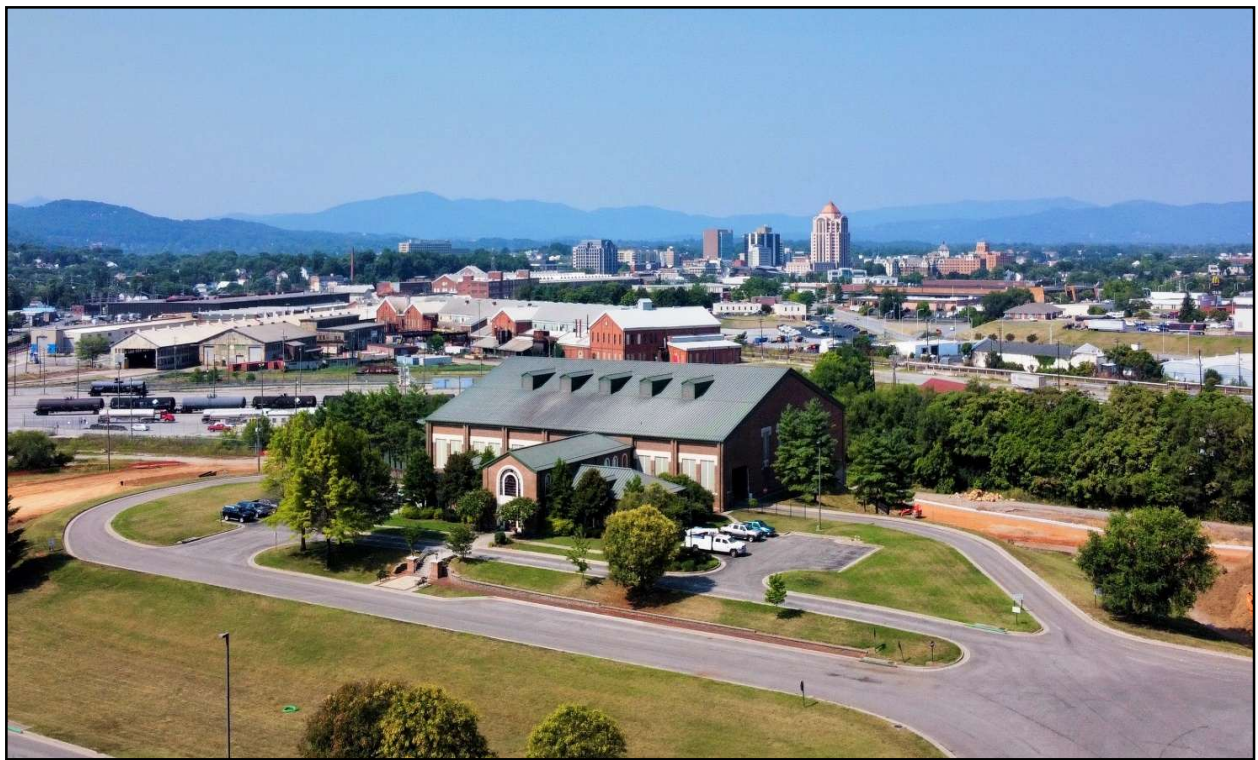


# ROANOKE VALLEY RESOURCE AUTHORITY

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2025



TINKER CREEK TRANSFER STATION

Roanoke, Virginia

**ROANOKE VALLEY RESOURCE AUTHORITY**

**ROANOKE, VIRGINIA**

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2025

**Prepared by:**

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Roanoke County Department of Finance and Management Services

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**ROANOKE VALLEY RESOURCE AUTHORITY**

Annual Comprehensive Financial Report  
For the Year Ended June 30, 2025

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**Table of Contents**

<b><u>Introductory Section</u></b>	<b>Page</b>
Letter of Transmittal	1-5
GFOA Certificate of Achievement	6
Organizational Chart	7
List of Appointed Officials	8
<b><u>Financial Section</u></b>	
Independent Auditors' Report	9-11
Management's Discussion and Analysis	12-16
<b><u>Basic Financial Statements</u></b>	
Exhibit 1 Statement of Net Position	17-18
Exhibit 2 Statement of Revenues, Expenses, and Changes in Net Position	19
Exhibit 3 Statement of Cash Flows	20
Notes to the Financial Statements	21-51
<b><u>Required Supplementary Information</u></b>	
Schedule of the Authority's Proportionate Share of the Net Pension Liability	52
Schedule of Employer Contributions - Pension Plan	53
Notes to Required Supplementary Information - Pension Plan	54
Schedule of Changes in Total OPEB Liability and Related Ratios - Post Employment Health Coverage	55
Notes to Required Supplementary Information - Post Employment Health Coverage	56
Schedule of Authority's Share of Net OPEB Liability - Group Life Insurance (GLI) Plan	57
Schedule of Employer Contributions - Group Life Insurance (GLI) Plan	58

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**ROANOKE VALLEY RESOURCE AUTHORITY**

Annual Comprehensive Financial Report  
For the Year Ended June 30, 2025

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**Table of Contents**

**Financial Section (continued)**

Required Supplementary Information (continued)

Notes to Required Supplementary Information - Group Life Insurance (GLI) Plan	59
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**Statistical Section**

Table 1	Net Position by Component - Last Ten Fiscal Years	60
Table 2	Changes in Net Position - Last Ten Fiscal Years	61
Table 3	Operating Revenue by Source - Last Ten Fiscal Years	62
Table 4	Operating Expenses - Last Ten Fiscal Years	63
Table 5	Nonoperating Revenues and Expenses - Last Ten Fiscal Years	64
Table 6	Annual Tonnage Received - Last Ten Fiscal Years	65
Table 7	Principal Customers	66
Table 8	Disposal Fees Per Ton - Last Ten Fiscal Years	67
Table 9	Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	68
Table 10	Pledged Revenue Coverage - Last Ten Fiscal Years	69
Table 11	Demographic Information - Last Ten Fiscal Years	70
Table 12	Principal Employers	71
Table 13	Number of Employees by Identifiable Activity - Last Ten Fiscal Years	72
Table 14	Operating and Capital Indicators - Last Ten Fiscal Years	73

**Compliance Section**

Independent Auditors' Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on An Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	74-75
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## INTRODUCTORY SECTION

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## ROANOKE VALLEY RESOURCE AUTHORITY

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September 16, 2025

To the Honorable Chairman, Members of the Board of Directors of the Roanoke Valley Resource Authority and Citizens of the Cities of Roanoke and Salem, the County of Roanoke and the Town of Vinton, Virginia:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Roanoke Valley Resource Authority (Authority) for the fiscal year ended June 30, 2025. This audit was conducted 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 Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts for the Commonwealth of Virginia.

This report consists of management's representations concerning the finances of the Authority. Consequently, management assumes full responsibility for both the accuracy of the data and the completeness and fairness of the presentations, including all disclosures. Management has established a comprehensive framework of internal control to provide a reasonable basis to make these representations. 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. To the best of our knowledge and belief, the enclosed financial data is accurate in all material respects and fairly presents the financial position, results of operations and cash flows of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

The basic financial statements have been audited by our independent auditors, Robinson, Farmer, Cox Associates, PLLC, who have issued an unmodified (clean) opinion on the financial statements of the Authority for the year ending June 30, 2025. The annual audit was conducted in accordance with professional standards which require that the independent auditors plan and perform the audit to obtain reasonable rather than absolute, assurance about whether the financial statements are free of material misstatement. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report 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 Roanoke Valley Resource Authority (Authority) was established on October 23, 1991, as a tax-exempt political subdivision within the Commonwealth of Virginia to acquire and construct a regional sanitary landfill and waste collection and transfer station with related treatment facilities. The charter members are the City of Roanoke, County of Roanoke, and the Town of Vinton. The Authority began its operations in 1993. The City of Salem joined July 1, 2016 and RVRA assumed ownership and operational control of Salem's transfer station on November 1, 2016. The Authority's Board of Directors consists of nine members; five are appointed by Roanoke

1020 Hollins Road, NE Roanoke, Virginia 24012-8011 (540) 857-5050 Fax (540) 857-5056  
Web Site: [www.rvra.net](http://www.rvra.net)

County, two are appointed by Roanoke City, one is appointed by Salem City, and one is appointed by the Town of Vinton. Each member is appointed for a four-year term. Regular meetings of the Board of Directors are normally held monthly. The Authority is administered by a Chief Executive Officer (CEO). The CEO has the direct supervision of all employees of the Authority, the responsibility for the operation of the Authority's facilities, and the establishment of guidelines for efficient and sound fiscal management.

Residents and businesses in the Cities of Roanoke and Salem, Roanoke County, and the Town of Vinton generate approximately 325,000 tons of waste every year with approximately 300,000 tons landfilled at the Authority's Smith Gap Landfill (SGLF). The remaining tonnages are transported by private haulers to another landfill, recycled, or disposed of through an alternate process. Each locality collects its own residential trash using internal resources and are contractually obligated to use the Authority's facilities for disposal. Commercial and industrial solid waste is primarily collected by commercial waste haulers. Commercial haulers, except for one as discussed later, are not contractually obligated to deliver their solid waste to the Authority. After collection, municipal and commercial refuse collection trucks may deliver their trash to either the Authority's Tinker Creek Transfer Station (TCTS) in the City of Roanoke or the Salem Transfer Station (STS) in the City of Salem.

Historically, the Authority utilized rail haul to transport the solid waste it received at its transfer stations to the SGLF. However, the Authority initiated the conversion of its rail haul operations to trucking via tractor trailers in FY'21. On April 5, 2021, the Authority began the final stages of converting its dedicated rail spur to its Smith Gap Landfill (SGLF) to a dedicated access road. The Authority transported the solid waste received at its transfer stations to a third-party landfill during construction of the access road. Construction of the access road was completed in July, 2021 and the Authority resumed transporting its municipal solid waste (MSW) to its SGLF by tractor trailers.

Additionally, in FY'22, the Authority began construction modifications to its TCTS to complete necessary operational conversions. During construction at the TCTS, the bulk of the Authority's customers, both municipal and commercial, were directed to the Authority's STS for the majority of FY'22. Full operational use of the TCTS resumed in May 2022 and transfer station construction modifications were completed in FY'23. The installation of scales at the SGLF was completed in FY'24.

With the construction of the new access road to SGLF, the Authority solicited and issued a contract with a commercial hauler for the direct delivery of 100,000 tons of solid waste per year to the landfill, also, via tractor trailers. The contract hauler delivered approximately 59,000 tons and 63,000 tons of solid waste to the Authority in FY'24 and FY'25, respectively, that the Authority had not been receiving for several years. In FY'24, this contract was amended down to 80,000 tons per year to allow for a contract with Alleghany County for direct delivery of 20,000 tons of solid waste per year from the Alleghany Highlands. The direct deliveries do not impose additional costs on the Authority's transfer stations or its transportation operations. At the SGLF, upon resuming operations with the truck-delivered MSW, the trailers are now unloaded directly onto the landfill working face without additional handling. The MSW is inspected and covered daily in a 1,200 acre, environmentally protected landfill disposal area that meets all state and federal regulations.

### **Budgetary and Accounting Controls**

The Authority is required to prepare and submit an annual operating budget to the Charter Members for approval on or before April 1 of each year for the upcoming fiscal year (July 1 to June 30). The budget is prepared by staff of the Authority and serves as the foundation for the Authority's financial planning and control.

The Authority's accounting records are maintained on an accrual basis under which revenues are recognized when earned and expenses are recognized when incurred. Accounting functions are separated to the extent possible for a small sized staff. The County of Roanoke currently is the fiscal agent for the Authority. The accounting system the Authority is using belongs to the County and County staff has provided support and assistance to the Authority in its accounting operations.

### **Local Economy**

The Authority draws from a regional labor force of approximately 300,000 within a radius of sixty miles. The Roanoke Valley as well as the surrounding communities, are fortunate that their economic indicators are more favorable compared to some of the neighboring localities and to the State, but there remain formidable challenges for the Roanoke Valley; not only in the delivery of local government and authority services, but also in maintaining our traditionally high standard of living and quality of life.

The Economic Development Department of each locality successfully utilizes provisions under the public/private partnership policy that allows businesses to receive assistance from them for qualifying facility expansions and relocations. The expected return on investment in new taxes and employment is a critical measure governing the use of public funds to assist businesses and industries.

### **Long-Term Financial Planning**

The Authority annually reviews the adequacy of the Replacement Reserve Requirements under the current operating conditions, and in comparison, with industry standards. The review is done in consultation with a professional engineer familiar with solid waste services, equipment, and facilities as utilized by the Authority. A professional consulting engineer, external to the Authority, reviews the plan every five years. The Authority has defined adequacy to mean that funds exist in amounts equivalent to or exceeding the anticipated expenditures during a period of the next five subsequent fiscal years. The Authority annually makes deposits to replacement reserves for funding future planned expenditures. These reserves allow the Authority to establish and project an orderly increase in tipping fees to prepare for future expenses along with annual operating costs. All funds have been determined to be adequate to address industry costs and planning, thus allowing the reserve funds to reflect future anticipated costs over the next five years.

