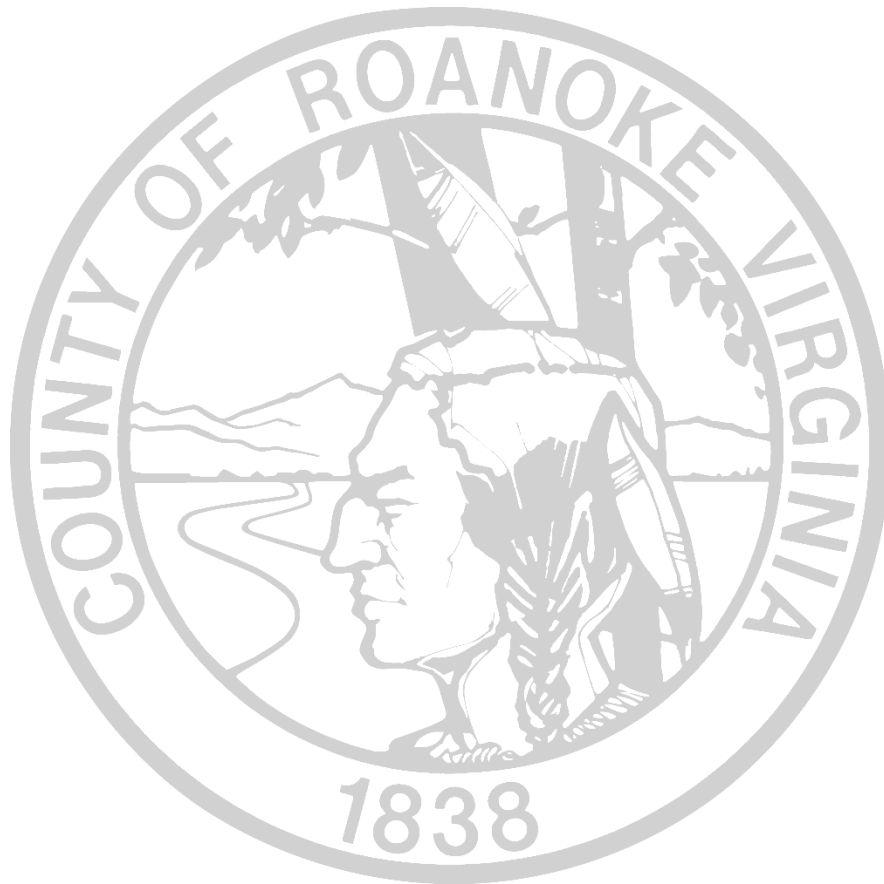




Debt Service Fund





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.

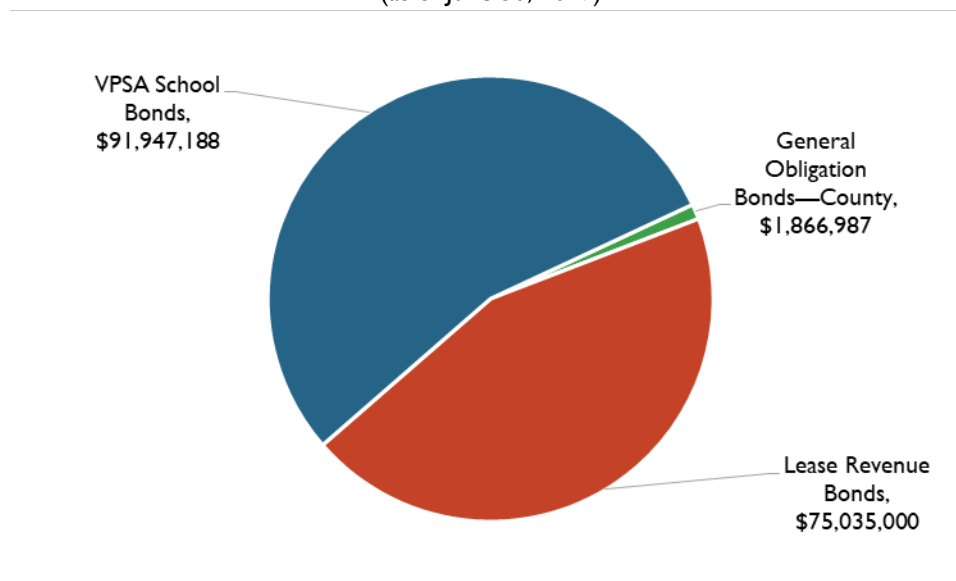
Debt Issuance to Date

As of June 30, 2019, the County of Roanoke had \$168,849,175 in outstanding long-term debt. This balance is comprised of:

