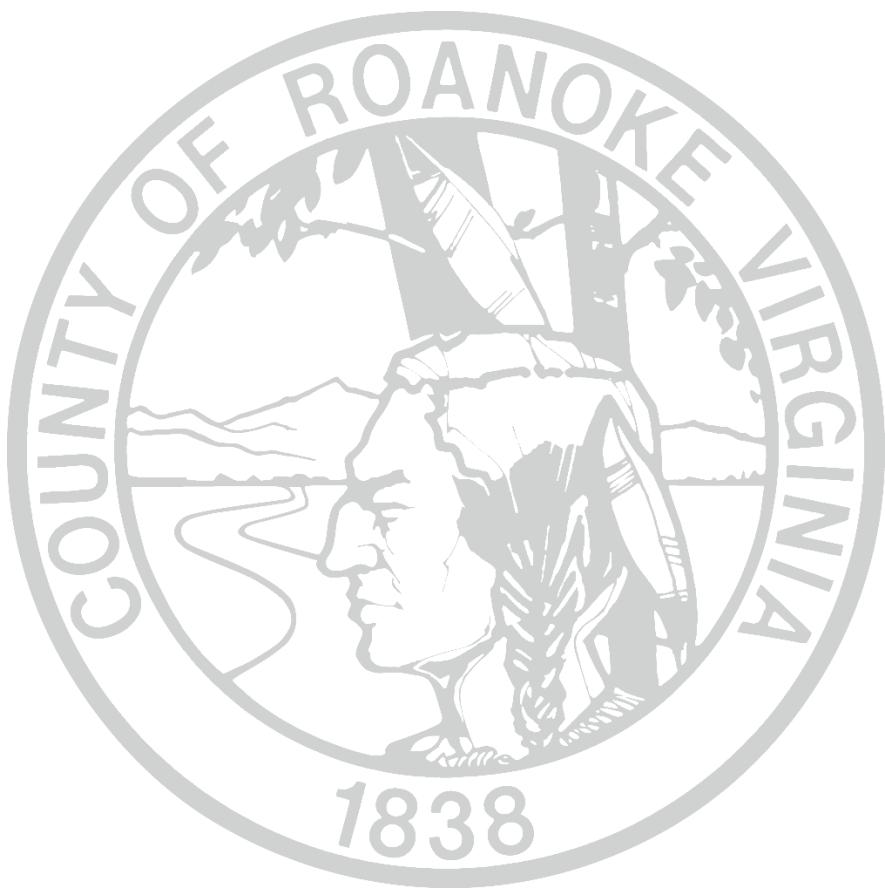




# Debt Service Fund





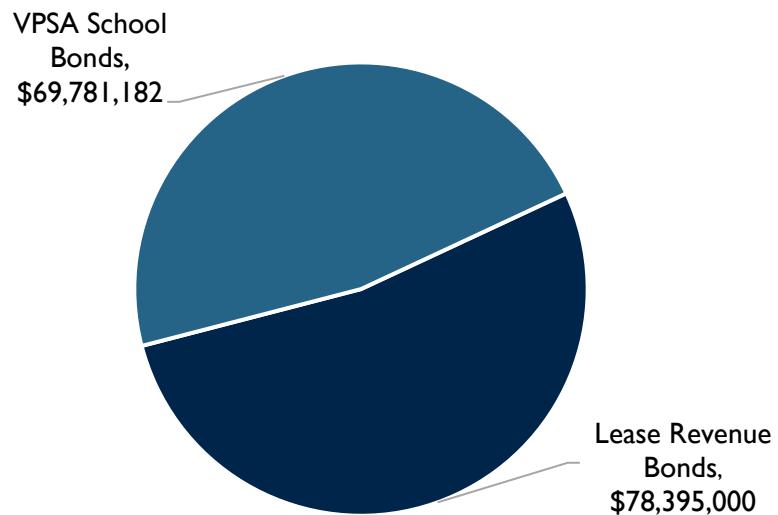
## Debt Service Fund

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, 2024, the County of Roanoke had \$148,176,182 in outstanding long-term debt. This balance is comprised of:

|   |                       |
|---|-----------------------|
| Lease Revenue Bonds                               | \$ 78,395,000         |
| VPSA School Bonds                                 | 69,781,182            |
| <b>Total County Obligations</b>                   | <b>\$ 148,176,182</b> |
| Bond Premiums <sup>1</sup> (For Information Only) | \$ 11,056,810         |