### **Major Initiatives and Accomplishments for FY 2025**

- During the year, the Roanoke Valley Resources Authority maintained financial and reserve policies providing for the establishment of and the planned funding level of maintenance and improvement reserve accounts for planned expenditures over a short and long-term planning period.
- The Authority continues to maintain and own sufficient land to provide long-term disposal capacity for its members which will be developed in phases or cells. The long-term disposal capacity provides the Authority with the flexibility it needs to properly evaluate emerging solid waste technologies and to allow sufficient timing to properly fund and to ultimately transition to one or more of these technologies if feasible. A Master Planning Effort was completed for the first time in the Authorities' existence during FY'25. From this effort we have identified a remaining capacity of approximately forty years.
- Since its inception, the Authority has developed seven landfill cells in seven construction phases to-date. Construction of Phase VI began in FY'17, was completed in FY'18, became operational in FY'19, and remained operational through FY'24. Construction of Phase VII was

initiated in FY'23 and completed and became operational in FY'24. Other than the initial Phase I, all funding associated with the construction of Phases II-VII has been cash-funded through an established and dedicated reserve account which continues to receive regular contributions from the Authority's tipping fees to cash-fund subsequent cell developments.

- Portions of the Smith Gap Landfill are nearing final construction grade and in accordance with the Authority's permit, are in the process of being closed. The Authority initiated the closure construction for seven acres of filled cells in FY'17 and subsequently completed this construction in FY'18. The closure of this area enabled the Authority to install additional gas collection wells completed in FY'20. All funding associated with closure construction has been cash-funded through an established and dedicated reserve account which continues to receive regular contributions from the Authority's tipping fees to cash-fund subsequent cell closures.
- As part of the original closure plan for the Smith Gap Landfill, the Authority installed an active gas collection and control system (GCCS) that began operations in April 2011. All funding for the closure plan, including the GCCS, is funded through an established reserve account which continues to receive regular contributions from tipping fees that will continue to fund subsequent cell closure costs. The Authority had no regulatory obligation to install and operate a GCCS until FY 2019. Because it was under no regulatory obligation to install and operate a GCCS, the Authority became a registered member of the California Climate Action Registry (CARs) which qualified the Authority's destruction of greenhouse gases for emission credits which were sold on the open market to help offset the initial cost of installing the GCCS. Collectively, the Authority generated and sold \$347,230 in emissions credits. Although no longer eligible to sell emission credits, the GCCS installed and operated by the Authority enabled the Authority to solicit proposals for the ongoing beneficial use of the landfill gas it collects. The Authority solicited proposals in FY'22 and entered into a contractual agreement with BP/Archea in FY'23 to develop a renewable natural gas (RNG) project which will provide additional revenues and simultaneously relieve the Authority of capital and operating costs associated with the ongoing operations of this GCCS. The new RNG project is projected to come online fully during FY'26. The authority began receiving payments in June of this fiscal year and will continue in accordance with our contractual agreement.
- The Authority issued \$20M in financing proceeds in FY'16 & FY'17 through private bank financing and \$10M in additional financing proceeds through the Virginia Resource Authority (VRA) in FY'21. The 20-yr. debt was issued in association with the Authority's "Facilities Modifications and Improvements Program" ("Program") that includes five distinct projects: the Connector Road Project; the Salem Transfer Station Project; the Tinker Creek Transfer Station Project; the Smith Gap Regional Landfill Project; and the Rail Corridor Conversion Project. The Authority initiated its VRA payments in FY'22 and completed its eighth full year of private bank debt service payments in FY'25.
- The Connector Road and Spur Road Projects have been completed and together form the Authority's "Transportation Corridor." The Corridor now serves as the primary delivery system route for tractor trailers to access the Authority's Smith Gap Landfill directly from the interstate (I-81) in lieu of using the public road system. The Corridor provides safe, efficient and effective routing for the Authority's service provider via tractor trailer hauled solid waste. It also enables the Authority to entertain the fullest use of one of its most valuable assets, the Smith Gap Landfill. The Authority may now expand its potential customer base which would increase landfill tonnages, and associate revenues with minimal operating costs increases to maximize its economies of scale. The Authority solicited, received, and awarded contracts for the direct delivery of an additional 100,000+ tons of commercially generated MSW to the Smith Gap Landfill. Direct deliveries of additional commercial waste began in FY'22, increased to 52,000 tons in FY'23, to 59,000 tons in FY'24, and to 63,000 tons in FY'25. Further tonnage increase is anticipated in FY'26.

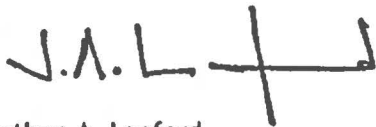
- The Salem Transfer Station (STS) Project, Phase I, constructed two, new top-load hoppers to ultimately replace two compactor units. This conversion provided a more efficient load-out of solid waste into walking floor trailers that will be hauled by tractors, directly to the Authority's Smith Gap Landfill avoiding the previous operations' double/triple-handling of its wastes. Additionally, truck deliveries would be a shorter distance to the landfill saving additional operating costs. Phase I construction was initiated in FY'17 and was completed in FY'18. The Authority continues to evaluate its options to complete Phase II of this project which would include constructing a new entrance at the site; constructing a new scalehouse and residential service area; and rerouting traffic for additional vehicle queuing space and improved ingress and egress.
- In FY'22, the Authority authorized a new five-year transportation contract with Thompson Trucking, effective July 1, 2022 through June 30, 2027. The third year of the transportation contract was completed in FY'25. The contract provides the Authority with the means to effectively and efficiently transport the solid waste it collects at its two transfer stations to the SGLF with minimal capital outlay.
- In FY'24, the Authority initiated a leachate load out project to enhance the operation of leachate removal at SGLF. The improved facility was completed in FY'25.

#### Awards and Acknowledgments

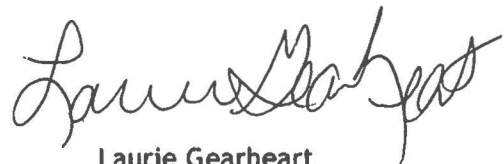
The Government Finance Officers Association (GFOA) of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to RVRA for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the fifteenth consecutive year that the Authority received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our appreciation and gratitude to the personnel at the Authority and in the Department of Finance and Management Services at the County of Roanoke for their dedication and support in producing this report. Appreciation is also extended to the Authority's Board of Directors whose continuing leadership and support is essential to the financial health of the Authority.



Jonathan A. Lanford  
Chief Executive Officer



Laurie Gearheart  
Treasurer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Roanoke Valley Resource Authority  
Virginia**

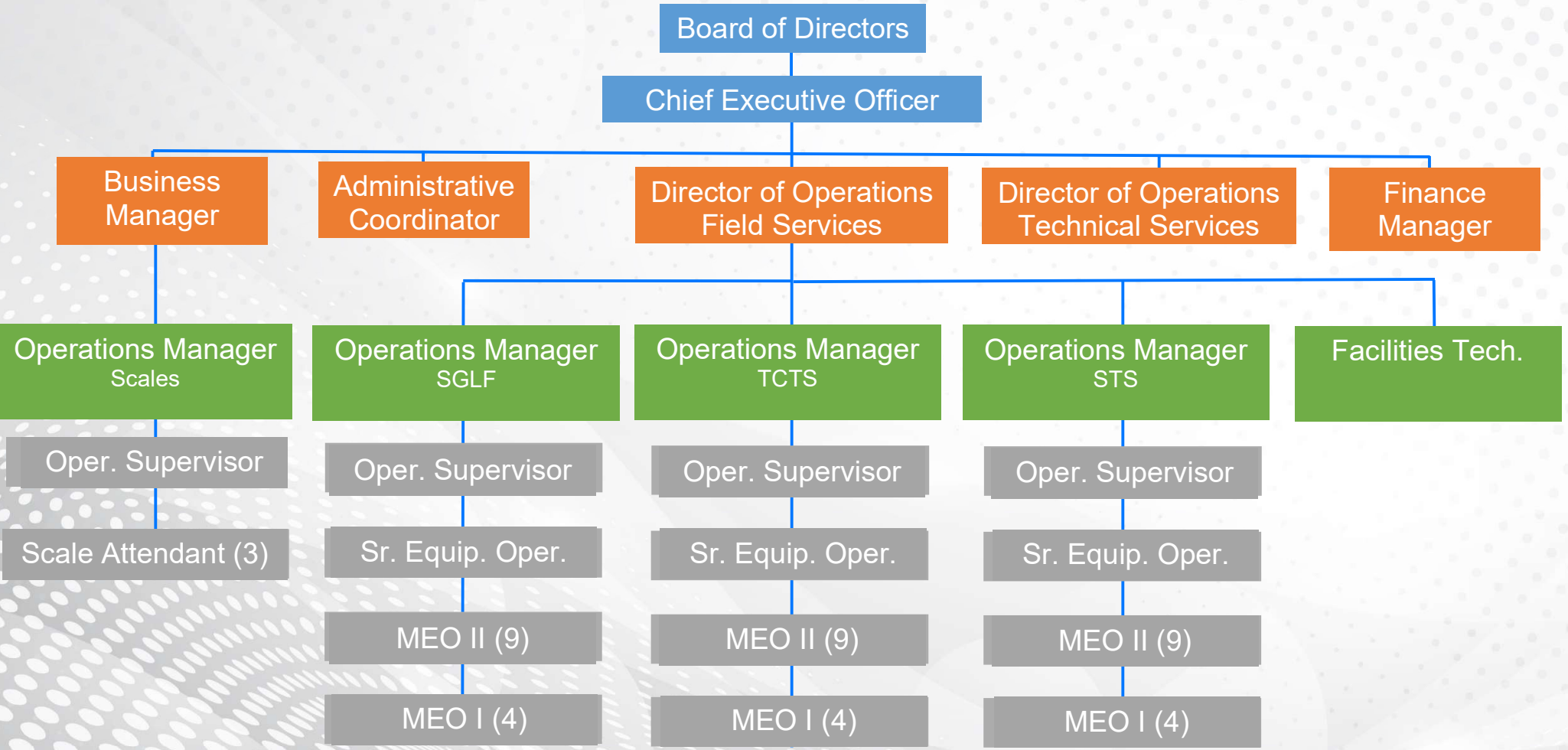
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

# RVRA ORGANIZATIONAL CHART



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**ROANOKE VALLEY RESOURCE AUTHORITY**

List of Appointed Officials  
For the Year Ended June 30, 2025

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(A Governmental organization established October 23, 1991  
as a tax exempt political subdivision within the Commonwealth of Virginia)

BOARD MEMBERS

Rebecca E. Owens, MBA, Chair

Jeffrey H. Powell, Vice Chair

Rob Light

Laurie Gearheart, CPA, Treasurer

Michael McEvoy

Steve Bandy

Richard "Pete" Peters

Todd Simmons

Doug Blount

OFFICIALS

Chief Executive Officer

Jon Lanford

Director of Operations, Technical Services

Jeremy Garrett

Director of Operations, Field Services

Jeff Harbin

Board Secretary

Lorie Bess

Finance Manager

Brad Brewer

Business Manager

Nancy Duval

Operations Manager

Ollie Tyree

General Counsel

Jim H. Guynn, Jr., Esq.

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**FINANCIAL SECTION**

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**Independent Auditors' Report**

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**To the Members of the Board  
Roanoke Valley Resource Authority  
Roanoke, Virginia**

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of the business-type activities of the Roanoke Valley Resource Authority, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority'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 financial position of the business-type activities of the Roanoke Valley Resource Authority, as of June 30, 2025, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Roanoke Valley Resource Authority, 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 opinion.

***Change in Accounting Principle***

As described in Note 14 to the financial statements, in 2025, the Authority adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

***Restatement of Beginning Balance***

As described in Note 14 to the financial statements, in 2025, the Authority restated beginning balances to include sick leave as part of compensated absences, as defined by GASB 101.

## ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Roanoke Valley Resource Authority'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.

## ***Auditors' 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 auditors' report that includes our opinion. 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, *Governmental Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, 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 Roanoke Valley Resource Authority'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 Roanoke Valley Resource Authority'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 schedules related to pension and OPEB funding be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does 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 September 16, 2025, on our consideration of the Roanoke Valley Resource Authority'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 Roanoke Valley Resource Authority'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 Roanoke Valley Resource Authority's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Blacksburg, Virginia  
September 16, 2025

**Roanoke Valley Resource Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2025**

The management discussion and analysis (MD&A) serves as an introduction to the financial statements of the Roanoke Valley Resource Authority (the Authority) for the year ended June 30, 2025. The MD&A represents management's examination and analysis of the Authority's financial condition and performance and should be read in conjunction with the Authority's basic financial statements which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board in their *Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB 34)*.

**Financial Highlights**

- The total assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources as of June 30, 2025 by \$4,493,891 (Net Position). Of this amount, \$(5,439,450) is classified as unrestricted net position, indicating that no funds were available for discretionary purposes.
- During the year, the Authority's total revenues were \$417,021 more than the \$18,688,658 of expenses.
- The Authority had outstanding revenue bonds of \$21,091,702 (exclusive of unamortized premiums) and notes payable of \$349,773 at June 30, 2025.

