

FY 2025 Year End Overview and FY 2027 Budget Development

Board of Supervisors Work Session
September 23, 2025

Overview - FY 2025 General Government Year End Summary

FY 2025 Year-End Balance	
Revenues above Revised Budget	\$ 3,283,612
Expenditure Savings, Net of Encumbrances	543,224
Total FY 2025 Year End	3,826,836
Less funding for:	
General Fund Unappropriated and Expenditure Contingency	(2,129,476)
FY 2026 Go Fest and Community Events	(40,000)
Sheriff School Resource Officers (7/1/25-6/30/26)	(250,000)
Community Resource Management System	(72,009)
Total Available Funds remaining from FY 2025 Year End	\$ 1,335,351

Overview - FY 2025 General Government Year End Summary – Staff Recommendations

Description	Amount
Total Available Funds remaining from FY 2025 Year End	\$ <u>1,335,351</u>
Recommendations for Use of Funds:	
Fund Balance addition for Fee Class and Communications Shop	\$ 203,891
Fund Balance addition for CSA	850,000
Stormwater pond – capital maintenance	131,460
Expenditure contingency for FY 2026	150,000
Total Recommendations for Use of Funds	\$ <u>1,335,351</u>

FY 2025 Revenue – Budget vs. Actual

Category	Actual FY 2024	Amended Budget FY 2025	Actual FY 2025	\$ Difference FY 2025 Amended vs. Actual	% Difference FY 2025 Amended vs. Actual
Real Estate Taxes	\$ 121,527,554	\$ 129,080,327	\$ 130,040,169	\$ 959,842	0.74%
Personal Property Taxes	45,392,415	45,382,191	47,085,323	1,703,132	3.75%
Intergovernmental Revenue (State/Federal)	20,507,486	21,541,613	21,476,343	(65,270)	-0.30%
Other Local Taxes and Fees ¹	16,494,454	17,495,000	17,996,286	501,286	2.87%
Local Sales Tax	15,785,507	17,000,000	16,113,058	(886,942)	-5.22%
Other Revenues ²	10,298,068	11,943,986	12,768,157	824,171	6.90%
Business License Tax	9,003,735	9,100,000	9,130,924	30,924	0.34%
Meals Tax	6,361,833	6,450,000	6,488,577	38,577	0.60%
Communication Sales & Use Tax	2,594,936	2,625,000	2,550,915	(74,085)	-2.82%
Hotel/Motel Tax	2,157,299	2,050,000	2,301,977	251,977	12.29%
Appropriated Beginning Balance	3,421,171	1,391,813	1,391,813	-	0.00%
Total	\$ 253,544,458	\$ 264,059,930	\$ 267,343,542	\$ 3,283,612	1.24%

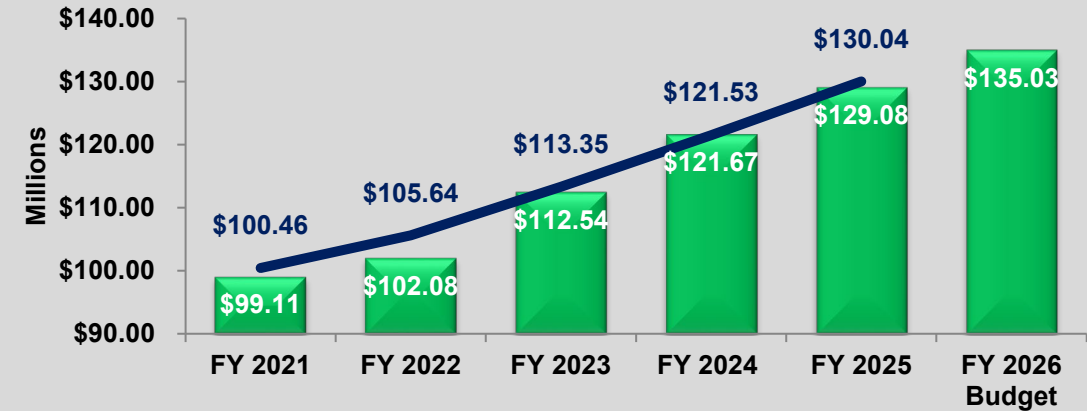
¹ Other Local Taxes and Fees includes: Public Service Corporation Tax, Payment in Lieu of Taxes, Penalties & Interest, Consumer Utility, Motor Vehicle License, Recordation and Conveyance, Other Local Taxes and Fees