<sup>1</sup> 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 \$19,348,851 in fiscal year 2026. Of that total, the County is responsible for the transfer of \$14,792,337 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 October 21, 2024, 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<br>FY 2024    | Adopted<br>FY 2025   | Adopted<br>FY 2026   | \$ Increase<br>(Decrease) |
|--|----------------------|----------------------|----------------------|---------------------------|
| <b>Revenue</b>                               |                      |                      |                      |                           |
| <b>From Local Sources</b>                    |                      |                      |                      |                           |
| Locality Compensation Payment                | \$ 124,738           | \$ 124,663           | \$ 124,438           | \$ (225)                  |
| Interest Income                              | 6,696                | -                    | -                    | -                         |
| Miscellaneous                                | 346,388              | 249,500              | 291,165              | 41,665                    |
| <b>Total</b>                                 | <b>477,822</b>       | <b>374,163</b>       | <b>415,603</b>       | <b>41,440</b>             |
| <b>Transfers from Other Funds</b>            |                      |                      |                      |                           |
| County General Fund                          | 14,705,700           | 13,346,009           | 14,792,337           | 1,446,328                 |
| School Debt Fund                             | -                    | 124,750              | 145,582              | 20,832                    |
| School Operating Fund                        | 4,125,345            | 4,125,345            | 4,125,345            | -                         |
| <b>Total Transfers</b>                       | <b>18,831,045</b>    | <b>17,596,104</b>    | <b>19,063,264</b>    | <b>1,467,160</b>          |
| <b>Total Revenues</b>                        | <b>19,308,867</b>    | <b>17,970,267</b>    | <b>19,478,867</b>    | <b>1,508,600</b>          |
| Fund Balance - Beginning                     | 266,268              | 318,894              | 338,678              | 19,784                    |
| <b>Total Revenues &amp; Fund Balance</b>     | <b>\$ 19,575,135</b> | <b>\$ 18,289,161</b> | <b>\$ 19,817,545</b> | <b>\$ 1,528,384</b>       |
| <b>Expenditures</b>                          |                      |                      |                      |                           |
| <b>County Debt Service Payments</b>          |                      |                      |                      |                           |
| Lease Revenue Bonds                          | 7,734,872            | 7,784,954            | 7,979,475            | 194,521                   |
| Miscellaneous                                | 3,125                | 15,569               | 15,569               | -                         |
| <b>Total Debt Service - County</b>           | <b>7,737,997</b>     | <b>7,800,523</b>     | <b>7,995,044</b>     | <b>194,521</b>            |
| <b>School Debt Service Payments</b>          |                      |                      |                      |                           |
| VPSA Bonds                                   | 11,220,911           | 9,811,063            | 11,062,645           | 1,251,582                 |
| Miscellaneous                                | 5,800                | 4,055                | -                    | (4,055)                   |
| <b>Total Debt Service - Schools</b>          | <b>11,226,711</b>    | <b>9,815,118</b>     | <b>11,062,645</b>    | <b>1,247,527</b>          |
| <b>Transfers to Other Funds</b>              |                      |                      |                      |                           |
| County Capital Fund                          | 167,625              | 124,750              | 145,582              | 20,832                    |
| School Capital Fund                          | 116,750              | -                    | -                    | -                         |
| County Debt Fund                             | -                    | 124,750              | 145,580              | 20,830                    |
| <b>Total Debt Service - Schools</b>          | <b>284,375</b>       | <b>249,500</b>       | <b>291,162</b>       | <b>41,662</b>             |
| <b>Total Expenditures</b>                    | <b>19,249,083</b>    | <b>17,865,141</b>    | <b>19,348,851</b>    | <b>1,483,710</b>          |
| Fund Balance - Ending                        | 326,052              | 424,020              | 468,694              | 44,674                    |
| <b>Total Expenditures &amp; Fund Balance</b> | <b>\$ 19,575,135</b> | <b>\$ 18,289,161</b> | <b>\$ 19,817,545</b> | <b>\$ 1,528,384</b>       |



## 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.

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 2026 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 2026 to the Regional Pound is \$793,101.