**Overview of the Basic Financial Statements**

The Authority's financial report includes three financial statements: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. These statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Government Accounting Standards Board (GASB).

The financial statements provide information about the Authority as a whole using the accrual basis of accounting, which is the method used by most private-sector enterprises. In addition to the basic financial statements, the report includes Notes to the Basic Financial Statements and Required Supplemental Information.

- The **Statement of Net Position** reports assets and deferred outflows, liabilities and deferred inflows and the difference between them. The entire equity section is combined to report total Net Position and displayed in three broad components - net investment in capital assets; restricted net position; and unrestricted net position.
- The **Statement of Revenues, Expenses and Changes in Net Position** present the results of the business activities over the course of the fiscal year and information about how the Net Position changed during the year. Revenues and expenses are categorized as either operating or non-operating based upon definitions provided by GASB's 33 and 34. Operating revenue consists of tipping fees, recycling fees, mulch revenue, and other miscellaneous fees. Nonoperating revenues consist of net increase in fair value of investments, interest income, gains on disposals of property and equipment, and miscellaneous income.

One of the main goals of these two statements is to report the Authority’s net position and changes that affected net position during the fiscal year. The change in the Authority’s net position is one way to measure the Authority’s financial health, or financial position. Increases and decreases in net position are indicators of whether the Authority’s financial health is improving or deteriorating. These statements allow readers to answer the question: “Is the Authority’s financial position, as a whole, better or worse as a result of the year’s activities?” As noted in the financial statements, the Authority’s financial condition improved by \$417,021 during the fiscal year. This positive change was attributable to a slight increase in tipping fee rates, additional revenues generated from the contracted sale of landfill gases, and a favorable variance resulting from landfill closure costs being lower than originally projected.

- The **Statement of Cash Flows** presents changes in cash and cash equivalents, resulting from operational, capital and related financing, and investing activities. This statement presents cash receipts and cash disbursement information without consideration of the earning event, when an obligation arises, or depreciation of capital assets.

**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 basic financial statements. The notes present information about the Authority’s accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

### Financial Analysis of the Authority as a Whole

The following comparative condensed Statement of Net Position provides an analysis of the change in financial position from the previous fiscal year.

#### Statement of Net Position

The following table reflects the condensed Summary of Net Position:

	FY 2025	FY 2024
Current and other assets	\$ 14,850,264	\$ 11,787,848
Capital assets, net	32,498,927	36,119,396
Total assets	47,349,191	47,907,244
Deferred outflows of resources	1,171,072	545,121
Current liabilities	3,236,923	2,406,267
Noncurrent liabilities	40,347,163	41,511,176
Total liabilities	43,584,086	43,917,443
Deferred inflows of resources	442,286	397,016
Net investment in capital assets	9,933,341	12,406,366
Unrestricted (deficit)	(5,439,450)	(8,268,460)
Total net position	\$ 4,493,891	\$ 4,137,906

Beginning net position was restated during the 2025 fiscal year due to the implementation of GASB Statement 101.

As noted earlier, net position may serve over time as a useful indicator of the Authority's financial position. In the case of the Authority, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$4,493,891 at the close of fiscal year 2025. This is an increase from last year's restated Net Position of \$417,021.

A portion of the Authority's Net Position, 221.04%, reflects its investment in capital assets (e.g. land, buildings, and equipment); less any related debt used to acquire those assets that are outstanding. The Authority uses these capital assets to provide services to customers; consequently, these assets are not available for future spending. The Authority's investment in its capital assets is reported net of related debt, if applicable, and it should be noted that the resources needed to repay any debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Authority's Net Position, (121.04)%, represents resources that are not subject to restrictions on how they may be used. A negative balance indicates that no funds were available for discretionary purposes.

### Statement of Revenues, Expenses and Changes in Net Position

The following table shows the revenue and expenses of the Authority:

	<u>FY 2025*</u>	<u>FY 2024</u>
Revenues		
Operating Revenues:		
Tipping Fees	\$ 18,232,536	\$ 16,832,583
Other operating revenues	366,991	136,887
Nonoperating Revenues:		
Interest income	465,173	487,567
Gain on sale of capital assets	40,979	26,110
Total revenues	<u>19,105,679</u>	<u>17,483,147</u>
Expenses		
Operating expense		
Salaries and benefits	(3,804,934)	(3,383,784)
Landfill closure costs	146,191	428,245
Other operating expenses	(10,387,249)	(9,032,155)
Depreciation	(4,081,380)	(3,612,378)
Non-operating expenses:		
Interest expense	(561,286)	(562,447)
Total expenses	<u>(18,688,658)</u>	<u>(16,162,519)</u>
Change in net position	417,021	1,320,628
Total net position at beginning of year, as previously reported	4,137,906	2,817,278
Restatement (see note below)*	(61,036)	-
Total net position at beginning of year, as restated	<u>4,076,870</u>	<u>2,817,278</u>
Total net position at end of year	<u>\$ 4,493,891</u>	<u>\$ 4,137,906</u>

\*Beginning net position was restated during the 2025 fiscal year due to the implementation of GASB Statement 101.

Approximately 95.43% of the Authority’s Fiscal Year 2025 revenue is from operating revenue related to tipping fees; other operating revenues account for 1.92% and include recycling revenue, mulch sales, the sale of landfill gas, and other miscellaneous fees; 2.43% is from non-operating revenue consisting of interest income; and 0.22% from proceeds provided by the sale of assets.

The Authority’s total revenues increased over the prior year by 9.28% to \$19,105,679. The increase was primarily attributable to higher tipping fee rates and the initiation of a contracted sale of landfill gas. Tipping fee collections rose 8.32% compared to the prior year, reflecting both the rate increase and higher tonnage received. Other operating revenues were 168.10% higher (an increase of \$230,104) due to the new contracted sale of landfill gases. Offsetting these gains, interest income declined by \$22,394 as a result of lower investment yields.

Operational expenses for Fiscal Year 2025 account for 97.00% of total expenses, with the remaining 3.00% of expenses from interest expense.

The expenses for all programs and services increased by 15.63% in Fiscal Year 2025, primarily due to increased costs for contracted repairs and the inflationary costs of utilities, tires, and other operating supplies.

### Capital Assets

As of June 30, 2025, the Authority had invested \$32,498,927, net of accumulated depreciation, in a variety of capital assets including land, landfill development costs, buildings, equipment, and construction in progress. The Authority’s investment in capital assets for the current year was \$481,135. The majority of this investment was composed of the following:

- (3) John Deere Gators
- (2) Heavy Equipment accessories (spare bucket, hydraulic garbage packer grapple)
- (1) Volvo Quick Coupler
- (1) Completion of the Leachate Load Out Project

Included in this year’s investment total is construction in progress related to permitting of cells 8 and 9 for future landfill expansion. Disposals in the current year totaled \$407,759 and include a John Deere Gator, a Doosan Excavator, and a Volvo Front-End Loader.

Additional information on the Authority’s capital assets can be found in Note 3 in the notes to the basic financial statements. Capital assets net of accumulated depreciation are illustrated in the following table:

	FY 2025	FY 2024
Land	\$ 5,558,682	\$ 5,558,682
Landfill and Corridor Access	42,087,042	41,740,596
Transfer Station	13,638,691	13,638,691
Equipment	17,790,670	18,066,941
Construction in progress	37,984	34,783
Subtotal	79,113,069	79,039,693
Accumulated depreciation	(46,614,142)	(42,920,297)
Totals	\$ 32,498,927	\$ 36,119,396

## **Long-Term Debt**

At June 30, 2025, the Authority had \$21,091,702 of bonded debt issues outstanding. This debt was used to support the development of improved long-term, operational efficiencies due to the 2017 addition of the City of Salem as a member of the Authority as well as to convert the Authority's operations from the use of a rail-haul transportation system to a tractor-trailer trucking transportation system. Additional information related to long - term liabilities can be found in Note 4 in the notes to the basic financial statements.

## **Factors Influencing Future Budgets**

Key factors that are expected to impact future budgets include:

- New revenue opportunities resulting from the contracted sale of landfill gas
- Ability to provide competitive tipping fees and improved economies of scale with direct deliveries of commercial waste to landfill
- Improved operational efficiencies
- Continued uncertainty regarding the economy
- Projected increases in health insurance premiums and retirement contribution rates assessed by the Virginia Retirement System
- Expansion of the open landfill
- Estimated landfill closure and post-closure costs
- Renewal and replacement needs; costs of plant and equipment
- Closed landfill groundwater monitoring and remediation costs
- Interest rates
- Issuance of debt
- Energy and fuel costs
- Regulatory changes

## **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, potential investors and creditors with a general overview of the Authority's finances and to demonstrate accountability for the resources it receives. If you have questions about this report or need additional financial information, contact the Chief Executive Officer, Roanoke Valley Resource Authority, 1020 Hollins Road, N.E., Roanoke, VA 24012, telephone (540-857-5050), or visit the Authority's web site at [www.rvra.net](http://www.rvra.net).

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## Basic Financial Statements

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**ROANOKE VALLEY RESOURCE AUTHORITY**  
Statement of Net Position  
As of June 30, 2025

**ASSETS**

Current assets:

Cash and cash equivalents	\$	11,462,527
Restricted cash and cash equivalents (note 1)		85,242
Cash held with others (note 1)		78,705
Investments (note 2)		222,954
Accounts receivable		2,140,552
Interest receivable		4,995
Inventory		75,032

Total current assets	\$	<u>14,070,007</u>
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Noncurrent assets:

Investments (note 2)	\$	780,257
Non-depreciable capital assets (note 3)		5,596,666
Depreciable capital assets, net of accumulated depreciation (note 3)		<u>26,902,261</u>

Total noncurrent assets	\$	<u>33,279,184</u>
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Total assets	\$	<u>47,349,191</u>
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**DEFERRED OUTFLOWS OF RESOURCES**

Pension related items (note 5)	\$	940,046
OPEB related items (note 6, 7 and 8)		<u>231,026</u>

Total deferred outflows of resources	\$	<u>1,171,072</u>
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The accompanying notes are an integral part of the basic financial statements.

**ROANOKE VALLEY RESOURCE AUTHORITY**  
Statement of Net Position  
As of June 30, 2025

**LIABILITIES**

Current liabilities:

Vouchers payable	\$	1,063,852
Construction and retainage payables		91,485
Accrued payroll		67,235
Accrued interest		190,490
Compensated absences, current portion (note 4)		112,087
Total OPEB liability, current portion (notes 4, 6 and 7)		36,061
Accrued landfill closure, current portion (notes 4 and 9)		237,715
Note payable, current portion (note 4)		57,202
Revenue bonds payable, current portion (note 4)		<u>1,380,796</u>

Total current liabilities \$ 3,236,923

Noncurrent liabilities:

Compensated absences, net of current portion (note 4)	\$	279,690
Total OPEB liability, net of current portion (notes 4, 6 and 7)		412,235
Net OPEB liability (notes 4, 6 and 8)		93,088
Net pension liability (notes 4 and 5)		1,692,001
Accrued landfill closure, net of current portion (notes 4 and 9)		16,748,804
Note payable, net of current portion (note 4)		292,571
Revenue bonds payable, net of current portion (note 4)		<u>20,828,774</u>

Total noncurrent liabilities \$ 40,347,163

Total liabilities \$ 43,584,086

**DEFERRED INFLOWS OF RESOURCES**

Pension related items (note 5)	\$	406,580
OPEB related items (note 6, 7 and 8)		<u>35,706</u>

Total deferred inflows of resources \$ 442,286

**NET POSITION**

Net investment in capital assets	\$	9,933,341
Unrestricted (deficit)		<u>(5,439,450)</u>

Total net position \$ 4,493,891

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

**ROANOKE VALLEY RESOURCE AUTHORITY**  
Statement of Revenues, Expenses and Changes in Net Position  
For the Year Ended June 30, 2025

**OPERATING REVENUES**

Tipping fees	\$	18,232,536
Recycling revenue		48,559
Mulch revenue		45,991
Miscellaneous fees		272,441
Total operating revenues	\$	<u>18,599,527</u>

**OPERATING EXPENSES**

Salaries and benefits	\$	3,804,934
Landfill closure and post closure costs (note 9)		(146,191)
Other operating expenses		10,387,249
Depreciation		4,081,380
Total operating expenses	\$	<u>18,127,372</u>

Operating income (loss)	\$	<u>472,155</u>
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**NONOPERATING REVENUES (EXPENSES)**

Interest income	\$	465,173
Interest expense		(561,286)
Gain (loss) on sale of assets		40,979
Total nonoperating revenues (expenses)	\$	<u>(55,134)</u>

Change in net position	\$	417,021
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Total net position - beginning, as previously reported		4,137,906
Restatement		(61,036)
Total net position - beginning, as restated		<u>4,076,870</u>
Total net position - ending	\$	<u><u>4,493,891</u></u>

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

**ROANOKE VALLEY RESOURCE AUTHORITY**  
Statement of Cash Flows  
For the Year Ended June 30, 2025

<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 18,047,928
Payments to suppliers	(9,870,262)
Payments to employees	(3,812,785)
Net cash provided by (used for) operating activities	<u>\$ 4,364,881</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase and construction of capital assets	\$ (395,081)
Proceeds from sales of capital assets	61,203
Principal paid on note payable	(58,183)
Principal paid on revenue bonds	(1,195,994)
Interest paid on revenue bonds	(707,641)
Interest paid on note payable	(27,980)
Net cash provided by (used for) capital and related financing activities	<u>\$ (2,323,676)</u>
<b>Cash Flows from Investing Activities</b>	
Interest income	\$ 468,912
Proceeds from the sale and maturity of investments	1,021,504
Net cash provided by (used for) investing activities	<u>\$ 1,490,416</u>
Net increase (decrease) in cash and cash equivalents	\$ 3,531,621
Cash and cash equivalents at the beginning of the year, including restricted amounts	8,094,853
Cash and cash equivalents at the end of the year, including restricted amounts	<u><u>\$ 11,626,474</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>	
Operating income (loss)	\$ 472,155
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	4,081,380
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
Accounts receivable	(551,599)
Inventory	(4,439)
Deferred outflows of resources	(625,951)
Vouchers payable	677,486
Accrued payroll	14,274
Compensated absences	31,217
Landfill closure liability	(302,251)
Total OPEB liability	239,085
Net OPEB liability	(8,554)
Net pension liability	296,808
Deferred inflows of resources	45,270
Net cash provided by (used for) operating activities	<u><u>\$ 4,364,881</u></u>

Noncash investing, capital and financing activities:

Capital asset additions are net of accounts payable of \$5,431 from the prior year and accounts payable of \$91,485 in the current year.

