	25,233	21,032	22,025	23,045
Juvenile and Domestic cases concluded	4,534	4,392	4,749	4,895	4,531	5,390	4,400	4,533	4,902	5,313
Public safety										
Physical arrests	3,433	3,667	3,468	3,261	3,995	4,376	4,736	3,818	3,710	3,633
Calls for service police	34,048	33,527	33,476	88,153	91,800	83,363	81,500	74,200	76,100	79,600
Calls for service fire & EMS	17,803	17,702	17,103	17,472	15,131	15,047	15,923	16,060	15,502	15,177
Fire inspections	1,814	2,260	2,151	1,853	1,875	1,432	1,516	1,137	1,194	1,109
Public works										
New business licenses	654	664	508	569	486	446	572	834	465	475
New prospect inquires Economic Development	20	36	43	61	62	45	43	44	77	56
Waste tonnage to RVRA	37,371	38,697	40,025	39,936	42,606	42,524	41,503	39,268	37,970	39,070
Library										
Patrons registered	58,250	59,967	62,714	89,337	95,124	93,387	90,082	90,917	84,374	75,067
Total circulation	941,160	914,469	912,249	812,902	497,948	740,205	968,246	1,088,190	1,250,670	1,349,997
Health and welfare										
Individuals enrolled in Medicaid**	20,288	22,498	23,320	28,826	18,488	17,560	15,231	14,783	14,699	14,167
Households receiving Supplemental Nutrition Assistance	4,486	8,679	4,534	3,873	3,327	2,957	2,892	3,113	3,199	3,503
Number of children in foster care	127	120	106	130	168	107	105	89	92	98
Community development										
Building permits issued	1,167	1,150	1,084	1,085	1,119	1,002	1,138	1,111	1,075	1,011

*In 2018, the Virginia Court System reclassified many miscellaneous cases as civil cases. In 2021, this reclassification was reversed. Additional reclassification occurred in 2025.

**Fiscal Year 2022 increase due to public health crisis and favorable changes in Medicaid eligibility requirements.

Source: Various County departments

County of Roanoke
Capital Asset Statistics by Function/Program
(unaudited)
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government										
Administration Buildings	8	8	8	8	8	8	8	8	8	8
Judicial Administration										
Courthouses	1	1	1	1	1	1	1	1	1	1
Public Safety										
Fire Stations	12	11	11	11	11	12	12	12	12	12
Rescue Stations	14	13	13	13	13	13	13	11	11	11
Fire Units	30	28	28	28	27	27	28	28	28	28
Ambulances	20	20	20	20	21	21	21	20	24	24
Jails	1	1	1	1	1	1	1	1	1	1
Law Enforcement Vehicles	187	185	170	156	155	159	158	156	153	145
Public Works										
Refuse Collection Trucks	23	23	23	23	20	23	26	28	26	25
Libraries	6	6	6	6	6	6	6	6	6	6
Parks, Recreation, and Tourism										
Parks	38	38	38	38	38	36	31	31	31	30
Park Acreage	2,679	2,679	2,679	2,679	2,662	2,346	2,090	2,090	2,090	2,160
Recreation Centers	2	2	2	2	2	2	3	3	3	3
Park District Maintenance Centers	4	4	4	4	4	3	3	3	3	3
Education										
Elementary Schools	16	16	16	16	16	16	16	16	16	16
Middle/Junior High Schools	5	5	5	5	5	5	5	5	5	5
High Schools	5	5	5	5	5	5	5	5	5	5
Vocational-Technical Schools	1	1	1	1	1	1	1	1	1	1