#### **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 2026 is \$174,087.

#### **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 2025-2026 Operating Budget is estimated at \$4,727,877 based on current total per diem of \$3,354,925 and debt service of \$1,372,952.



**County of Roanoke, Virginia**  
**Summary Schedule of Net Future Debt Requirements**  
**By Fiscal Year**

| Fiscal Year  | Total Government      |                      |
|--------------|-----------------------|----------------------|
|              | Principal             | Interest             |
| 2025         | \$ 16,492,247         | \$ 6,205,504         |
| 2026         | \$ 14,335,797         | \$ 5,513,259         |
| 2027         | \$ 14,104,282         | \$ 4,861,341         |
| 2028         | \$ 13,016,013         | \$ 4,203,187         |
| 2029         | \$ 11,083,260         | \$ 3,640,126         |
| 2030-2034    | \$ 48,845,000         | \$ 11,864,341        |
| 2035-2039    | \$ 32,905,000         | \$ 3,968,132         |
| 2040-2044    | \$ 7,275,000          | \$ 471,233           |
| <b>Total</b> | <b>\$ 158,056,599</b> | <b>\$ 40,727,123</b> |

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

| Fiscal       | Virginia Public School<br>Authority Bonds |                      | Lease Revenue<br>Bonds |                      | Lease<br>Obligations |                   | Right-To-Use<br>Subscription |                   |
|--------------|---|----------------------|------------------------|----------------------|----------------------|-------------------|------------------------------|-------------------|
|              | Principal                                 | Interest             | Principal              | Interest             | Principal            | Interest          | Principal                    | Interest          |
| 2025         | \$ 7,019,794                              | \$ 2,791,268         | \$ 4,630,000           | \$ 3,154,953         | \$ 2,951,961         | \$ 175,580        | \$ 1,890,492                 | \$ 83,703         |
| 2026         | 7,026,556                                 | 2,450,980            | 4,855,000              | 2,923,463            | 2,004,264            | 116,301           | 449,977                      | 22,515            |
| 2027         | 7,033,672                                 | 2,112,613            | 5,110,000              | 2,675,444            | 1,709,321            | 62,425            | 251,289                      | 10,859            |
| 2028         | 7,041,160                                 | 1,769,430            | 5,370,000              | 2,414,681            | 448,404              | 14,658            | 156,449                      | 4,418             |
| 2029         | 5,920,000                                 | 1,461,856            | 5,145,000              | 2,177,791            |                      |                   | 18,260                       | 479               |
| 2030-2034    | 19,940,000                                | 4,145,998            | 28,905,000             | 7,718,343            | -                    | -                 | -                            | -                 |
| 2035-2039    | 12,815,000                                | 1,257,557            | 20,090,000             | 2,710,575            | -                    | -                 | -                            | -                 |
| 2040-2044    | 2,985,000                                 | 102,983              | 4,290,000              | 368,250              | -                    | -                 | -                            | -                 |
| <b>Total</b> | <b>\$ 69,781,182</b>                      | <b>\$ 16,092,685</b> | <b>\$ 78,395,000</b>   | <b>\$ 24,143,500</b> | <b>\$ 7,113,950</b>  | <b>\$ 368,964</b> | <b>\$ 2,766,467</b>          | <b>\$ 121,974</b> |

\*Information above is as presented in the 2024 Annual Comprehensive Financial Report, Footnote 8 pg. 64, Long-Term Debt.



