



Debt Service Fund





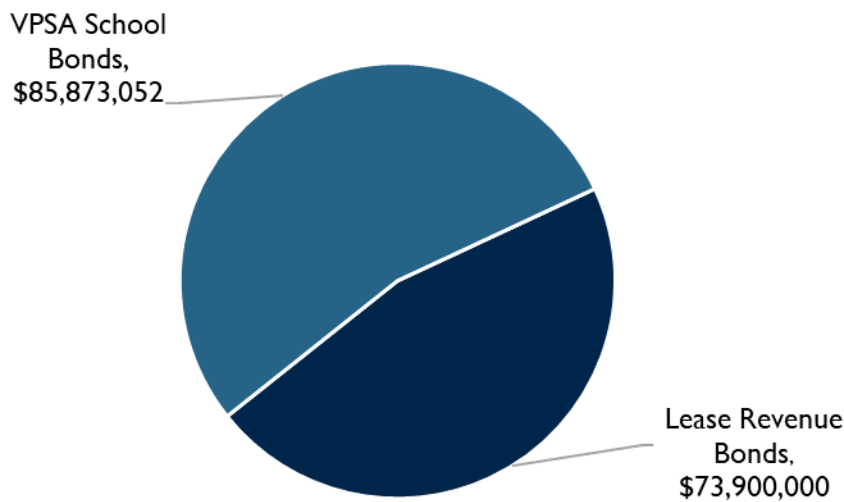
Debt Service Fund

The Constitution of Virginia and the Public Finance Act of 1991 provide the authority for a county to issue general obligation debt secured solely by the pledge of its full faith and credit. A county also is authorized to issue debt secured solely by the revenues of the system for which the bonds are issued. There is no limitation imposed by state law or local ordinance on the amount of general obligation debt that a county may issue; however, with certain exceptions, all debt which is either directly or indirectly secured by the general obligation of a county must be approved at public referendum prior to issuance. Debt secured solely by the revenues generated by the system for which the bonds were issued may be issued in any amount without public referendum. The County has bond ratings on outstanding lease revenue bonds as follows: Standard & Poor's AA+, Moody's Investor Services Aa1, and Fitch AA+.

Debt Issuance to Date

As of June 30, 2022, the County of Roanoke had \$159,773,052 in outstanding long-term debt. This balance is comprised of:

Lease Revenue Bonds	\$ 73,900,000
VPSA School Bonds	85,873,052
<hr/>	
Total County Obligations	\$ 159,773,052
 Bond Premiums ¹ (For Information Only)	 \$ 12,384,805



¹ Due to GASB regulations, bond premiums are considered long-term obligations, but are not payable by the County.



Debt Service Fund

The Debt Service Fund accounts for Roanoke County Government debt service payments as well as all debt service associated with Roanoke County Public Schools (RCPS), and individual bonds. Total debt service payments for both RCPS and the County will total \$19,313,001 in fiscal year 2024. Of that total, the County is responsible for the transfer of \$14,705,700 from the County General Fund and RCPS contributes \$4,125,345 from their School Operating Fund. The remaining debt expenditures consist of bank service charges, bond issuance costs, and transfers to County and School capital funds.

As previously mentioned, there is no limitation imposed by state law or local ordinance on the amount of debt that a County may issue; however, all debt that is secured by the general obligation of a County must be approved by referendum. Given this fact, the County must be acutely aware that as debt levels increase, expenditure flexibility is decreased. Bond rating agencies recommend a maximum debt service level of 10% of general fund expenditures and maximum long-term debt of 5% of assessed valuation.

On July 11, 2023, the County Board of Supervisors amended the Comprehensive Financial Policy, which establishes guidelines for the issuance of debt, and is reviewed annually. The County does not have any Constitutional or Statutory Debt Limits. The County does abide by the following self-imposed debt targets:

- Net Outstanding and Projected Debt as a Percentage of Total Taxable Assessed Value will not exceed three percent (3%) in the current fiscal year or subsequent fiscal years as detailed in the County's Capital Improvement Program.
- General Obligation Current and Projected Debt Service as a Percentage of General Government Expenditures will not exceed ten percent (10%) in the current fiscal year or subsequent fiscal years as detailed in the County's Capital Improvement Program. General Government expenditures include the Governmental Fund expenditures, the School Board component unit expenditures, and County and School transfer to capital projects and Proprietary Funds as outlined in the County's Annual Report.