General Obligation Bonds—County	\$ 1,866,987
Lease Revenue Bonds	75,035,000
VPSA School Bonds	91,947,188
<hr/>	
Total County Obligations	\$ 168,849,175
Bond Premiums ¹ (For Information Only)	11,356,388

County Long-Term Debt Obligations:

\$168,849,175
(as of June 30, 2019)



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 all debt service associated with Roanoke County Public Schools (RCPS) and Roanoke County Government debt service payments, and individual bonds. Total debt service expenditures for both RCPS and the County will total \$20,275,814 in FY 2021. Of that total, \$7,717,251 is included in the County portion of the Summary of All Funds in the Financial Summaries of this document. The RCPS portion of the Debt Service Fund is shown as part of the Component Unit Schools. RCPS submitted the FY 2021 budget, which was subsequently approved by the Board of Supervisors.

County Debt Fund					
Description	Actual FY 2019	Adopted FY 2020	Adopted FY 2021	\$ Change FY 20-21	% Change FY 20-21
Personnel	-	-	-	-	-
Non-Personnel	7,049,876	7,063,431	7,717,251	653,820	9.3%
Transfers & Other	-	-	-	-	-
Total	7,049,876	7,063,431	7,717,251	653,820	9.3%
Position Count	0	0	0	-	-

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 April 24, 2018, the County Board of Supervisors adopted 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 Comprehensive Annual Financial Report (CAFR).

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, give the debt requirements to which the County has committed.



Debt Service Fund

Revenue and Expenditure Summary				
	Actual	Adopted	Adopted	
	FY 2019	FY 2020	FY 2021	Inc/(Dec)
Revenue				
From Local Sources				
Locality Compensation Payment	\$ 124,894	\$ 124,444	\$ 125,371	\$ 927
Miscellaneous	159,347	165,913	377,886	211,973
Total	284,241	290,357	503,257	212,900
Transfers from Other Funds				
County General Fund	14,137,974	16,048,337	15,648,202	(400,135)
School Debt Fund	-	82,957	188,943	105,986
School Operating Fund	4,125,345	4,125,345	4,125,345	-
Total Transfers	18,263,319	20,256,639	19,962,490	(294,149)
Total Revenues	18,547,560	20,546,996	20,465,747	(81,249)
Fund Balance - Beginning	61,884	2,337	243,984	241,647
Total Revenues & Fund Balance	\$ 18,609,444	\$ 20,549,333	\$ 20,709,731	\$ 160,398
Expenditures				
County Debt Service Payments				
General Obligation Bonds	970,481	963,999	975,132	11,133
Lease Revenue Bonds	6,075,888	6,072,076	6,723,928	651,852
Miscellaneous	3,507	27,356	18,191	(9,165)
Total Debt Service - County	7,049,876	7,063,431	7,717,251	653,820
School Debt Service Payments				
VPSA Bonds	11,348,327	13,262,752	12,199,858	(1,062,894)
Miscellaneous	27,715	2,705	1,930	(775)
Total Debt Service - Schools	11,376,042	13,265,457	12,201,788	(1,063,669)
Transfers to Other Funds				
County Capital Fund	78,852	82,956	167,832	84,876
County Debt Fund	-	82,957	188,943	105,986
Total Debt Service - Schools	78,852	165,913	356,775	190,862
Total Expenditures	18,504,770	20,494,801	20,275,814	(218,987)
Fund Balance - Ending	104,674	54,532	433,917	379,385
Total Expenditures & Fund Balance	\$ 18,609,444	\$ 20,549,333	\$ 20,709,731	\$ 160,398



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 FY 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 2019, each Charter Member's prorated share was as follows: County of Roanoke, 41.19%; City of Roanoke, 43.90%; City of Salem, 11.37%; and the Town of Vinton, 3.54%.