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

## ROANOKE VALLEY RESOURCE AUTHORITY

Notes to the Financial Statements  
As of June 30, 2025

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### **Note 1—Summary of Significant Accounting Policies:**

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#### **A. Description of Entity**

The Roanoke Valley Resource Authority (the Authority) was established on October 23, 1991 as a tax exempt political subdivision within the Commonwealth of Virginia to acquire and construct a regional sanitary landfill and waste collection and transfer station with related treatment facilities. The charter members are the City of Roanoke, County of Roanoke (the County) and the Town of Vinton (the Town). The City of Salem joined the Authority on July 1, 2016.

Prior to October 23, 1991, the operations of the Authority were accounted for as an enterprise fund of the County of Roanoke. As of October 23, 1991, under agreement between the City of Roanoke, the County and the Town, the County transferred all existing assets and liabilities to the Authority. The Authority assumed ownership and operational control of Salem's transfer station on November 1, 2016.

Under terms of an agreement with the Roanoke Valley Solid Waste Management Board (the Management Board), certain assets and liabilities were transferred to the Authority, effective October 1, 1993. The terms of the agreement call for the Authority to monitor an old landfill site of the Roanoke Valley Regional Solid Waste Management Board during the postclosure care period.

#### **B. Basis of Accounting**

The Roanoke Valley Resource Authority operates as an enterprise fund, and its accounts are maintained on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash. The Authority accrues revenue for services rendered but not yet billed at the end of the fiscal year.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for services. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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## ROANOKE VALLEY RESOURCE AUTHORITY

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

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### Note 1—Summary of Significant Accounting Policies: (Continued)

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#### C. Deferred Outflows/Inflows or Resources:

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one type of item that qualifies for reporting in this category. Certain items related to pension and OPEB are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

#### D. Basic Financial Statements

Since the Authority is only engaged in business-type activities, it is required to present only the financial statements required for enterprise funds. For the Authority, the basic financial statements and required supplementary information consist of:

- Management’s Discussion and Analysis
- Enterprise fund financial statements
  - Statement of Net Position
  - Statement of Revenues, Expenses, and Changes in Net Position
  - Statement of Cash Flows
  - Notes to the Financial Statements
- Required Supplementary Information
  - Schedules of OPEB and Pension related items

#### E. Capital Assets

Capital assets are stated at cost or historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets.

Maintenance, repairs and minor renewals are charged to expense as incurred, while major renewals and replacements are capitalized. Upon the sale or retirement of a capital asset, the cost and related accumulated depreciation, if applicable, are eliminated from the related accounts, and any resulting gain or loss is included in income.

The Authority defines capital assets as assets with an initial individual cost of more than \$1,000 and an estimated useful life of at least one year. Assets are depreciated over their estimated useful lives. Equipment, furniture and fixtures are depreciated over three to ten years.

## ROANOKE VALLEY RESOURCE AUTHORITY

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

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### Note 1—Summary of Significant Accounting Policies: (Continued)

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#### E. Capital Assets (Continued)

Buildings and structures, including the transfer station, are depreciated over 35 years. Landfill and corridor access assets are depreciated over fifteen to thirty-five years. Landfill cell development costs are depreciated over the expected life of the cell.

#### F. Interest on Indebtedness

Interest costs of the Authority are treated as nonoperating expenses.

#### G. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

#### H. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments and external investment pools are stated at amortized cost or at fair value. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

#### I. Budgets and Budgetary Accounting

A budget is prepared for informational, fiscal planning purposes, and to provide the basis for setting user rates. None of the participating entities are required to approve the budget. The budget is adopted as a planning document and is not a legal control on expenses.

#### J. Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. Primary customers consist of the City of Roanoke, City of Salem, County of Roanoke, Town of Vinton and their respective citizens, and local businesses. Management does not feel that an allowance of balances is necessary so the direct write off method of accounting for uncollectible accounts is used.

#### K. Inventory

Inventory is recorded using the first-in, first-out method (FIFO) and is valued at cost. Inventory consists of parts and supplies utilized in the daily operation of the landfill.

#### L. Use of Estimates

Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect certain reported amounts of assets and liabilities, the disclosure of contingent liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

## ROANOKE VALLEY RESOURCE AUTHORITY

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

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### Note 1— Summary of Significant Accounting Policies: (Continued)

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#### M. Net Position

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g. restricted bond and grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

#### N. Long-Term Obligations

Long-term obligations are reported as liabilities in the statement of net position at face value, net of any applicable premiums and discounts.

#### O. Compensated Absences

The Authority recognizes a liability for compensated absences for leave time 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, two types of leave qualify for liability recognition for compensated absences - vacation and sick leave. The liability for compensated absences is reported as incurred in the financial statements. Limited vacation leave may be accumulated until retirement or termination. Accumulated vacation is paid at the employee's current wage upon retirement or termination. The liability for compensated absences includes salary-related benefits, where applicable.

## ROANOKE VALLEY RESOURCE AUTHORITY

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

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### Note 1—Summary of Significant Accounting Policies: (Continued)

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#### P. Accrued Landfill Closure

Accrued landfill closure represents the estimated liability for closure and postclosure costs for the landfill sites. This includes the cost of any equipment and facilities to be installed near or after the date of landfill closure for purposes of closure, the cost of landfill capping, and the cost of monitoring and maintaining the sites during the postclosure period. A total estimate of these expenses is made and updated on a periodic basis and expenses are charged to current period usage of the landfill site. Current cost of landfill closure and postclosure care is an estimate and subject to change resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

#### Q. Funding Requirements

The Cities, County and the Town are responsible for their pro rata share, based on population, of any year-end operating deficit or capital expenditures, if additional funding is required. The Authority is responsible for paying all outstanding debt.

#### R. Pensions

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 Authority's Retirement Plan and the additions to/deductions from the Authority's Retirement Plan's net fiduciary 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.

#### S. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS Group Life Insurance (GLI) OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI OPEB Plan and the additions to/deductions from the VRS OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### T. Restricted Assets

Deposits totaling \$85,242 have been restricted by applicable bond agreements for the construction of landfill cell(s), an access road and related items.

#### U. Cash Held with Others

Deposits with Roanoke County of \$78,705 have been recorded in the accompanying financial statements as cash held with others. These deposits were required to assure the timely construction and completion of improvements in accordance with approved plans. Such funds will be returned upon the successful completion of current construction projects.

## ROANOKE VALLEY RESOURCE AUTHORITY

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

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### **Note 2—Deposits and Investments:**

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*Deposits* - The County of Roanoke maintains a cash and investment pool that is available for use by all County funds, component units and entities for which the County is the fiscal agent. The Authority participates in this pool and at June 30, 2025, the carrying value of the Authority's deposits with banks and savings institutions was \$11,462,527. Deposits with banks are covered by Federal depository insurance and collateralized in accordance with the Virginia Security for Public Deposits 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.

*Investments* - Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper that has received at least two of the following ratings: P-1 by Moody's Investors Service, Inc.; A-1 by Standard & Poor's; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), bankers' acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

Information related to the County of Roanoke pooled account is presented in the audited financial statements of the County of Roanoke and can be obtained from the Director of Finance and Management Services, County of Roanoke, 5204 Bernard Drive, Suite 300E, Roanoke, Virginia 24018; telephone 540-772-2020 or by visiting the County's web site at [www.roanokecountyva.gov](http://www.roanokecountyva.gov).

#### **Custodial Credit Risk (Investments)**

The Authority's investment policy provides that securities purchased for the Authority shall be held by the Authority Treasurer or by the Treasurer's custodian. If held by a custodian, the securities must be in the Authority's name or in the custodian's name and identifiable on the custodian's books as belonging to the Authority. Further, if held by a custodian, the custodian must be a third party, not a counterparty (buyer or seller) to the transaction. At June 30, 2025, all of the Authority's investments were held in accordance with this policy.

#### **Credit Risk of Debt Securities**

The Authority's investment policy for credit risk is consistent with the investments allowed by statute as detailed above.

The Authority's debt investments as of June 30, 2025 were rated by Standard & Poor's and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor's rating scale.

**ROANOKE VALLEY RESOURCE AUTHORITY**

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

**Note 2—Deposits and Investments: (Continued)**

**Credit Risk of Debt Securities (Continued)**

**Authority's Rated Debt Investments' Values**

<b><u>Rated Debt Investments</u></b>	<b>Fair Quality Ratings</b>	
	<b><u>AAAm</u></b>	<b><u>Not rated</u></b>
Roanoke County Treasurer's Investment Pool	\$ -	\$ 1,003,211
State Non-arbitrage Pool (SNAP)	85,242	-
Total	\$ <u>85,242</u>	\$ <u>1,003,211</u>

The Roanoke County Investment Pool is not rated; however, underlying investments in the pool are rated. Those ratings along with additional information concerning the pool are presented in the Roanoke County, Virginia Annual Comprehensive Financial Report, a copy of which may be requested from: County of Roanoke, 5204 Bernard Drive, Suite 300E, Roanoke, Virginia 24018; telephone 540-772-2020 or by visiting the County's web site at [www.roanokecountyva.gov](http://www.roanokecountyva.gov).

**External Investment Pools**

The value of the positions in the external investment pools is the same as the value of the pool shares. As SNAP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. SNAP is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants in SNAP. As the Roanoke County Investment Pool is not SEC registered, regulatory oversight of the pool rests with the Roanoke County Board of Supervisors. The County of Roanoke does not impose any redemption restrictions on the Authority.

**Interest Rate Risk**

The Authority's policy with regard to interest rate risk requires that all investments mature within five years of their purchase date. The policy further requires maturity scheduling be timed to anticipated cash flow needs. All funds shall be considered short-term except those reserved for capital projects. Investment maturities presented below are based on the maturity dates for individual investments held within the pool as allocated based on the Authority's percentage of funds invested in the pool.

**Investment Maturities (in years)**

<b><u>Investment Type</u></b>	<b><u>Fair Value</u></b>	<b><u>1 Year</u></b>	<b><u>1-5 Years</u></b>
Roanoke County Investment Pool	\$ 1,003,211	\$ 222,954	\$ 780,257
SNAP	85,242	85,242	-
Totals	\$ <u>1,088,453</u>	\$ <u>308,196</u>	\$ <u>780,257</u>

**ROANOKE VALLEY RESOURCE AUTHORITY**

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

**Note 2—Deposits and Investments: (Continued)**

**Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority has measured fair value of the Roanoke County Investment Pool investments at the net asset value (NAV).