All of these ratios fall comfortably below County limits for each year of the ten-year Capital Improvement Program. In general terms, these ratios indicate that the County's current debt requirements will not adversely affect funding for future generations. However, it is extremely important to monitor fiscal position, given the debt requirements to which the County has committed.



Debt Service Fund

Revenue and Expenditure Summary

	Actual FY 2022	Amended FY 2023	Adopted FY 2024	\$ Increase (Decrease)
Revenue				
From Local Sources				
Locality Compensation Payment	\$ 124,438	\$ 124,663	\$ 124,738	\$ 75
Interest Income	9	-	-	-
Miscellaneous	376,967	350,956	346,388	(4,568)
Total	501,414	475,619	471,126	(4,493)
Transfers from Other Funds				
County General Fund	14,252,105	14,262,853	14,705,700	442,847
School Debt Fund	200,983	175,478	173,194	(2,284)
School Operating Fund	4,125,345	4,125,345	4,125,345	-
Total Transfers	18,578,433	18,563,676	19,004,239	440,563
Total Revenues	19,079,847	19,039,295	19,475,365	436,070
Fund Balance - Beginning	240,332	259,722	262,465	2,743
Total Revenues & Fund Balance	\$ 19,320,179	\$ 19,299,017	\$ 19,737,830	\$ 438,813
Expenditures				
County Debt Service Payments				
Lease Revenue Bonds	6,722,588	6,719,160	7,734,872	1,015,712
Miscellaneous	2,600	10,000	15,569	5,569
Total Debt Service - County	6,725,188	6,729,160	7,750,441	1,021,281
School Debt Service Payments				
VPSA Bonds	11,779,301	11,793,702	11,220,911	(572,791)
Miscellaneous	6,224	-	830	830
Total Debt Service - Schools	11,785,525	11,793,702	11,221,741	(571,961)
Transfers to Other Funds				
County Capital Fund	180,000	175,478	167,625	(7,853)
School Capital Fund	167,477	165,193	-	(165,193)
County Debt Fund	200,983	175,478	173,194	(2,284)
Total Debt Service - Schools	548,460	516,149	340,819	(175,330)
Total Expenditures	19,059,173	19,039,011	19,313,001	273,990
Fund Balance - Ending	261,006	260,006	424,829	164,823
Total Expenditures & Fund Balance	\$ 19,320,179	\$ 19,299,017	\$ 19,737,830	\$ 438,813



Other Long-Term Obligations

Roanoke Regional Airport Commission

On July 1, 1987, the Board of Supervisors committed to participation in the Roanoke Regional Airport Commission with the City of Roanoke. The Commission was established by legislative act of the Commonwealth of Virginia to own and operate the Roanoke Regional Airport. As of July 1, 1987, under agreement between the City of Roanoke and the County of Roanoke, the City transferred to the Commission airport real estate, personal property, and funds to pay unexpended balances from outstanding obligations. The Commission itself, issued \$7.3 million in revenue bonds in 1988 for the construction, expansion and equipment for a new airport terminal. These bonds have been retired in total. The Commission is responsible for paying all outstanding debt. The City and County, however, are responsible for their prorated share of any year-end operating deficits. The prorated share is based on the proportionate share of residents utilizing the airport facility from each locality. Roanoke County also paid a base service fee of \$264,640 each year that ended in fiscal year 1997. To date, the airport has not incurred any year-end operating deficits for which the City or County would be responsible.

Roanoke Valley Resource Authority

Roanoke County is also a member of the Roanoke Valley Resource Authority. The Authority is the successor to the Roanoke County Resource Authority and was chartered by the State Corporation Commission on January 10, 1992. The Charter members of the Authority include the County of Roanoke, the City of Roanoke, the Town of Vinton, and added in 2016, the City of Salem. The purpose of the Authority is to develop a regional solid waste disposal facility to dispose of non-hazardous solid waste generated within the Member jurisdictions. The Member Use Agreement has a minimum term of fifty years. It provides the Roanoke Valley Resource Authority with administrative responsibility for the regional waste disposal system. These responsibilities include development, construction, operation and maintenance of the Landfills in Roanoke County and the Transfer Station in Roanoke City.