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 FY 2021 at \$350,000, with the last increase in FY 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 FY 2021 to the Regional Pound is \$584,688. In addition, the City of Roanoke issued \$1,829,500 in bonds on November 1, 2013 to purchase the property and equipment from the Roanoke Valley Society for the Prevention of Cruelty to Animals on behalf of the Regional Pound. Participating localities are responsible for their pro-rata share of the outstanding debt, which is billed on a quarterly basis. For the year ended June 30, 2019, the County’s share of principal and interest was \$51,253.

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 FY 2009. The County’s proposed budgeted contribution to the WVWA for this project in FY 2021 is \$183,243.

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 FY 2020-2021 Operating Budget is estimated at \$3,948,047 based on current total per diem of \$3,009,925 and debt service of \$938,122.



**COUNTY OF ROANOKE, VIRGINIA
SUMMARY SCHEDULE OF NET FUTURE DEBT REQUIREMENTS
BY FISCAL YEAR**

Fiscal Year	General Obligation Serial Bonds		Virginia Public School Authority Bonds		Lease Revenue Bonds		Total Government Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	918,865	44,434	8,885,422	4,377,329	3,060,000	3,012,076	12,864,287	7,433,839
2021	948,122	22,566	8,546,276	3,653,582	3,195,000	2,880,244	12,689,398	6,556,392
2022	-	-	8,552,438	3,226,863	3,340,000	2,733,381	11,892,438	5,960,244
2023	-	-	7,043,501	2,835,696	3,495,000	2,575,200	10,538,501	5,410,896
2024	-	-	7,048,369	2,482,881	3,670,000	2,413,250	10,718,369	4,896,131
2025-2029	-	-	29,066,182	7,892,185	21,050,000	9,151,189	50,116,182	17,043,374
2030-2034	-	-	14,965,000	2,703,248	23,690,000	4,685,987	38,655,000	7,389,235
2035-2039	-	-	7,840,000	649,983	13,535,000	1,009,336	21,375,000	1,659,319
Total	1,866,987	67,000	91,947,188	27,821,767	75,035,000	28,460,663	168,849,175	56,349,430

*Information above is as presented in the 2019 Comprehensive Annual Financial Report (CAFR), page 67.



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

Fiscal Year	General Bonded Debt Outstanding							Total	Percentage of Actual Value of Taxable Property	Per Capita
	General Obligation Debt	Lease Revenue Bonds	VPSA School Bonds	State Literary Bonds	Bond Premiums					
2010	12,585,000	78,264,276	109,042,483	4,064,860	6,489,248		210,445,867	2.07%	2,312	
2011	10,615,000	75,952,287	101,503,194	3,617,042	6,112,426		197,799,949	2.01%	2,138	
2012	8,565,000	73,553,388	103,057,169	3,169,225	6,669,073		195,013,855	2.08%	2,104	
2013	6,440,000	71,048,816	95,104,061	2,721,409	6,223,963		181,538,249	2.00%	1,947	
2014	6,150,390	76,993,268	87,191,051	2,273,592	7,636,915		180,245,216	1.97%	1,944	
2015	5,332,236	74,886,582	97,117,015	1,825,775	9,256,934		188,418,542	1.94%	2,014	
2016	4,497,704	77,275,000	88,460,767	-	10,564,744		180,798,215	1.83%	1,928	
2017	3,640,935	74,535,000	80,301,667	-	9,832,624		168,310,226	1.66%	1,792	
2018	2,765,175	77,970,000	72,194,043	-	9,929,441		162,858,659	1.58%	1,737	
2019	1,866,987	75,035,000	91,947,188	-	11,356,388		180,205,563	1.66%	1,924	

*Information above is as presented in the 2019 Comprehensive Annual Financial Report (CAFR), page 195.