**Note 3—Capital Assets:**

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
<b>Capital assets not being depreciated:</b>				
Land	\$ 5,558,682	\$ -	\$ -	\$ 5,558,682
Construction in Progress	34,783	349,647	(346,446)	37,984
Total capital assets not being depreciated	<u>\$ 5,593,465</u>	<u>\$ 349,647</u>	<u>\$ (346,446)</u>	<u>\$ 5,596,666</u>
<b>Capital assets being depreciated:</b>				
Landfill	\$ 41,740,596	\$ 346,446	\$ -	\$ 42,087,042
Transfer Station (Building and Structure)	13,638,691	-	-	13,638,691
Equipment	18,066,941	131,488	(407,759)	17,790,670
Total capital assets being depreciated	<u>\$ 73,446,228</u>	<u>\$ 477,934</u>	<u>\$ (407,759)</u>	<u>\$ 73,516,403</u>
<b>Accumulated depreciation:</b>				
Landfill	\$ (20,025,770)	\$ (2,973,553)	\$ -	\$ (22,999,323)
Transfer Station (Building and Structure)	(7,622,528)	(248,038)	-	(7,870,566)
Equipment	(15,271,999)	(859,789)	387,535	(15,744,253)
Total accumulated depreciation	<u>\$ (42,920,297)</u>	<u>\$ (4,081,380)</u>	<u>\$ 387,535</u>	<u>\$ (46,614,142)</u>
Total capital assets being depreciated, net	<u>\$ 30,525,931</u>	<u>\$ (3,603,446)</u>	<u>\$ (20,224)</u>	<u>\$ 26,902,261</u>
Total capital assets, net	<u>\$ 36,119,396</u>	<u>\$ (3,253,799)</u>	<u>\$ (366,670)</u>	<u>\$ 32,498,927</u>

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**ROANOKE VALLEY RESOURCE AUTHORITY**

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

**Note 4—Long-Term Liabilities:**

Changes in long-term liabilities for the year are as follows:

	Balance			Balance		Due Within
	July 1, 2024, as restated	Additions	Reductions	June 30, 2025	One Year	
Direct Borrowings -						
Revenue Bonds	\$ 22,287,696	\$ -	\$ (1,195,994)	\$ 21,091,702	\$ 1,229,057	
Bond premium	1,281,654	-	(163,786)	1,117,868	151,739	
Note payable	407,956	-	(58,183)	349,773	57,202	
Compensated Absences*	360,560	31,217	-	391,777	112,087	
Accrued Landfill Closure and Postclosure (Note 9)	17,288,770	232,598	(534,849)	16,986,519	237,715	
Total OPEB Liability	209,211	256,923	(17,838)	448,296	36,061	
Net OPEB Liability	101,642	41,843	(50,397)	93,088	-	
Net Pension Liability	1,395,193	1,681,165	(1,384,357)	1,692,001	-	
Total	\$ 43,332,682	\$ 2,243,746	\$ (3,405,404)	\$ 42,171,024	\$ 1,823,861	

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

On August 6, 2024, the Authority established an irrevocable standby letter of credit with Truist Bank in the amount of \$13,906,372 to provide partial financial assurance for the closure and post-closure monitoring of landfills and transfer stations operated by the Authority. The standby letter of credit does not carry an interest rate, which will be determined if funds are drawn against same. To date, no amounts have been drawn on this letter of credit. The standby letter of credit expires on December 31, 2025.

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**ROANOKE VALLEY RESOURCE AUTHORITY**

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

**Note 4—Long-Term Liabilities: (Continued)**

Details of the Authority's outstanding long-term liabilities at June 30, 2025 are as follows:

Type	Interest Rates	Installment Amounts	Final Maturity Date	Amount of Original Issue	Balance Due	Amount Due Within One Year
<i>Direct Borrowings</i>						
<i>Revenue Bonds</i>						
Solid Waste Revenue Bond Series 2017A	2.50%	\$42,925-\$69,025 (a+)	7/15/2037	\$ 1,100,000	\$ 724,582	\$ 52,429
Solid Waste Revenue Bond Series 2017B	2.65%(v)	\$340,000-\$565,000 (a+)	7/15/2037	8,900,000	6,310,000	410,000
Solid Waste Revenue Bond Series 2016	2.50%	\$390,226-\$627,504 (a+)	11/1/2036	10,000,000	6,587,120	476,628
Solid Waste Revenue Bond Series 2021	4.125-5.125%	\$250,000-\$610,000 (a+)	10/1/2041	8,250,000	7,470,000	290,000
<i>Total Revenue Bonds</i>					<u>\$ 21,091,702</u>	<u>\$ 1,229,057</u>
<i>Add: Unamortized premium on</i>						
VRA 2021 Spring Pool	n/a		10/1/2041	1,837,620	\$ 1,117,868	\$ 151,739
<i>Total Revenue Bonds and Unamortized Premium</i>					<u>\$ 22,209,570</u>	<u>\$ 1,380,796</u>
Note payable	7.331%	\$4,631-\$7,137 (m)	5/10/2030	417,246	\$ 349,773	\$ 57,202
<i>Other Long-Term Obligations:</i>						
Compensated absences					\$ 391,777	\$ 112,087
Accrued landfill closure liability					16,986,519	237,715
Total OPEB liability					448,296	36,061
Net OPEB liability					93,088	-
Net pension liability					1,692,001	-
<i>Total Other Long-Term Obligations</i>					<u>\$ 19,611,681</u>	<u>\$ 385,863</u>
<b>Total Long-Term Liabilities</b>					<u>\$ 42,171,024</u>	<u>\$ 1,823,861</u>

(a+)-annual principal installments shown, does not include semi-annual interest installments

(v) - Interest rate to be adjusted on July 15, 2027 to each five year Treasury rate plus 0.25%

(m) - monthly principal installments shown, does not include monthly interest installments

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ROANOKE VALLEY RESOURCE AUTHORITY

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

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**Note 4—Long-Term Liabilities: (Continued)**

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Annual requirements to amortize long-term obligations and the related interest are as follows:

Year Ending June 30	Direct Borrowings	
	Principal	Interest
2026	\$ 1,286,259	\$ 688,499
2027	1,339,383	646,244
2028	1,388,192	599,897
2029	1,432,732	551,655
2030	1,480,864	501,415
2031-2035	7,713,184	1,778,834
2036-2040	5,605,861	630,032
2041-2042	1,195,000	49,809
Total	\$ 21,441,475	\$ 5,446,385

**Note 5—Pension Plan:**

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***Plan Description***

All full-time, salaried permanent employees of the Authority are automatically covered by the Roanoke County Pension Plan. This is a cost-sharing multiple-employer plan 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 pays 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.

***Benefit Structures***

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, as detailed below.

- a. Employees with a membership date July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit.

## ROANOKE VALLEY RESOURCE AUTHORITY

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

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### Note 5—Pension Plan: (Continued)

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#### *Benefit Structures (Continued)*

- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

#### *Average Final Compensation and Service Retirement Multiplier*

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees.

Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. 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.

#### *Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits*

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

## ROANOKE VALLEY RESOURCE AUTHORITY

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

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### Note 5—Pension Plan: (Continued)

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#### *Contributions*

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

The Roanoke Valley Resource Authority'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. Contributions to the pension plan from the Authority were \$397,455 and \$326,821 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 voluntary contributions. The Hybrid plan member must contribute a mandatory rate of 1% of their covered payroll. The employers must also contribute a mandatory rate of this covered payroll, which totaled \$12,096 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 \$15,325 for the year ended June 30, 2025. The total Hybrid plan participant covered payroll totaled \$1,209,602 for the year ended June 30, 2025.

#### *Net Pension Liability*

At June 30, 2025, the Authority reported a liability of \$1,692,001 for its proportionate share of the net pension liability. The Authority's net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023 and rolled forward to the measurement date of June 30, 2024. The Authority's proportionate share of same was calculated using the average creditable compensation as of June 30, 2024 and 2023 as a basis for allocation. At June 30, 2024 and 2023, the Authority's proportion was 3.0930% and 3.3005%, respectively.

#### *Actuarial Assumptions - General Employees*

The total pension liability for employees in the Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50%
Salary increases, including inflation	3.50% - 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

**ROANOKE VALLEY RESOURCE AUTHORITY**

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

**Note 5—Pension Plan: (Continued)**

**Actuarial Assumptions - General Employees (Continued)**

**Mortality Rates**

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

**Pre-Retirement:**

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% 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 Improvements:**

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:

All Others (Non-10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

ROANOKE VALLEY RESOURCE AUTHORITY

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

**Note 5—Pension Plan: (Continued)**

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

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

<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%
<b>Total</b>	<b><u>100.00%</u></b>		<b><u>7.07%</u></b>

Expected arithmetic nominal return\*\* 7.07%

\* 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

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

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**ROANOKE VALLEY RESOURCE AUTHORITY**

Notes to the Financial Statements  
 As of June 30, 2025 (Continued)

**Note 5—Pension Plan: (Continued)**

***Discount Rate***

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the year ended June 30, 2024, the employer contribution rate was 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 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.

***Sensitivity of the Authority’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
Authority Net Pension Liability (Asset)	\$ 3,143,745	\$ 1,692,001	\$ 493,012

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

For the year ended June 30, 2025, the Authority recognized pension expense of \$362,079. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

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**ROANOKE VALLEY RESOURCE AUTHORITY**

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

**Note 5—Pension Plan: (Continued)**

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 542,591	\$ 6,932
Changes in proportion and differences between contributions and proportionate share of contributions	-	142,165
Net difference between projected and actual earnings on pension plan investments	-	257,483
Contributions subsequent to the measurement date	397,455	-
Totals	<u>\$ 940,046</u>	<u>\$ 406,580</u>

\$397,455 reported as deferred outflows of resources related to pensions resulting from the Authority’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2026	\$ (54,672)
2027	266,121
2028	(21,971)
2029	(53,467)

***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://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.

**ROANOKE VALLEY RESOURCE AUTHORITY**

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

**Note 6—Aggregate Other Postemployment Benefits Information:**

The following is a summary of deferred outflows, deferred inflows, net total other postemployment benefits liabilities, and other postemployment benefits expense for the year ended June 30, 2025.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Total/Net OPEB Liabilities</u>	<u>OPEB Expense</u>
Authority Stand-Alone Plan	\$ 196,853	\$ 19,908	\$ 448,296	\$ 24,835
VRS OPEB Plan-Group Life Insurance Plan	34,173	15,798	93,088	3,454
Totals	<u>\$ 231,026</u>	<u>\$ 35,706</u>	<u>\$ 541,384</u>	<u>\$ 28,289</u>

**Note 7—Roanoke Valley Resource Authority Other Postemployment Benefits:**

***Plan Description***

In addition to the pension benefits described in Note 5, the Authority administers a single-employer defined benefit healthcare plan, The Roanoke Valley Resource Authority Postretirement Benefits Plan. The Plan provides for participation by eligible retirees and their dependents in the health insurance programs available to employees. The Plan does not issue publicly available financial reports.

***Benefits Provided***

The Plan will provide retiring employees the option to continue health insurance offered by the Authority. Employees are eligible for the program after ten (10) years of service to the Authority. The benefits, employee contributions, and the employer contributions are governed by the Authority's Board and can be amended through Board action.

***Plan Membership***

At June 30, 2024 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	15
Total retiree with coverage	<u>3</u>
Total	<u>18</u>

***Contributions***

The Authority does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Authority's Board. The amount paid by the Authority for OPEB as the benefits came due during the year ended June 30, 2025 was \$17,272.

**ROANOKE VALLEY RESOURCE AUTHORITY**

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

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**Note 7—Roanoke Valley Resource Authority Other Postemployment Benefits: (Continued)**

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***Total OPEB Liability***

The Authority’s total OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation performed as of June 30, 2024.

***Actuarial Assumptions***

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Healthcare cost trend rate	Starts at an initial rate of 8.00% decreasing to an ultimate rate of 4.50%.
Salary Increases	3.50% per annum
Discount Rate	4.21% per annum

Mortality rates were as follows:

- 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 date of the most recent actuarial experience study for which significant assumptions were based is not available.

The sole change to the actuarial assumptions since the valuation dated June 30, 2023 was an increase in the discount rate from 4.13% to 4.21%. That change was necessary to update the discount rate assumption based on the yield for 20-year-tax-exempt general obligation municipal bonds as of June 30, 2024 (measurement date).

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**ROANOKE VALLEY RESOURCE AUTHORITY**

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

**Note 7—Roanoke Valley Resource Authority Other Postemployment Benefits: (Continued)**

**Discount Rate**

The discount rate is 4.21% per annum.

**Changes in Total OPEB Liability**

	Total OPEB Liability
Balances at June 30, 2023	\$ 209,211
Changes for the year:	
Service cost	13,863
Interest	8,860
Differences between expected and actual experience	211,528
Changes of assumptions	22,672
Contributions - employer	(17,272)
Change of benefit terms	(566)
Net changes	\$ 239,085
Balances at June 30, 2024	\$ 448,296

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following amounts present the total OPEB liability of the Authority, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.21%) or one percentage point higher (5.21%) than the current discount rate:

Rate		
1% Decrease (3.21%)	Current Discount (4.21%)	1% Increase (5.21%)
\$ 467,368	\$ 448,296	\$ 429,574

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the Authority, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (7.00% decreasing to an ultimate rate of 3.50%) or one percentage point higher (9.00% decreasing to an ultimate rate of 5.50%) than the current healthcare cost trend rates:

Healthcare Cost Trend Rate		
1% Decrease (7.00% decreasing to an ultimate rate of 3.50%)	Current Discount (8.00% decreasing to an ultimate rate of 4.50%)	1% Increase (9.00% decreasing to an ultimate rate of 5.50%)
\$ 421,384	\$ 448,296	\$ 477,813

**ROANOKE VALLEY RESOURCE AUTHORITY**

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

**Note 7—Roanoke Valley Resource Authority Other Postemployment Benefits: (Continued)**

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

For the year ended June 30, 2025, the Authority recognized OPEB expense in the amount of \$24,835. At June 30, 2025, the Authority 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	\$ 162,577	\$ 18,130
Changes in assumptions	17,004	1,778
Employer contributions subsequent to the measurement date	17,272	-
<b>Total</b>	<b>\$ 196,853</b>	<b>\$ 19,908</b>

\$17,272 reported as deferred outflows of resources related to OPEB resulting from the Authority’s contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the fiscal year ending June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2026	\$ 40,704
2027	60,419
2028	58,550

Additional disclosures on changes in total OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

**Note 8—Group Life Insurance (GLI) Plan (OPEB Plan):**

***Plan Description***

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

## ROANOKE VALLEY RESOURCE AUTHORITY

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

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### Note 8—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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#### *Plan Description (Continued)*

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. 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 plan, it is not included as part of the GLI Plan OPEB.