Charter Members are required to make up any annual operating deficit of the Authority on a prorated basis. The prorated amount is based on each locality's population at the close of the preceding fiscal year. For fiscal year 2023, each Charter Member's prorated share was as follows: County of Roanoke, 42.06%; City of Roanoke, 43.52%; City of Salem, 10.92%; and the Town of Vinton, 3.50%.

After the first full year of operations, the Members Use Agreement requires the Authority to pay an annual community fee (host fee) to the County of Roanoke and the City of Roanoke \$300,000 and \$100,000 respectively. The County's host fee is level for fiscal year 2024 at \$350,000, with the last increase in fiscal year 2018. These payments are made in consideration of the Landfill's location in the County and the Transfer Station's location in the City. The new regional waste disposal began operations in May 1994.

Regional Center for Animal Care and Protection

The Regional Center for Animal Care and Protection (the Regional Pound) was created by an intergovernmental agreement dated December 11, 2012 between the charter members of the County, City of Roanoke, Town of Vinton, and Botetourt County pursuant to code section 3.26546 of the Code of Virginia which requires the governing body of each county, town, or city to maintain or cause a "pound" to be maintained and allows one or more local governing bodies to operate a single "pound" in conjunction with one another. This agreement established a format to transition the management of the "pound" from the Roanoke Valley Society for the Prevention of Cruelty to Animals to the governing localities and also



established the County of Roanoke as the fiscal agent effective July 1, 2013. With the equitable ending of the Vinton Gainsharing Agreement, effective July 1, 2019, the County of Roanoke is responsible for payment of the Town of Vinton's pro-rata share of operating, debt, and capital expenses.

Participating localities are responsible for their pro-rata share of the operating budget, which is billed on a monthly basis. The County's budgeted contribution in fiscal year 2024 to the Regional Pound is \$905,379.

Western Virginia Water Authority

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

In November 2007, the Board approved a three-party agreement between the WVWA, Franklin County, and the County. The agreement is to provide for the construction of a water line in the Route 220 corridor from Clearbrook in Roanoke County to the Wirtz Plateau in Franklin County. The WVWA designed, constructed, and issued revenue bonds for this \$5.5 million project. Roanoke County's contribution to this project is approximately \$2.3 million payable over 20 years, beginning in fiscal year 2009. The County's adopted budgeted contribution to the WVWA for this project in fiscal year 2024 is \$175,732.

Western Virginia Regional Jail Authority

The Counties of Roanoke, Franklin, Montgomery, and the City of Salem formed the Western Virginia Regional Jail Authority (WVRJA) in June 2005 for the purpose of developing and operating a regional jail authority for the benefit of the Member Jurisdictions. The Board consists of three representatives from each of the Member Jurisdictions. The Member Jurisdictions will each be responsible for a per diem cost based on their prisoner days used. The County's contribution to the WVRJA in the adopted fiscal year 2023-2024 Operating Budget is estimated at \$4,476,395 based on current total per diem of \$3,354,925 and debt service of \$1,121,470.



COUNTY OF ROANOKE, VIRGINIA
Summary Schedule of Net Future Debt Requirements
 By Fiscal Year