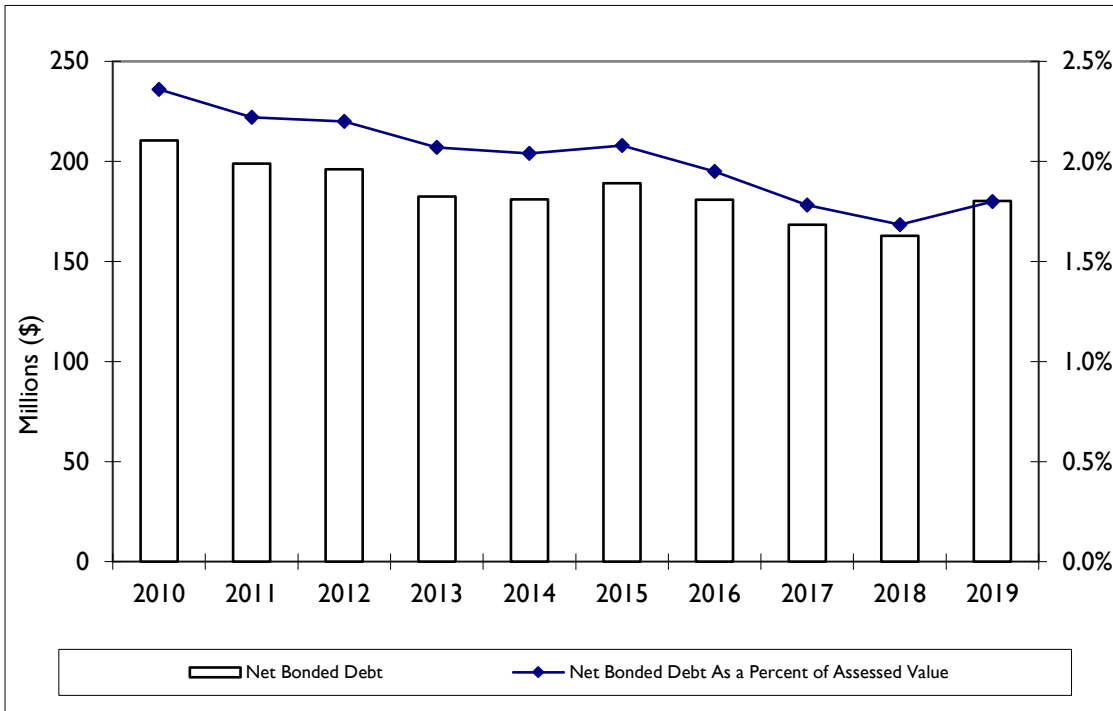
COUNTY OF ROANOKE, VIRGINIA
Debt Policy Information
(Unaudited)
Last Ten Fiscal Years

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General bonded debt outstanding										
General Obligation Bonds	\$ 1,866,987	\$ 2,765,175	\$ 3,640,935	\$ 4,497,704	\$ 5,332,236	\$ 6,150,390	\$ 6,440,000	\$ 8,565,000	\$ 10,615,000	\$ 12,585,000
Lease Revenue Bonds	75,035,000	77,970,000	74,535,000	77,275,000	74,866,582	76,983,268	71,048,816	73,553,388	75,952,287	78,264,276
VPSA School Bonds	91,947,188	72,194,043	80,310,667	88,460,767	97,117,015	87,191,051	95,104,061	103,057,169	101,503,194	109,042,483
State Literary Bonds	-	-	-	-	1,825,775	2,273,952	2,721,409	3,169,225	3,617,042	4,064,860
Bond Premiums	11,356,388	9,929,441	9,832,624	10,564,744	9,256,934	7,636,915	6,223,963	6,669,073	6,112,426	6,489,248
Total net debt applicable to debt limits	\$ 180,205,563	\$ 162,858,659	\$ 168,319,226	\$ 180,798,215	\$ 188,418,542	\$ 180,245,576	\$ 181,538,249	\$ 195,013,855	\$ 197,799,949	\$ 210,445,867
Ratio of net debt to assessed taxable property value	1.80%	1.68%	1.78%	1.95%	2.08%	2.04%	2.07%	2.20%	2.22%	2.36%
Debt limit per policy for property value	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Debt service to general governmental expenditures	6.26%	6.57%	6.78%	7.57%	7.14%	7.20%	8.51%	8.29%	8.51%	7.79%
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 2019 Comprehensive Annual Financial Report (CAFR), page 196.