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

| Fiscal Year | General Bonded Debt Outstanding |               |               |                      |               |                | Percentage of Actual Value of Taxable Property | Per Capita Personal Income |
|-------------|---------------------------------|---------------|---------------|----------------------|---------------|----------------|--|----------------------------|
|             | General Obligation Debt         | Lease Revenue | VPSA Bonds    | State Literary Bonds | Bond Premiums | Total          |  |                            |
| 2024        | \$ 78,395,000                   | \$ 69,781,182 | \$ 77,829,551 | -                    | \$ 11,056,810 | \$ 159,232,992 | 1.14 %   | \$ 1,650                   |
| 2023        | -                               | \$ 82,760,000 | -             | -                    | \$ 12,147,305 | \$ 172,736,856 | 1.35   | \$ 1,788                   |
| 2022        | -                               | \$ 73,900,000 | \$ 85,873,052 | -                    | \$ 12,384,805 | \$ 172,157,857 | 1.46   | \$ 1,783                   |
| 2021        | -                               | \$ 77,530,000 | \$ 74,515,490 | -                    | \$ 10,777,149 | \$ 162,822,639 | 1.51   | \$ 1,680                   |
| 2020        | \$ 948,122                      | \$ 81,000,000 | \$ 83,061,766 | -                    | \$ 11,716,653 | \$ 176,726,541 | 1.71   | \$ 1,884                   |
| 2019        | \$ 1,866,987                    | \$ 75,035,000 | \$ 91,947,188 | -                    | \$ 11,356,388 | \$ 180,205,563 | 1.80   | \$ 1,924                   |
| 2018        | \$ 2,765,175                    | \$ 77,970,000 | \$ 72,194,043 | -                    | \$ 9,929,441  | \$ 162,858,659 | 1.68   | \$ 1,737                   |
| 2017        | \$ 3,640,935                    | \$ 74,535,000 | \$ 80,301,667 | -                    | \$ 9,832,624  | \$ 168,310,226 | 1.78   | \$ 1,792                   |
| 2016        | \$ 4,497,704                    | \$ 77,275,000 | \$ 88,460,767 | -                    | \$ 10,564,744 | \$ 180,798,215 | 1.95   | \$ 1,928                   |
| 2015        | \$ 5,332,236                    | \$ 74,886,582 | \$ 97,117,015 | \$ 1,825,775         | \$ 9,256,934  | \$ 188,418,542 | 2.06   | \$ 2,014                   |

\*Information above is as presented in the 2024 Annual Comprehensive Financial Report, Table 10.



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

|   | Fiscal Year    |                |                |                |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 2024           | 2023           | 2022           | 2021           | 2020           | 2019           | 2018           | 2017           | 2016           | 2015           |
| General bonded debt outstanding                             |                |                |                |                |                |                |                |                |                |                |
| General Obligation Bonds                                    | \$ 78,395,000  | \$ 82,760,000  | \$ 73,900,000  | \$ 77,530,000  | \$ 948,122     | \$ 1,866,987   | \$ 2,765,175   | \$ 3,640,935   | \$ 4,497,704   | \$ 5,332,236   |
| Lease Revenue Bonds   | 69,781,182     | 77,829,551     | 85,873,052     | 74,515,490     | 81,000,000     | 75,035,000     | 77,970,000     | 74,535,000     | 77,275,000     | 74,886,582     |
| VPSA School Bonds   | -              | -              | -              | -              | 83,061,766     | 91,947,188     | 72,194,043     | 80,310,667     | 88,460,767     | 97,117,015     |
| State Literary Bonds  | 11,056,810     | 12,147,305     | 12,384,805     | 10,777,149     | 11,716,653     | -              | -              | -              | -              | 1,825,775      |
| Bond Premiums   |                |                |                |                |                | 11,356,388     | 9,929,441      | 9,832,624      | 10,564,744     | 9,256,934      |
| Total net debt applicable to debt limits                    | \$ 159,232,992 | \$ 172,736,856 | \$ 172,157,857 | \$ 162,822,639 | \$ 176,726,541 | \$ 180,205,563 | \$ 162,858,659 | \$ 168,319,226 | \$ 180,798,215 | \$ 188,418,542 |
| Ratio of net debt to assessed taxable property value        | 1.14%          | 1.35%          | 1.46%          | 1.51%          | 1.71%          | 1.80%          | 1.68%          | 1.78%          | 1.95%          | 2.06%          |
| Debt limit per policy for property value                    | 3%             | 3%             | 3%             | 3%             | 3%             | 3%             | 3%             | 3%             | 3%             | 3%             |
| Debt Service to General Government Expenditures             | 4.78%          | 5.17%          | 5.60%          | 6.35%          | 6.76%          | 6.26%          | 6.57%          | 6.78%          | 7.57%          | 7.14%          |
| 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 2024 Annual Comprehensive Financial Report, Table II.