Fiscal Year	Virginia Public School Authority Bonds		Lease Revenue Bonds		Lease Obligations ¹		Total Government Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	8,043,501	3,750,201	3,800,000	2,919,159	3,006,802	37,390	14,850,303	6,706,750
2024	8,048,369	3,172,542	3,990,000	2,741,194	2,491,402	22,085	14,529,771	5,935,821
2025	7,019,794	2,791,268	4,235,000	2,546,006	1,136,624	8,469	12,391,418	5,345,743
2026	7,026,556	2,450,980	4,440,000	2,335,272	137,338	778	11,603,894	4,787,030
2027	7,033,672	2,112,613	4,675,000	2,109,035	-	-	11,708,672	4,221,648
2028-2032	26,341,160	6,194,266	24,660,000	7,419,381	-	-	51,001,160	13,613,647
2033-2037	14,605,000	2,157,817	22,665,000	2,840,839	-	-	37,270,000	4,998,656
2038-2042	7,755,000	385,740	5,435,000	150,076	-	-	13,190,000	535,816
Total	\$ 85,873,052	\$ 23,015,427	\$ 73,900,000	\$ 23,060,962	\$ 6,772,166	\$ 68,722	\$ 166,545,218	\$ 46,145,111

¹ Due to the implementation of GASB 87 which recognizes certain lease assets and liabilities for leases previously classified as an operating lease.

*Information above is as presented in the 2022 Annual Comprehensive Financial Report, Footnote 8 pg. 65, Long-Term Debt.



COUNTY OF ROANOKE, VIRGINIA
Ratios of General Bonded Debt Outstanding
(Unaudited)
Last Ten Fiscal Years

General Bonded Debt Outstanding

Fiscal Year	General Obligation Debt	Lease Revenue Bonds	VPSA		State		Bond Premiums	Total	Percentage of Actual Value of Taxable Property		Per Capita Personal Income
			School Bonds	Literary Bonds	State Literary Bonds	Bond Premiums			Property	Income	
2022	\$ -	\$ 73,900,000	\$ 85,873,052	\$ -	\$ -	\$ 12,384,805	\$ 172,157,857	1.46	%	\$ 1,783	
2021	-	77,530,000	74,515,490	-	-	10,777,149	162,822,639	1.51		1,680	
2020	948,122	81,000,000	83,061,766	-	-	11,716,653	176,726,541	1.71		1,884	
2019	1,866,987	75,035,000	91,947,188	-	-	11,356,388	180,205,563	1.80		1,924	
2018	2,765,175	77,970,000	72,194,043	-	-	9,929,441	162,858,659	1.68		1,737	
2017	3,640,935	74,535,000	80,301,667	-	-	9,832,624	168,310,226	1.78		1,792	
2016	4,497,704	77,275,000	88,460,767	-	-	10,564,744	180,798,215	1.95		1,928	
2015	5,332,236	74,886,582	97,117,015	1,825,775	1,825,775	9,256,934	188,418,542	2.06		2,014	
2014	6,150,390	76,993,268	87,191,051	2,273,592	2,273,592	7,636,915	180,245,216	2.01		1,944	
2013	6,440,000	71,048,816	95,104,061	2,721,409	2,721,409	6,223,963	181,538,249	2.04		1,947	

*Information above is as presented in the 2022 Annual Comprehensive Financial Report, Table 10.