The specific information for GLI Program OPEB, including eligibility, coverage and benefits described below:

#### *Eligible Employees*

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI 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.

#### *Benefit Amounts*

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts 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. For covered members with at least 30 years of service credit, the minimum benefit payable 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.

#### *Contributions*

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan 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. 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 GLI Plan from the entity were \$10,944 and \$11,566 for the years ended June 30, 2025 and June 30, 2024, respectively.

ROANOKE VALLEY RESOURCE AUTHORITY

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

**Note 8—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

***GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB***

At June 30, 2025, the entity reported a liability of \$93,088 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 GLI Plan for the year ended June 30, 2024 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024 and June 30, 2023, the participating employer’s proportion was 0.00834% and 0.00848%, respectively.

For the year ended June 30, 2025, the participating employer recognized GLI OPEB expense of \$3,454. 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 14,682	\$ 2,274
Net difference between projected and actual earnings on GLI OPEB plan investments	-	7,846
Change in assumptions	531	4,613
Changes in proportionate share	8,016	1,065
Employer contributions subsequent to the measurement date	<u>10,944</u>	<u>-</u>
Total	<u>\$ 34,173</u>	<u>\$ 15,798</u>

ROANOKE VALLEY RESOURCE AUTHORITY

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

**Note 8—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

***GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB (Continued)***

\$10,944 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	\$ (2,774)
2027	3,329
2028	2,185
2029	2,520
2030	2,171

***Actuarial Assumptions***

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2023, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Investment rate of return	6.75%, net of investment expenses, including inflation

**Mortality Rates - Non-Largest Ten Locality Employers - General Employees**

Pre-Retirement:

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

Post-Retirement:

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

**ROANOKE VALLEY RESOURCE AUTHORITY**

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

**Note 8—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

***Actuarial Assumptions (Continued)***

**Mortality Rates - Non-Largest Ten Locality Employers - General Employees (Continued)**

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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ROANOKE VALLEY RESOURCE AUTHORITY

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

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**Note 8—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

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**NET GLI OPEB Liability**

The net OPEB liability (NOL) for the GLI Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2024, NOL amounts for the GLI Plan is as follows (amounts expressed in thousands):

	<b>GLI OPEB Plan</b>
Total GLI OPEB Liability	\$ 4,196,055
Plan Fiduciary Net Position	3,080,133
GLI Net OPEB Liability (Asset)	<u>\$ 1,115,922</u>
 Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	 73.41%

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 System’s notes to the financial statements and required supplementary information.

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**ROANOKE VALLEY RESOURCE AUTHORITY**

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

**Note 8—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

***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>Long-Term Target Asset 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

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

**ROANOKE VALLEY RESOURCE AUTHORITY**

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

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**Note 8—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**

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***Discount Rate***

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2024, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 113% of the actuarially determined contribution rate. From July 1, 2024 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

***Sensitivity of the Employer’s Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate***

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Authority's proportionate share of the GLI Plan Net OPEB Liability	\$ 144,764	\$ 93,088	\$ 51,341

***GLI Plan Fiduciary Net Position***

Detailed information about the GLI Plan’s Fiduciary Net Position is available in the separately issued VRS 2024 Annual Comprehensive Financial Report (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at <http://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.

**Note 9—Accrued Landfill Closure:**

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The Authority currently has responsibility for closure and post-closure care related to two landfill sites and two transfer stations. The landfills include the old landfill site, formerly owned by the Roanoke Valley Regional Solid Waste Management Board, which closed in 1994 and the Smith Gap landfill placed in service during 1994. The new landfill has a total estimated remaining life of approximately 18.3 years, which is comprised of Phase I-VII (constructed capacity) with a total estimated remaining life of approximately 7.4 years and Phase VIII-IX (unconstructed capacity) with a total estimated remaining life of approximately 10.9 years. State and Federal laws and regulations require that the Authority place a final cover on its landfill(s) when closed and perform certain maintenance and monitoring functions for a minimum of thirty years after closure.

## ROANOKE VALLEY RESOURCE AUTHORITY

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

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### **Note 9—Accrued Landfill Closure: (Continued)**

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Closure costs will be paid as closure occurs and post-closure care costs will be paid only near or after the date that the landfill(s) stop accepting waste. The Authority reports a portion of these closure and post-closure care costs as an operating expense in each period based on the percentage of landfill capacity used in existing cells. The total liability recorded at June 30, 2025, is \$16,986,519 and includes \$3,576,433 designated for the old landfill site (now closed); \$12,927,399 designated for the new Smith Gap landfill; and \$482,687 for the transfer stations. Total closure and post-closure costs for all opened landfill cells at Smith Gap are estimated at \$17,361,959, of which 74.458% has been recognized based on usage to date. As such, \$4,434,5609 or 25.542% of the total estimated liability will be recognized in future periods as the usage percentage increases at the Smith Gap Landfill. The Old Landfill and Transfer Station estimates are recorded at 100% of their total liability estimates.

The Authority will periodically update these closure and post-closure cost estimates and, as necessary, make revisions to reflect any significant changes in estimates due to inflation or deflation, technology, or changes in applicable laws and regulations.

Closure and post-closure care requirements are mandated under the United States Environmental Protection Agency (EPA) rule, “Solid Waste Disposal Facility Criteria”, and are subject to periodic revisions by the EPA.

Federal and state regulations require owners of municipal solid waste landfills to demonstrate financial responsibility for closure care, post-closure care and corrective costs arising from the operations of such facilities. The Authority has demonstrated financial assurance requirements for closure and post-closure care by the issuance of an irrevocable standby letter of credit in combination with the submission of a Local Government Financial Test through the Virginia Department of Environmental Quality in accordance section 9VAC20-70 of the Virginia Administrative Code.

### **Note 10—Commitments, Contingencies, and Other Information:**

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From time to time the Authority is involved in litigation in the normal course of operations. It is the opinion of the Authority’s management that any adverse outcomes related to litigation would not have a material impact on the financial position or results of operations of the Authority as of and for the year ended June 30, 2025.

### **Note 11—Arbitrage Rebate Compliance:**

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As of June 30, 2025 and for the year then ended, the Authority was not liable for any amounts due under current rules governing arbitrage earnings.

## ROANOKE VALLEY RESOURCE AUTHORITY

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

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### Note 12—Risk Management:

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The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and others; and natural disasters. The Authority participates with other localities in the Virginia Risk Sharing Association Insurance public entity risk pool for certain coverage noted below. Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The Authority pays the risk pool contributions and assessments based upon classifications and rates into designated cash reserve funds out of which expenses of the pool, claims and awards are to be paid. In the event of a loss, deficit, or depletion of all available funds and/or excess insurance, the pool may assess all members in the proportion to which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The Authority carries insurance coverage for all other risk of loss. Settled claims have not exceeded coverage in the current or prior three fiscal years.

*Worker's Compensation* - Worker's Compensation Insurance is provided through the Virginia Risk Sharing Association. During 2024-2025, the total premiums paid were \$39,964. Benefits are those afforded through the State of Virginia as outlined in the Code of Virginia Section 65.2-100; premiums are based upon covered payroll, job rates and claims experience.

*General Liability and Other* - The Authority carries general liability, machinery, property and other insurance through policies administered by the Virginia Risk Sharing Association. General liability and business automobile have a \$1,000,000 combined single limit. Machinery coverage and property insurance are covered as per statement of values. Public officials' liability with a \$1,000,000 limit is covered through a policy with the Commonwealth of Virginia. Total premiums paid for year ended June 30, 2025 were \$109,599.

*Healthcare* - Healthcare insurance coverage is provided to Authority employees through Roanoke County's self-insured health insurance program. The Authority's employees pay a monthly amount 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. The Authority has no claims payable as of June 30, 2025.

### Note 13—Related Party Transactions:

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The following table summarizes approximate tipping fees received and accounts receivable from charter members as of and for the year ended June 30, 2025:

	<u>Tipping Fees</u>	<u>Accounts Receivable</u>
	<u>2025</u>	<u>2025</u>
City of Roanoke	\$ 2,626,074	\$ 228,903
County of Roanoke	2,319,288	185,165
City of Salem	904,941	94,725
Town of Vinton	225,214	19,813
Total	\$ 6,075,517	\$ 528,606

**ROANOKE VALLEY RESOURCE AUTHORITY**

Notes to the Financial Statements  
As of June 30, 2025 (Continued)

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**Note 14-Adoption of Accounting Principle:**

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The Authority 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 Authority was restated to include sick leave in compensated absences as part of the implementation of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*.

	<u>Net Position</u>
Beginning balance, as previously stated	\$ 4,137,906
Increase in compensated absences	(61,036)
Beginning balance, as restated	<u>\$ 4,076,870</u>

**Note 15— Upcoming Pronouncements:**

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The following reporting pronouncements have been issued and will be effective in future periods:

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.

Statement No. 104, Disclosure of Certain Capital Assets, requires certain types of assets (lease assets, subscription assets, intangible right-to-use assets, and other intangible assets) to be disclosed separately in the capital asset note disclosures by major class of underlying asset. It also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Implementation Guide No. 2025-1, Implementation Guidance Update—2025, effective for fiscal years beginning after June 15, 2025.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

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**Required Supplementary Information**

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**ROANOKE VALLEY RESOURCE AUTHORITY**  
Schedule of the Authority's Proportionate Share of the Net Pension Liability - Pension Plan  
For the Measurement Dates of June 30, 2015 through June 30, 2024

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**Roanoke County, Virginia's Pension Plan (a cost-sharing multiple employer plan administered by the VRS)**

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Date	Proportion of the Net Pension Liability (NPL)	Proportionate Share of the NPL	Covered Employee Payroll	Proportionate Share of the NPL as a Percentage of Covered Payroll (3)/(4)	Pension Plan's Fiduciary Net Position as a Percentage of Total Pension Liability
(1)	(2)	(3)	(4)	(5)	(6)
2024	3.0930%	\$ 1,692,001	\$ 2,137,222	79.17%	85.16%
2023	3.3005%	1,395,193	1,909,925	73.05%	87.27%
2022	3.5672%	1,346,095	1,913,347	70.35%	87.97%
2021	4.0387%	892,849	2,002,539	44.59%	92.71%
2020	3.9949%	2,311,725	2,188,818	105.62%	79.55%
2019	3.9322%	1,698,543	1,979,670	85.80%	83.96%
2018	3.8000%	1,282,039	1,860,564	68.91%	86.53%
2017	3.5259%	1,308,197	1,630,826	80.22%	84.76%
2016	2.8980%	1,324,942	1,262,032	104.98%	80.43%
2015	2.7704%	970,264	1,178,061	82.36%	84.31%

**ROANOKE VALLEY RESOURCE AUTHORITY**  
Schedule of Employer Contributions - Pension Plan  
For the Years Ended June 30, 2016 through June 30, 2025

**Roanoke County, Virginia's Pension Plan (a cost-sharing multiple employer plan administered by the VRS)**

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contributions Deficiency (Excess) (1) - (2) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (2)/(4) (5)
2025	\$ 397,455	\$ 397,455	-	\$ 2,322,935	17.11%
2024	326,821	326,821	-	2,137,222	15.29%
2023	305,015	305,015	-	1,909,925	15.97%
2022	262,991	262,991	-	1,913,347	13.75%
2021	277,405	277,405	-	2,002,539	13.85%
2020	246,754	246,754	-	2,188,818	11.27%
2019	231,403	231,403	-	1,979,670	11.69%
2018	200,782	200,782	-	1,860,564	10.79%
2017	181,460	181,460	-	1,630,826	11.13%
2016	142,146	142,146	-	1,262,032	11.26%

\* Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

**ROANOKE VALLEY RESOURCE AUTHORITY**  
Notes to Required Supplementary Information - Pension Plan  
For the Year Ended June 30, 2025

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**Roanoke County, Virginia's Pension Plan (a cost-sharing multiple employer plan administered by the VRS)**

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

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

All Others (Non-10 Largest) - Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

ROANOKE VALLEY RESOURCE AUTHORITY

Schedule of Changes in Total OPEB Liability and Related Ratios

Post Employment Health Coverage

For the Measurement Dates of June 30, 2017 through June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB liability</b>								
Service cost	\$ 13,863	\$ 13,597	\$ 23,242	\$ 21,458	\$ 15,649	\$ 35,740	\$ 17,674	\$ 16,832
Interest	8,860	8,039	5,876	7,321	12,357	11,758	5,803	6,048
Differences between expected and actual experience	211,528	7,861	(72,523)	(27,645)	(102,262)	-	(32,187)	(18,585)
Changes of assumptions	22,672	(382)	(6,344)	4,439	(58,844)	-	194,614	-
Benefit payments	(17,272)	(5,639)	(19,089)	(9,497)	(14,730)	(4,141)	(3,611)	(4,642)
Change of benefit terms	(566)	-	-	-	-	-	-	-
Net change in total OPEB liability	\$ 239,085	\$ 23,476	\$ (68,838)	\$ (3,924)	\$ (147,830)	\$ 43,357	\$ 182,293	\$ (347)
Total OPEB liability - beginning	209,211	185,735	254,573	258,497	406,327	362,970	180,677	181,024
Total OPEB liability - ending	\$ 448,296	\$ 209,211	\$ 185,735	\$ 254,573	\$ 258,497	\$ 406,327	\$ 362,970	\$ 180,677
Covered-employee payroll	\$ 988,637	\$ 1,235,417	\$ 1,165,488	\$ 1,339,571	\$ 1,420,426	\$ 1,292,095	\$ 1,266,760	\$ 1,258,150
Authority's total OPEB liability as a percentage of covered-employee payroll	45.34%	16.93%	15.94%	19.00%	18.20%	31.45%	28.65%	14.36%

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

**ROANOKE VALLEY RESOURCE AUTHORITY**  
Notes to Required Supplementary Information  
Post Employment Health Coverage  
For the Year Ended June 30, 2025

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Valuation Date: 6/30/2024  
Measurement Date: 6/30/2024

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	4.21% per annum
Inflation	2.50% per year
Healthcare Trend Rate	Starts at an initial rate of 8.00% decreasing to an ultimate rate of 4.50%.
Salary Increase Rates	3.50% per annum
Retirement Age	The average age at retirement is 62.
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.