## Net Bonded Debt



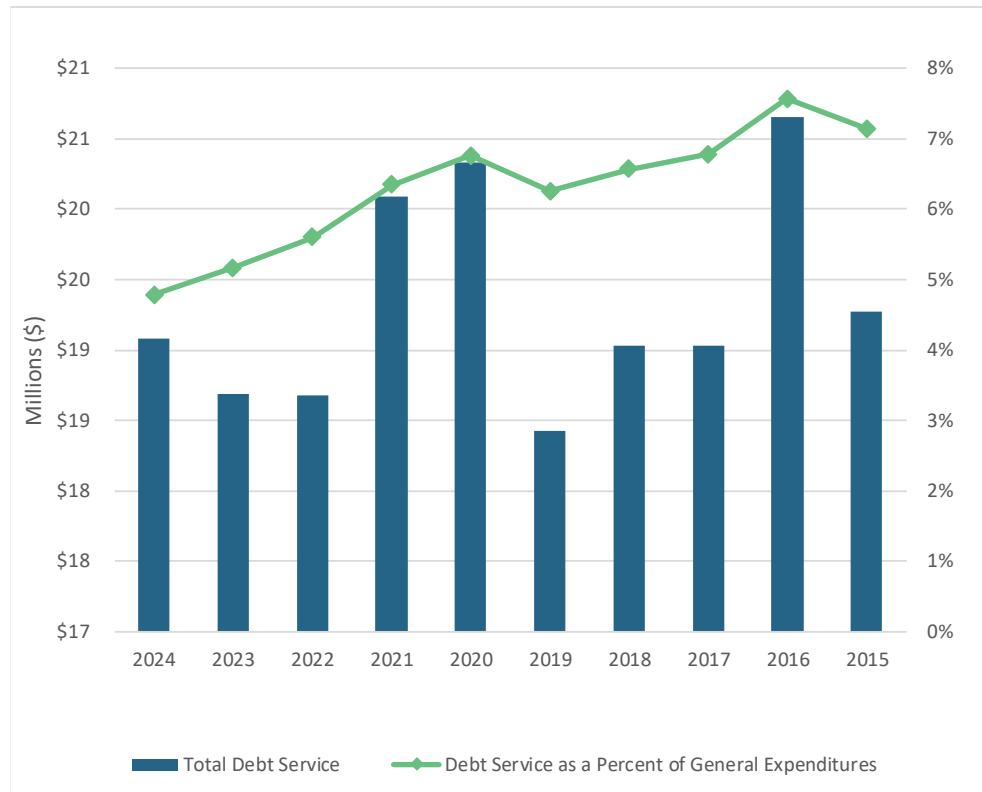
\*Information above is as presented in the 2024 Comprehensive Annual Financial Report, Table 11.

| Fiscal<br>Year | Net            |                   |  | Net Bonded Debt<br>As a Percent of<br>Assessed Value |
|----------------|----------------|-------------------|--|--|
|                | Bonded<br>Debt | Assessed<br>Value | Net Bonded Debt<br>As a Percent of<br>Assessed Value |  |
| 2024           | \$ 159,232,992 | \$ 13,981,858,724 | 1.14%  |  |
| 2023           | 172,736,856    | 12,793,264,824    | 1.35%  |  |
| 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%  |  |

\*Net bonded debt from the 2024 Annual Comprehensive Financial Report, Table 11 and assessed value from Table 5.



## 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 |
|-------------|--------------------|---------------------------------------|---|
| 2024        | \$ 19,081,458      | \$ 399,339,803                        | 4.78%   |
| 2023        | 18,687,680         | 361,427,640                           | 5.17%   |
| 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%   |

## Note:

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