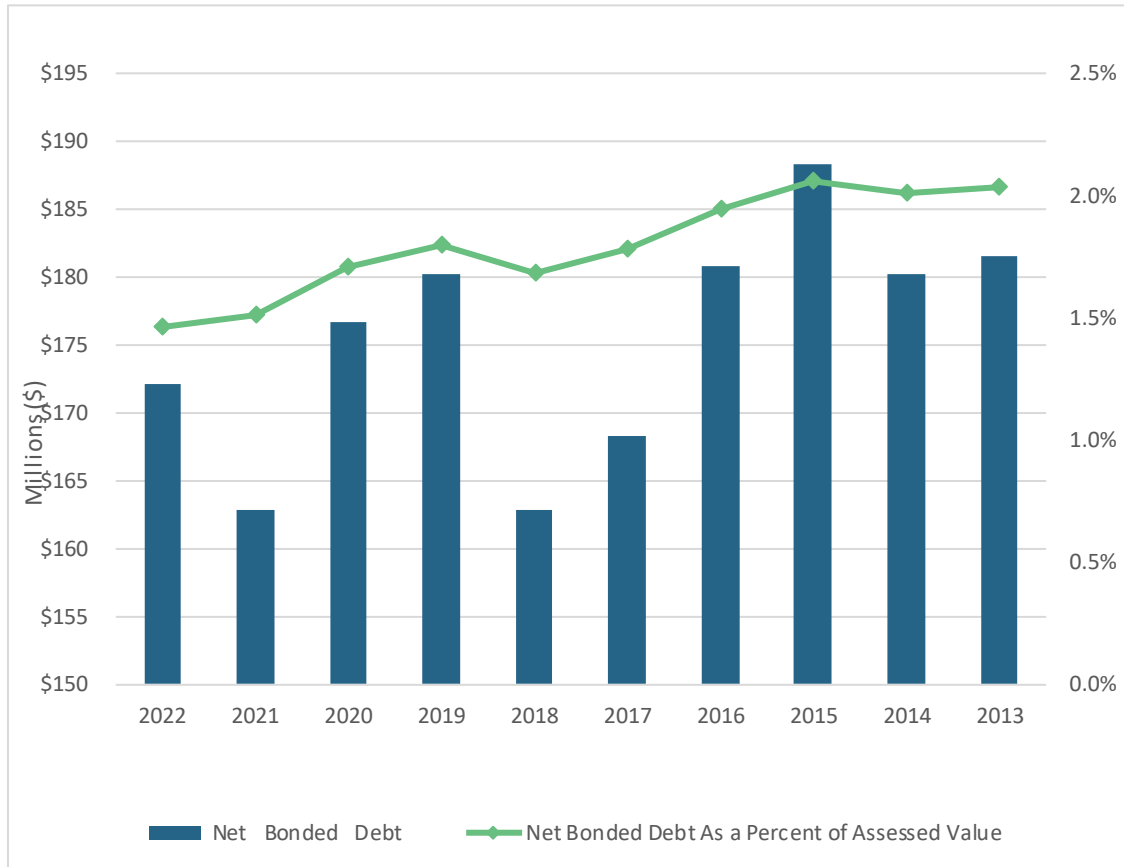
COUNTY OF ROANOKE, VIRGINIA
Debt Policy Information
(Unaudited)
Last Ten Fiscal Years

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General bonded debt outstanding										
General Obligation Bonds	\$ -	\$ -	\$ 948,122	\$ 1,866,987	\$ 2,765,175	\$ 3,640,935	\$ 4,497,704	\$ 5,332,236	\$ 6,150,390	\$ 6,440,000
Lease Revenue Bonds	73,900,000	77,530,000	81,000,000	75,035,000	77,970,000	74,535,000	77,275,000	74,886,582	76,993,268	71,048,816
VPSA School Bonds	85,873,052	74,515,490	83,061,766	91,947,188	72,194,043	80,310,667	88,460,767	97,117,015	87,191,051	95,104,061
State Literary Bonds	-	-	-	-	-	-	-	1,825,775	2,273,952	2,721,409
Bond Premiums	12,384,805	10,777,149	11,716,653	11,356,388	9,929,441	9,832,624	10,564,744	9,256,934	7,636,915	6,223,963
Total net debt applicable to debt limits	\$ 172,157,857	\$ 162,822,639	\$ 176,726,541	\$ 180,205,563	\$ 162,858,659	\$ 168,319,226	\$ 180,798,215	\$ 188,418,542	\$ 180,245,576	\$ 181,538,249
Ratio of net debt to assessed taxable property value	1.46%	1.51%	1.71%	1.80%	1.68%	1.78%	1.95%	2.06%	2.01%	2.04%
Debt limit per policy for property value	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Debt Service to General Government Expenditures	5.60%	6.35%	6.76%	6.26%	6.57%	6.78%	7.57%	7.14%	7.20%	8.51%
Debt limit per policy for general governmental expenditures	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

*Information above is as presented in the 2022 Annual Comprehensive Financial Report, Table 11.