**ROANOKE VALLEY RESOURCE AUTHORITY**  
Schedule of Authority's Share of Net OPEB Liability  
Group Life Insurance (GLI) Plan  
For the Measurement Dates of June 30, 2017 through June 30, 2024

**Roanoke County, Virginia's Group Life Plan (a cost-sharing multiple employer plan administered by the VRS)**

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2024	0.00834%	\$ 93,088	\$ 2,137,222	4.36%	73.41%
2023	0.00848%	101,642	1,909,925	5.32%	69.30%
2022	0.00880%	105,912	1,913,347	5.54%	67.21%
2021	0.00973%	113,284	2,002,539	5.66%	67.45%
2020	0.00977%	163,037	2,188,818	7.45%	52.64%
2019	0.00980%	158,996	1,979,670	8.03%	52.00%
2018	0.00956%	145,236	1,860,564	7.81%	51.22%
2017	0.00883%	132,892	1,630,826	8.15%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

**ROANOKE VALLEY RESOURCE AUTHORITY**  
Schedule of Employer Contributions  
Group Life Insurance (GLI) Plan  
For the Years Ended June 30, 2017 through June 30, 2025

**Roanoke County, Virginia's Group Life Plan (a cost-sharing multiple employer plan administered by the VRS)**

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contributions Deficiency (Excess) (1) - (2) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (2)/(4) (5)
2025	\$ 10,944	\$ 10,944	\$ -	\$ 2,322,935	0.47%
2024	11,566	11,566	-	2,137,222	0.54%
2023	10,314	10,314	-	1,909,925	0.54%
2022	10,332	10,332	-	1,913,347	0.54%
2021	10,814	10,814	-	2,002,539	0.54%
2020	11,382	11,382	-	2,188,818	0.52%
2019	10,294	10,294	-	1,979,670	0.52%
2018	9,675	9,675	-	1,860,564	0.52%
2017	8,480	8,480	-	1,630,826	0.52%

Schedule is intended to show information for 10 years. Information prior to the 2017 is not available. However, additional years will be included as they become available.

**ROANOKE VALLEY RESOURCE AUTHORITY**  
Notes to Required Supplementary Information  
Group Life Insurance (GLI) Plan  
For the Year Ended June 30, 2025

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**Roanoke County Group Life Insurance Plan**

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

**Changes of assumptions** - The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

**Non-Largest Ten Locality Employers - General Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

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**STATISTICAL SECTION**

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ROANOKE VALLEY RESOURCE AUTHORITY  
 Net Position by Component  
 Last Ten Fiscal Years  
 (unaudited)  
 (accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net investment in capital assets	\$ 9,933,341	\$ 12,406,366	\$ 5,691,553	\$ 6,236,076	\$ 8,861,198	\$ 11,813,084	\$ 13,351,694	\$ 14,261,988	\$ 18,957,557	\$ 16,137,093
Unrestricted	<u>(5,439,450)</u>	<u>(8,268,460)</u>	<u>(2,874,275)</u>	<u>(2,031,865)</u>	<u>(5,417,836)</u>	<u>(2,658,908)</u>	<u>(466,605)</u>	<u>(1,268,043)</u>	<u>(3,116,266)</u>	<u>1,450,628</u>
Total primary government net position	<u>\$ 4,493,891</u>	<u>\$ 4,137,906</u>	<u>\$ 2,817,278</u>	<u>\$ 4,204,211</u>	<u>\$ 3,443,362</u>	<u>\$ 9,154,176</u>	<u>\$ 12,885,089</u>	<u>\$ 12,993,945</u>	<u>\$ 15,841,291</u>	<u>\$ 17,587,721</u>

The Authority implemented provisions of GASB Statement 75 during the 2018 fiscal year and restated beginning net position for 2018 and 2017, accordingly. Information relative to GASB Statement 75 was not available for fiscal years prior to fiscal year 2017 and therefore provisions of this statement were not applied retroactively in this table.

The Authority implemented provisions of GASB Statement 101 during the 2025 fiscal year and restated beginning net position for that year.

Source: RVRA audited financial statements

Table 2

## ROANOKE VALLEY RESOURCE AUTHORITY

Changes in Net Position

Last Ten Fiscal Years

(unaudited)

(accrual basis of accounting)

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income (Loss)	Total Nonoperating Revenues/ (Expenses)	Income/(Loss) before Special Items	Special Items	Change in Net Position
2025	\$ 18,599,527	\$ 18,127,372	\$ 472,155	\$ (55,134)	\$ 417,021	-	\$ 417,021
2024	16,969,470	15,600,072	1,369,398	(48,770)	1,320,628	-	1,320,628
2023	15,655,286	16,897,919	(1,242,633)	(144,300)	(1,386,933)	-	(1,386,933)
2022	15,193,858	14,119,651	1,074,207	(313,358)	760,849	-	760,849
2021	13,691,451	18,775,561	(5,084,110)	(626,704)	(5,710,814)	-	(5,710,814)
2020	14,092,716	17,513,285	(3,420,569)	(310,344)	(3,730,913)	-	(3,730,913)
2019	15,073,139	15,066,541	6,598	(115,454)	(108,856)	-	(108,856)
2018	13,718,403	16,150,782	(2,432,379)	(414,967)	(2,847,346)	-	(2,847,346)
2017	12,011,736	13,134,353	(1,122,617)	11,043	(1,111,574)	(634,856)	(1,746,430)
2016	8,743,169	12,034,820	(3,291,651)	106,683	(3,184,968)	-	(3,184,968)

The Authority implemented provisions of GASB Statement 75 during the 2018 fiscal year and restated beginning net position for 2018 and 2017, accordingly. Information relative to GASB Statement 75 was not available for fiscal years prior to fiscal year 2017 and therefore provisions of this statement were not applied retroactively in this table.

The Authority implemented provisions of GASB Statement 101 during the 2025 fiscal year and restated beginning net position for that year.

Source: RVRA audited financial statements

Table 3

**ROANOKE VALLEY RESOURCE AUTHORITY**  
 Operating Revenue by Source  
 Last Ten Fiscal Years  
 (unaudited)  
 (accrual basis of accounting)

Fiscal Year	Municipal Revenue	Commercial Revenue	Private Revenue	Recycling Revenue	Residential Homeowner Revenue	Miscellaneous Fees	Total Revenues
2025	\$ 6,075,518	\$ 7,674,529	\$ 3,742,397	\$ 48,559	\$ 740,092	\$ 318,432	\$ 18,599,527
2024	5,586,377	6,950,758	3,593,698	56,463	718,749	83,792	16,989,837
2023	5,593,110	6,216,350	2,997,726	56,102	715,753	52,291	15,631,332
2022	5,484,784	5,801,804	2,995,882	113,926	701,583	71,501	15,169,480
2021	5,696,356	4,288,829	2,765,597	102,676	682,466	155,527	13,691,451
2020	5,686,407	4,810,645	2,740,314	79,875	537,209	238,266	14,092,716
2019	5,387,546	6,177,973	2,706,997	82,022	538,463	180,138	15,073,139
2018	4,842,979	6,039,663	2,200,310	72,535	470,649	92,272	13,718,408
2017	4,698,363	4,987,383	1,758,711	50,922	424,074	92,283	12,011,736
2016	4,035,795	2,760,585	1,372,023	38,775	420,724	115,267	8,743,169

Source: RVRA audited financial statements

Table 4

ROANOKE VALLEY RESOURCE AUTHORITY  
 Operating Expenses  
 Last Ten Fiscal Years  
 (unaudited)  
 (accrual basis of accounting)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Salaries and Benefits	\$ 3,804,934	\$ 3,383,784	\$ 3,138,793	\$ 3,188,054	\$ 3,519,666	\$ 3,409,987	\$ 3,003,458	2,792,507	\$ 2,659,354	\$ 1,903,883
Landfill Closure and Postclosure	(146,191)	(428,245)	1,941,868	(230,280)	739,061	750,134	(1,006,653)	1,976,295	1,512,073	438,484
Other operating expenses	10,387,249	9,032,155	8,302,563	7,840,339	10,343,356	9,487,052	9,297,096	8,157,369	6,352,682	4,620,424
Depreciation	4,081,380	3,612,378	3,514,695	3,321,538	4,173,478	3,866,112	3,772,640	3,224,611	2,610,244	2,279,094
<b>Total Operating Expenses</b>	<b>\$ 18,127,372</b>	<b>\$ 15,600,072</b>	<b>\$ 16,897,919</b>	<b>\$ 14,119,651</b>	<b>\$ 18,775,561</b>	<b>\$ 17,513,285</b>	<b>\$ 15,066,541</b>	<b>16,150,782</b>	<b>\$ 13,134,353</b>	<b>\$ 9,241,885</b>

Source: RVRA audited financial statements

Table 5

**ROANOKE VALLEY RESOURCE AUTHORITY**  
 Nonoperating Revenues and Expenses  
 Last Ten Fiscal Years  
 (unaudited)  
 (accrual basis of accounting)

Fiscal Year	Interest Revenue	Gain (Loss) on Sale of Assets	Interest and Fiscal Charges	Total Non- Operating Income (Expenses)
2025	\$ 465,173	\$ 40,979	\$ (561,286)	\$ (55,134)
2024	487,567	26,110	(562,447)	(48,770)
2023	333,864	107,951	(586,115)	(144,300)
2022	27,500	299,355	(640,213)	(313,358)
2021	24,266	-	(650,970)	(626,704)
2020	207,474	(16,975)	(500,843)	(310,344)
2019	295,546	128,514	(539,514)	(115,454)
2018	165,909	(47,796)	(533,080)	(414,967)
2017	158,602	-	(147,559)	11,043
2016	106,683	-	-	106,683

Source: RVRA audited financial statements

Table 6

**ROANOKE VALLEY RESOURCE AUTHORITY**

Annual Tonnage Received

Last Ten Fiscal Years

(unaudited)

(accrual basis of accounting)

<b>Fiscal Year</b>	<b>Municipal Tonnage</b>	<b>Commercial Tonnage</b>	<b>Private Tonnage</b>	<b>Residential Tonnage</b>	<b>Total Tonnage</b>
2025	104,228	163,008	53,242	11,564	332,042
2024	102,655	143,058	54,084	11,982	311,779
2023	103,699	126,068	46,333	11,971	288,071
2022	104,131	105,391	50,466	11,683	271,671
2021	108,815	67,076	44,011	12,683	232,585
2020	109,912	75,927	44,691	10,728	241,258
2019	106,915	100,434	43,838	11,805	262,992
2018	99,326	103,139	38,854	10,844	252,163
2017	96,459	84,839	29,708	10,158	221,164
2016	84,167	46,854	23,553	9,329	163,903

Source: RVRA reports provided by staff

Table 7

## ROANOKE VALLEY RESOURCE AUTHORITY

## Principal Customers

(unaudited)

(accrual basis of accounting)

	FY 2025		FY 2016	
	Revenue Amount	Percentage of Total	Revenue Amount	Percentage of Total
City of Roanoke	\$ 2,626,074	14.40%	\$ 1,944,523	22.24%
County of Roanoke	2,319,288	12.72%	1,926,749	22.04%
Waste Management Inc	1,477,691	8.10%	1,092,432	12.49%
First Piedmont Corporation	1,131,294	6.20%	586,538	6.71%
GFL (formerly County Waste)	1,848,069	10.14%	-	0.00%
City of Salem	904,941	4.96%	-	0.00%
Tidy Services	742,444	4.07%	375,102	4.29%
Residential Disposal Program	740,092	4.06%	420,723	4.81%
Republic Services	1,698,331	9.31%	-	0.00%
Town of Vinton	225,214	1.24%	165,662	1.89%
Subtotal largest customers	13,713,438	75.21%	6,511,729	74.48%
Balance From other Customers	4,519,098	24.79%	2,231,438	25.52%
Grand Totals	\$ 18,232,536	100.00%	\$ 8,743,167	100.00%