Source: Various County departments





COMPLIANCE SECTION

COUNTY OF ROANOKE, VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Entity/Program Title	Assistance Listing Number	Cluster Name	Pass-Through Entity Identifying Number	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
Department of Agriculture							
Passed Through the Commonwealth of Virginia:							
<u>Department of Agriculture and Consumer Services</u>							
Non-Cash Assistance: National School Lunch Program - Commodities							
	10.555 ¹	Child Nutrition Cluster		\$ 717,492			
<u>Department of Education</u>							
School Breakfast Program							
	10.553	Child Nutrition Cluster	202424N11994 202524N11994 202525N10994 202525N11994	1,269,797			
National School Lunch Program							
	10.555 ¹	Child Nutrition Cluster	202424N11994 202524N11994 202525N11994	3,656,340			
<u>Department of Social Services</u>							
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program							
	10.561	SNAP Cluster		1,856,404			
<u>Forest Service</u>							
Schools and Roads - Grants to States							
	10.665	Forest Service Schools and Roads Cluster		3,751			
Total for Child Nutrition Cluster (10.553, 10.555, 10.559)					\$ 5,643,629		
Total for SNAP Cluster (10.561)						1,856,404	
Total for Forest Service Schools and Roads Cluster (10.665)						3,751	
1 - Total National School Lunch Program (10.555)						\$ 4,373,832	
Department of Housing and Urban Development							
Direct Awards:							
Economic Development Initiative, Community Project Funding, & Miscellaneous grants							
	14.251		B-23-CP-VA-1474	18,906			
Department of Justice							
Direct Awards:							
Bulletproof Vest Partnership Program							
	16.607			14,315			
Edward Byrne Memorial Justice Assistance Grant Program							
	16.738 ²		15PBJA-23-GG-03876-JAGX 15PBJA-24-GG-04753-JAGX	20,335			
Equitable Sharing Program							
	16.922			374,659			
Passed Through the Commonwealth of Virginia:							
<u>Department of Criminal Justice Services</u>							
Violence Against Women Formula Grants							
	16.588		25-O1210VW22	89,238			
Edward Byrne Memorial Justice Assistance Grant Program							
	16.738 ²		528658 548030	57,575			

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule. Totals by cluster and individual program may be found at the end of each federal grantor section.

COUNTY OF ROANOKE, VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Entity/Program Title	Assistance Listing Number	Cluster Name	Pass-Through Entity Identifying Number	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
<u>George Mason University</u> Congressionally Recommended Awards	16.753		15PBJA-22-GG-00143-BRND	9,888			
2 - Total Edward Byrne Memorial JAG Program (16.738)						77,910	
Department of Transportation							
Direct Awards:							
Safe Streets and Roads for All	20.939		693JJ32350011	155,310			
Passed Through the Commonwealth of Virginia:							
<u>Department of Motor Vehicles</u>							
State and Community Highway Safety	20.600	Highway Safety Cluster	BPT-2024-54037-24037 BPT-2025-55144-25144	60,280			
Alcohol Open Container Requirements	20.607		ENF_AL-2024-54036-24036 ENF_AL-2025-55139-25139	86,168			
<u>Department of Rail and Public Transportation</u>							
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	Transit Services Programs Cluster	44024-27 44024-04	463,701			
<u>Department of Transportation</u>							
Highway Planning and Construction	20.205		UPC 91191 UPC 97171 UPC 111356 UPC 111366 UPC 122101 UPC 113567 UPC 110155	6,692,745			
Federal Lands Access Program	20.224			1,468,317			
Total for Highway Safety Cluster (20.600)					60,280		
Total for Transit Services Programs Cluster (20.513)					463,701		
United States Department of the Treasury							
Direct Awards:							
Coronavirus State and Local Fiscal Recovery Funds	21.027 ³			4,475,048			\$ 1,480,275
Passed Through the Commonwealth of Virginia:							
<u>Department of Education</u>							
COVID-19 Coronavirus State and Local Fiscal Recovery Fun	21.027		SLFRP1026	672,895			
<u>Department of Housing and Community Development</u>							
Coronavirus State and Local Fiscal Recovery Funds	21.027 ³		VATISF#2022-028 VATISF#2022-029 VATISF#2022-030	289,518			
3 - Total COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (21.027)						4,764,566	

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule. Totals by cluster and individual program may be found at the end of each federal grantor section.

COUNTY OF ROANOKE, VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Entity/Program Title	Assistance Listing Number	Cluster Name	Pass-Through Entity Identifying Number	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
Federal Communications Commission							
Direct Awards:							
Universal Service Fund - Schools and Libraries	32.004			537,087			
Department of Education							
Passed Through the Commonwealth of Virginia:							
<u>Department of Education</u>							
Office of Career Technical and Adult Education	84.002		V002A220047	18,146			
Title I Grants to Local Educational Agencies	84.010		S010A210046	1,790,010			
			S010A230046				
			S010A240046				
Special Education_Grants to States	84.027	Special Education Cluster	H027A230107	3,492,256			
			H027A240107				
Career and Technical Education -- Basic Grants to States	84.048		V048A230046	185,150			
			V048A240046				
Special Education_Preschool Grants	84.173	Special Education Cluster	H173A230112	126,950			
			H173A240112				
English Language Acquisition State Grants	84.365		S365A230046	38,969			
			T365A240046				
Supporting Effective Instruction State Grants	84.367		S367A220044	344,839			
			S367A230044				
			S367A240044				
Student Support and Academic Enrichment Program	84.424		S424A230048	170,530			
			S424A240048				
COVID-19 Elementary and Secondary School Emergency Relief (ESSER)	84.425D		S425D200008	94,066			
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief	84.425U		S425U210008	168,662			
Total for Special Education Cluster (IDEA) (84.027, 84.173)					3,619,206		

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule. Totals by cluster and individual program may be found at the end of each federal grantor section.