Net Bonded Debt

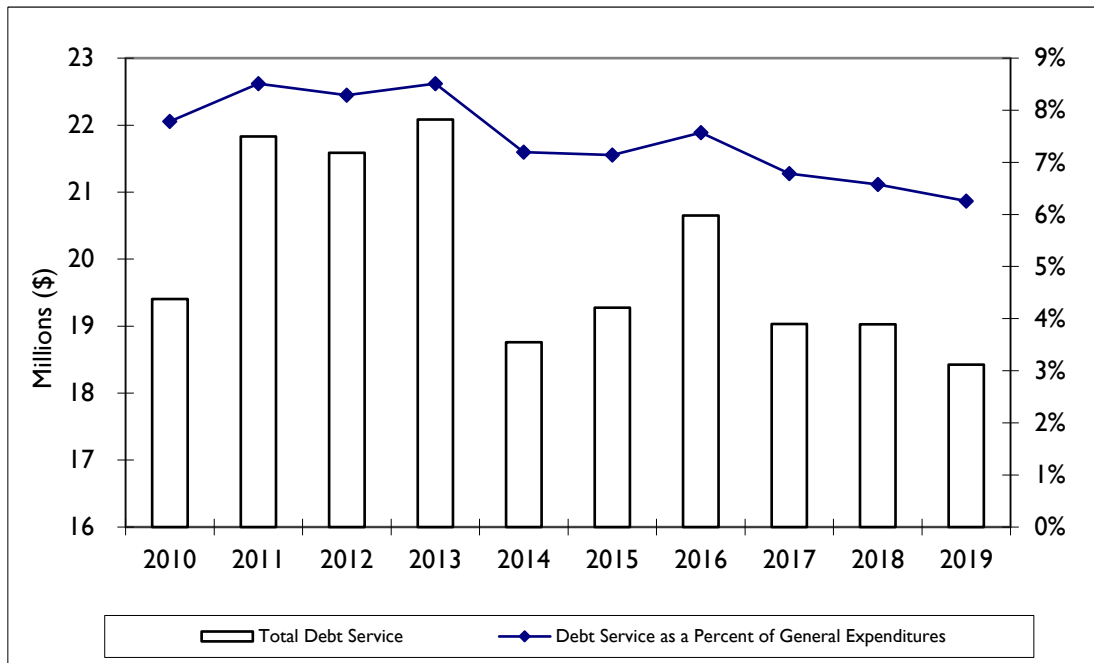


Fiscal Year	Net Bonded Debt	Assessed Value	Net Bonded Debt As a Percent of Assessed Value
2010	210,445,867	9,034,534,055	2.36%
2011	198,947,986	9,059,274,545	2.22%
2012	196,066,227	9,015,598,460	2.20%
2013	182,491,138	8,881,396,900	2.07%
2014	181,094,653	8,963,207,870	2.04%
2015	189,160,058	9,130,102,050	2.08%
2016	180,798,215	9,275,943,131	1.95%
2017	168,310,226	9,446,397,362	1.78%
2018	162,858,659	9,670,040,170	1.68%
2019	180,205,563	10,016,037,813	1.80%

*Net bonded debt from the 2019 Comprehensive Annual Financial Report (CAFR), page 190 and 194.



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
2010	19,401,848	249,134,370	7.79%
2011	21,832,457	256,591,051	8.51%
2012	21,585,152	260,467,376	8.29%
2013	22,082,701	259,471,652	8.51%
2014	18,761,096	260,674,387	7.20%
2015	19,276,946	269,891,195	7.14%
2016	20,651,461	272,818,478	7.57%
2017	19,033,256	280,536,145	6.78%
2018	19,028,480	289,492,761	6.57%
2019	18,425,918	294,441,008	6.26%

Notes:

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