Source: RVRA reports provided by staff

**Table 8**

**ROANOKE VALLEY RESOURCE AUTHORITY**

Disposal Fees Per Ton

Last Ten Fiscal Years

(unaudited)

(accrual basis of accounting)

<b>Fiscal Year</b>	<b>Municipal Rate</b>	<b>Commercial Rate</b>	<b>Private Rate</b>	<b>Residential Rate</b>
2025	\$ 56.50	\$ 67.50	\$ 67.50	\$ 56.50
2024	55.00	65.75	65.75	55.00
2023	55.00	64.50	64.50	55.00
2022	53.50	62.75	62.75	53.50
2021	53.50	62.75	62.75	53.50
2020	53.50	61.50	61.50	53.50
2019	51.50	61.50	61.50	51.50
2018	49.50	59.50	59.50	49.50
2017	49.50	59.50	59.50	49.50
2016	49.00	59.00	59.00	49.00

Source RVRA Budget Book

Table 9

**ROANOKE VALLEY RESOURCE AUTHORITY**  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	Revenue Bonds and Locality Compensation		Roanoke County		Roanoke City		Vinton		City of Salem*	
	Payments	Leases	As a Share of Personal		As a Share of Personal		As a Share Of Personal		As a Share Of Personal	
			Per Capita	Income	Per Capita	Income	Per Capita	Income	Per Capita	Income
2025	\$ 22,559,343	\$ -	\$ 234	0.40%	\$ 228	0.45%	\$ 2,804	0.40%	\$ 903	0.40%
2024	23,981,965	-	248	0.42%	242	0.48%	2,981	0.42%	960	0.42%
2023	25,093,333	-	260	0.45%	252	0.50%	3,120	0.45%	1,007	0.45%
2022	26,596,891	-	275	0.50%	266	0.57%	3,316	0.50%	1,061	0.50%
2021	27,838,501	-	287	0.54%	278	0.61%	3,435	0.54%	1,098	0.54%
2020	18,767,294	-	192	0.37%	180	0.41%	2,218	0.37%	711	0.37%
2019	18,782,733	654,756	201	0.32%	188	0.45%	2,320	0.32%	732	0.32%
2018	19,566,849	1,007,975	209	0.35%	196	0.49%	2,426	0.35%	757	0.35%
2017	20,000,000	-	213	0.35%	201	0.49%	2,444	0.35%	783	0.35%
2016	-	-	-	0.00%	-	0.00%	-	0.00%	-	0.00%

Source: Annual Comprehensive Financial Reports from Roanoke County, Roanoke City, Vinton, and Salem  
 Population and Personal Income data from the Bureau of Economic Analysis  
 Audited financial statements Roanoke Valley Resource Authority

Note: The Authority did not have any revenue bonds outstanding as of June 30, 2016.

\* The City of Salem joined the RVRA in FY2017

Table 10

**ROANOKE VALLEY RESOURCE AUTHORITY**  
Pledged Revenue Coverage  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Operating Revenues	Investment Income	Other Income	Gross Revenues (a)	Less: Operating Expenses (excluding depreciation and change in future landfill liability) (b)	Debt Service		Total Debt Service	Net Available Revenues (a-b)	Coverage Ratio
						Principal	Interest			
2025	\$ 18,599,527	\$ 465,173	\$ 40,979	\$ 19,105,679	\$ 14,348,243	\$ 1,254,177	\$ 735,621	\$ 1,989,798	\$ 4,757,436	2.39
2024	16,969,470	487,567	26,110	17,483,147	12,549,710	1,167,544	747,363	1,914,907	4,933,437	2.58
2023	15,655,286	333,864	107,951	16,097,101	11,564,745	1,120,827	778,118	1,898,945	4,532,356	2.39
2022	15,193,858	27,500	-	15,221,358	11,149,779	848,708	780,405	1,629,113	4,071,579	2.50
2021	13,691,451	24,266	-	13,715,717	13,976,244	826,888	451,208	1,278,096	(260,527)	(0.20)
2020	14,092,716	207,474	-	14,300,190	13,029,250	805,360	508,151	1,313,511	1,270,940	0.97
2019	15,073,139	295,546	-	15,368,685	12,686,064	784,116	546,595	1,330,711	2,682,621	2.02
2018	13,718,403	165,909	-	13,884,312	12,051,008	433,151	452,274	885,425	1,833,304	2.07
2017	12,011,736	158,602	-	12,170,338	10,126,718	219,069	-	219,069	2,043,620	9.33
2016*	8,743,169	106,683	-	8,849,852	6,524,308	-	-	-	2,325,544	na

Notes: \*The Authority did not have any debt outstanding in 2016.  
The Authority's current bonds require a coverage ratio of 1.0.

During the fiscal year ended June 30, 2021, the Authority began transitioning from a rail based to a road based transporter of waste. This transition increased operating expenses by \$2,421,107 as waste was temporarily delivered to another landfill. The aforementioned operating expenses were related to additional transportation and disposal costs that will not be incurred upon the completion of a road to the Smith Gap Landfill. The net available revenues would have been \$882,484 if these transition expenses were not included in the above calculation.

Source: RVRA financial and budget records.

Table 11

**ROANOKE VALLEY RESOURCE AUTHORITY**  
Demographic Information  
Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Roanoke County				Roanoke City			
	Population	Personal Income *	Per Capita Income	Unemployment Rate	Population	Personal Income	Per Capita Income	Unemployment Rate
2025	96,497	\$ 7,822,610,000	\$ 63,792	3.3%	99,504	\$ 5,448,837,000	\$ 56,075	4.0%
2024	96,519	7,237,160,000	59,109	2.8%	99,045	4,971,266,000	50,807	3.3%
2023	96,605	7,004,787,000	57,434	2.6%	99,634	5,002,492,000	50,599	3.2%
2022	96,546	6,588,916,000	54,977	2.6%	99,883	4,628,669,000	46,727	4.8%
2021	96,929	6,391,212,000	53,489	3.6%	100,011	4,488,860,000	45,277	5.3%
2020	93,805	6,254,966,000	52,248	7.0%	99,920	4,341,578,000	43,451	4.7%
2019	93,672	5,962,802,000	49,860	2.7%	99,920	4,187,753,000	41,946	2.8%
2018	93,735	5,785,780,000	48,384	3.1%	99,908	4,211,972,000	42,263	3.7%
2017	93,924	5,758,037,000	48,047	3.6%	99,644	4,090,520,000	40,947	4.5%
2016	93,775	5,435,865,000	45,577	3.5%	99,681	3,915,935,000	39,385	4.1%

Fiscal Year	Vinton				City of Salem*			
	Population	Personal Income	Per Capita Income	Unemployment Rate	Population	Personal Income	Per Capita Income	Unemployment Rate
2025	8,059	\$ 7,822,610,000	\$ 63,792	3.5%	25,099	\$ 7,822,610,000	\$ 63,792	3.5%
2024	8,046	7,237,160,000	59,109	2.7%	24,985	7,237,160,000	59,109	3.2%
2023	8,043	7,004,787,000	57,434	2.7%	24,924	7,004,787,000	57,434	2.9%
2022	8,021	6,588,916,000	54,977	2.8%	25,060	6,588,916,000	54,977	3.6%
2021	8,104	6,391,212,000	53,489	3.6%	25,301	6,391,212,000	53,489	4.0%
2020	8,104	6,254,966,000	52,248	8.1%	25,301	6,254,966,000	52,248	9.1%
2019	8,096	5,962,802,000	49,860	2.9%	25,643	5,962,802,000	49,860	2.9%
2018	8,065	5,785,780,000	48,384	3.4%	25,862	5,785,780,000	48,384	3.4%
2017	8,185	5,758,037,000	48,047	3.7%	25,549	5,758,037,000	48,047	-
2016	8,151	5,435,865,000	43,418	3.6%	-	-	-	-

Source: Annual Comprehensive Financial Reports from Roanoke County, Roanoke City, Vinton and Salem  
Population and Personal Income data from the Bureau of Economic Analysis

\* City of Salem joined RVRA during the fiscal year ending June 30, 2017.

Table 12

## ROANOKE VALLEY RESOURCE AUTHORITY

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

Table 13

**ROANOKE VALLEY RESOURCE AUTHORITY**  
Number of Employees by Identifiable Activity  
Last Ten Fiscal Years  
(unaudited)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Administration</b>										
General Management	3	2	3	3	3	3	3	3	3	3
Finance	2	2	2	1	1	1	1	1	1	1
Administrative Coordinator	1	1	1	1	1	1	1	1	1	1
Business Supervisor	-	-	-	1	1	1	1	1	1	1
<b>Operating</b>										
Supervisors	8	8	8	5	5	5	3	3	3	2
Scale Operators	2	2	3	3	3	3	3	3	3	1
Equipment Operators	23	23	22	25	27	27	25	24	24	18
Building and General Maintenance	1	1	1	1	1	1	1	1	1	1
Equipment Mechanic	-	-	-	-	-	-	-	1	1	1
<b>Total Employees</b>	<b>40</b>	<b>39</b>	<b>40</b>	<b>40</b>	<b>42</b>	<b>42</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>29</b>

Source: RVRA Budget Book

Table 14

**ROANOKE VALLEY RESOURCE AUTHORITY**  
 Operating and Capital Indicators  
 Last Ten Fiscal Years  
 (Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Waste Received in tons	343,746	311,779	288,071	271,671	232,585	241,258	262,992	252,163	221,164	163,903
Materials Recycled in tons (equals total above)										
Wood	11,168	10,601	12,463	11,592	12,671	11,564	11,921	10,311	10,304	11,344
Metal	305	326	357	383	523	492	497	494	371	262
Tires	665	732	1,030	1,069	915	898	671	600	418	299
Other (batteries, cardboard, glass, newspapers)	-	-	-	1	5	16	27	59	46	43
Landfilled	331,608	300,120	274,221	258,626	218,471	228,288	249,876	240,699	210,025	151,955
Percent Recycled	3.50%	3.70%	4.81%	4.80%	6.07%	5.38%	5.00%	4.54%	5.03%	7.30%
Residential Waste Disposal										
Tonnage	12,979	12,112	11,969	11,681	12,684	10,729	11,806	10,846	10,158	9,329
Tires (Count)	1,903	1,971	1,453	1,290	1,590	1,381	1,950	2,289	1,715	1,971
Transactions	52,472	49,208	48,433	47,146	51,315	43,506	47,617	44,355	41,132	37,911
Disposal Fees	\$ 740,031	\$ 718,749	\$ 717,844	\$ 699,498	\$ 682,465	\$ 537,178	\$ 538,454	\$ 470,648	\$ 424,074	\$ 420,724
Disposal Fees										
Municipal Rate	\$ 56.50	\$ 55.00	\$ 55.00	\$ 53.50	\$ 53.50	\$ 53.50	\$ 51.50	\$ 49.50	\$ 49.50	\$ 49.50
Commercial Rate	\$ 67.50	\$ 65.75	\$ 64.50	\$ 62.75	\$ 62.75	\$ 61.50	\$ 61.50	\$ 59.50	\$ 59.50	\$ 59.50
Private Rate	\$ 67.50	\$ 65.75	\$ 64.50	\$ 62.75	\$ 62.75	\$ 61.50	\$ 61.50	\$ 59.50	\$ 59.50	\$ 59.50
Residential Rate	\$ 56.50	\$ 55.00	\$ 55.00	\$ 53.50	\$ 53.50	\$ 53.50	\$ 51.50	\$ 49.50	\$ 49.50	\$ 49.50
Wood Waste Rate	\$ 38.00	\$ 37.00	\$ 36.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00	\$ 35.00
Railcar Waste Transported in tons										
Railcars	N/A	N/A	N/A	N/A	2,014	3,084	2,934	3,449	2,979	2,361
Tonnage	N/A	N/A	N/A	N/A	142,935	212,181	201,352	230,434	196,743	150,597
Average	N/A	N/A	N/A	N/A	70.97	68.80	68.63	66.81	66.04	63.79
Shipping Cost	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 1,875,591	\$ 2,670,963	\$ 2,344,947	\$ 2,525,469	\$ 2,194,605	\$ 1,734,373
Capital Indicators										
Number of Permitted Sites	4	4	4	4	4	4	4	4	4	3
Number of Open Permitted Sites	3	3	3	3	3	3	3	3	3	2
Number of Collection sites	3	3	3	3	3	3	3	3	3	2

Source: Roanoke Valley Resource Authority records

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**COMPLIANCE SECTION**

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**Independent Auditors' 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***

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**To the Members of the Board  
Roanoke Valley Resource Authority  
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 Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the business-type activities of the Roanoke Valley Resource Authority as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Roanoke Valley Resource Authority's basic financial statements, and have issued our report thereon dated September 16, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Roanoke Valley Resource Authority'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 Roanoke Valley Resource Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Roanoke Valley Resource Authority's internal control.

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Roanoke Valley Resource Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with

those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

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

*Robinson, Farmer, Cox Associates*

Blacksburg, Virginia  
September 16, 2025