Net Bonded Debt



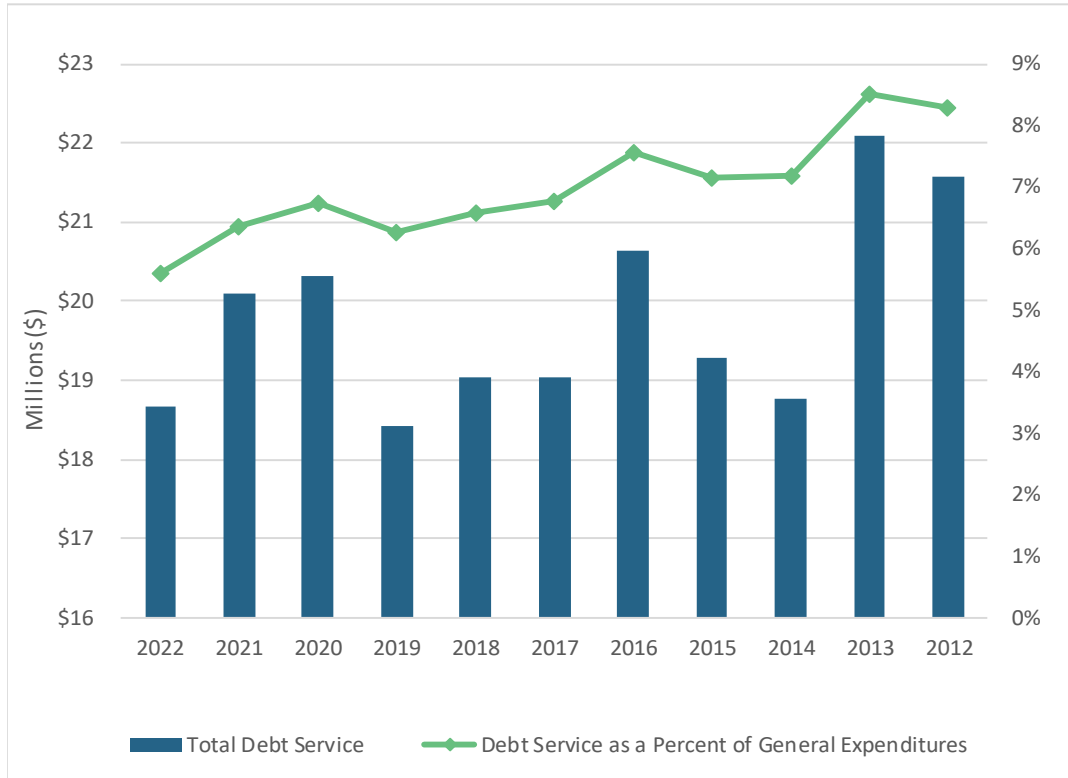
*Information above is as presented in the 2022 Comprehensive Annual Financial Report, Table I I.

Fiscal Year	Net Bonded Debt	Assessed Value	Net Bonded Debt As a Percent of Assessed Value
2022	\$ 172,157,857	\$ 11,757,810,429	1.46%
2021	162,822,639	10,747,921,409	1.51%
2020	176,726,541	10,321,664,217	1.71%
2019	180,205,563	10,016,037,813	1.80%
2018	162,858,659	9,670,040,170	1.68%
2017	168,310,226	9,446,397,362	1.78%
2016	180,798,215	9,275,943,131	1.95%
2015	188,418,542	9,130,102,050	2.06%
2014	180,245,576	8,963,207,870	2.01%
2013	181,538,249	8,881,396,900	2.04%

*Net bonded debt from the 2022 Annual Comprehensive Financial Report, Table 5 and Table I I.



Debt Service as a Percent of General Expenditures



Fiscal Year	Total Debt Service	Total General Government Expenditures	Debt Service as a Percent of General Expenditures
2022	\$ 18,678,191	\$ 333,665,020	5.60%
2021	20,088,526	316,423,757	6.35%
2020	20,328,729	300,911,274	6.76%
2019	18,425,918	294,441,008	6.26%
2018	19,028,480	289,492,761	6.57%
2017	19,033,256	280,536,145	6.78%
2016	20,651,461	272,818,478	7.57%
2015	19,276,946	269,891,195	7.14%
2014	18,761,096	260,674,387	7.20%
2013	22,082,701	259,471,652	8.51%
2012	21,585,152	260,467,376	8.29%

Note:

The County does not have any overlapping debt. General Government expenditures include the General Fund and Component Unit (School) data.