COUNTY OF ROANOKE, VIRGINIA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Entity/Program Title	Assistance Listing Number	Cluster Name	Pass-Through Entity Identifying Number	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
Department of Health and Human Services							
Passed Through the Commonwealth of Virginia:							
<u>Department of Behavioral Health and Developmental Services</u>							
Block Grants for Community Mental Health Services	93.958			1,016			
<u>Department of Social Services</u>							
Guardianship Assistance	93.090			1,426			
Title IV-E Prevention Program	93.472			30,136			
Promoting Safe and Stable Families	93.556			79,144			
Temporary Assitance for Needy Families	93.558			538,518			
Refugee and Entrant Assistance_State Administered Programs	93.566			18,370			
Low-Income Home Energy Assitance	93.568			83,729			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CCDF Cluster		102,225			
Chafee Education and Training Vouchers Program	93.599			12,379			
Adoption and Legal Guardianship Incentive Payments	93.603			2,302			
Stephanie Tubbs Jones Child Welfare Services Program	93.645			2,145			
Foster Care_Title IV-E	93.658			828,472			
Adoption Assistance	93.659			1,562,132			
Social Services Block Grant	93.667			560,429			
Chafee Foster Care Independence Program	93.674			13,681			
Children's Health Insurance Program	93.767			19,034			
Medical Assistance Program	93.778	Medicaid Cluster		2,189,711			
Total for CCDF Cluster (93.596)					102,225		
Total for Medicaid Cluster (93.778)						2,189,711	
Executive Office of the President							
Passed Through Washington/Baltimore HIDTA:							
High Intensity Drug Trafficking Areas Program	95.001		G24WB0004A	2,004			
Department of Homeland Security							
Passed Through the Commonwealth of Virginia:							
<u>Department of Emergency Management</u>							
Flood Mitigation Assistance	97.029		EMP-2020-FM-030-003	575			
Emergency Management Performance Grant Program	97.042		78	21,368			
			42				
State Homeland Security Grant Program	97.067		27	88,233			
				\$ 35,576,376			
						\$ 1,480,275	

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule. Totals by cluster and individual program may be found at the end of each federal grantor section.

COUNTY OF ROANOKE, VIRGINIA
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

1) *Basis of Accounting*

Federal Programs are accounted for on the modified accrual basis of accounting.

2) *Reporting Entity*

The Schedule of Expenditures of Federal Awards includes all Federal grants awarded to the County of Roanoke, Virginia (County). The reporting entity is defined in Note 1 of the County's basic financial statements.

3) *In-Kind Contributions*

The County received commodities at the fair market value of \$717,492 from the U.S. Department of Agriculture during fiscal year 2025. These in-kind contributions are included in the basic financial statements.

4) *Indirect Costs*

For fiscal year 2025, the County adopted the Department of Education methodology for calculating the Local Educational Agency indirect costs. The restricted rate is used each year to calculate indirect costs for Federal Programs. The 10% de minimus rate was not utilized.

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

To the Honorable Members of the Board of Supervisors
County of Roanoke, Virginia
Roanoke, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Roanoke, Virginia (the “County”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated November 26, 2025. Our report includes reference to other auditors who audit the financial statements of the South Peak Community Development Authority, as described in our report on the County’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’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 County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

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

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
November 26, 2025

County of Roanoke, Virginia
Summary of Compliance Matters
June 30, 2025

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

State Compliance Matters

Code of Virginia

Budget and Appropriation Laws
Cash and Investment Laws
Conflicts of Interest Act
Local Retirement Systems
Debt Provisions
Procurement Laws
Children’s Services Act
Uniform Disposition of Unclaimed Property Act
Sheriff Internal Controls

State Agency Requirements

Education
Social Services
Fire Programs Aid to Localities
Opioid Abatement Program