² Other Revenues includes: Permits, Fees, & Licenses, Fines and Forfeitures, Use of Money and Property, Charges for Services, Recovered Costs, Miscellaneous Revenue, and Transfers

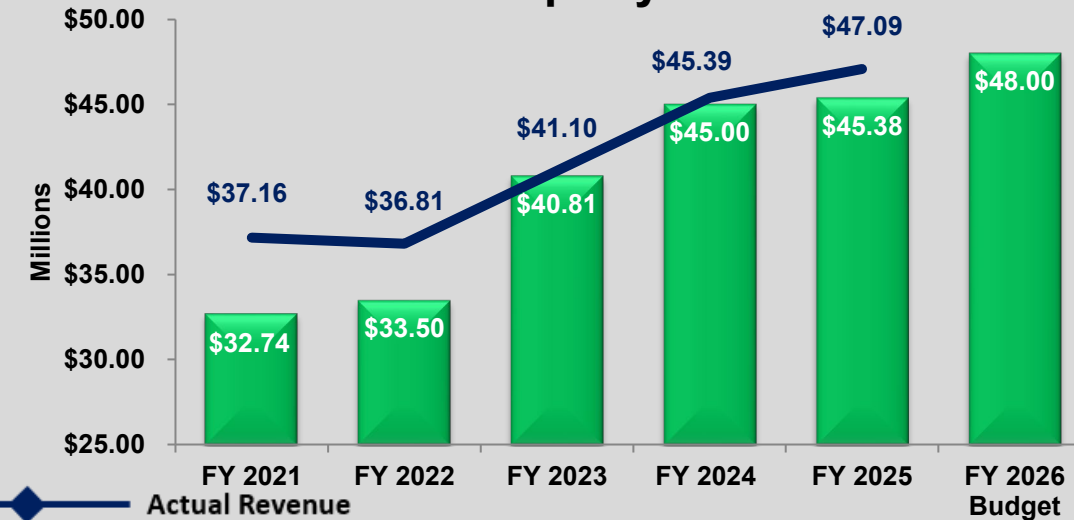
Actual Revenue – Major Categories

- Real Estate
 - Came in above target at \$959,842 or 0.74% above amended budget
- Personal Property
 - Came in above target at \$1,703,132 or 3.75% above amended budget

Real Estate Revenue



Personal Property Revenue



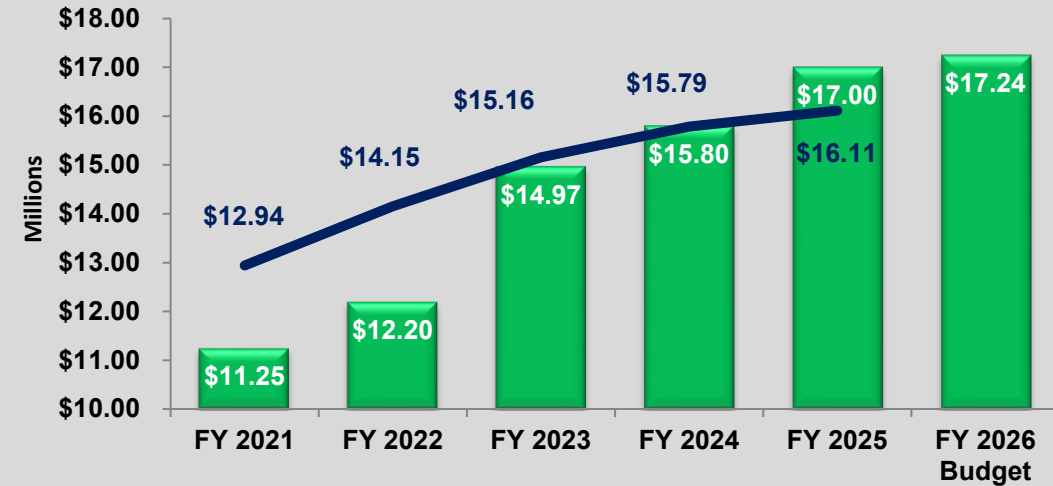
 Budgeted Revenue

 Actual Revenue

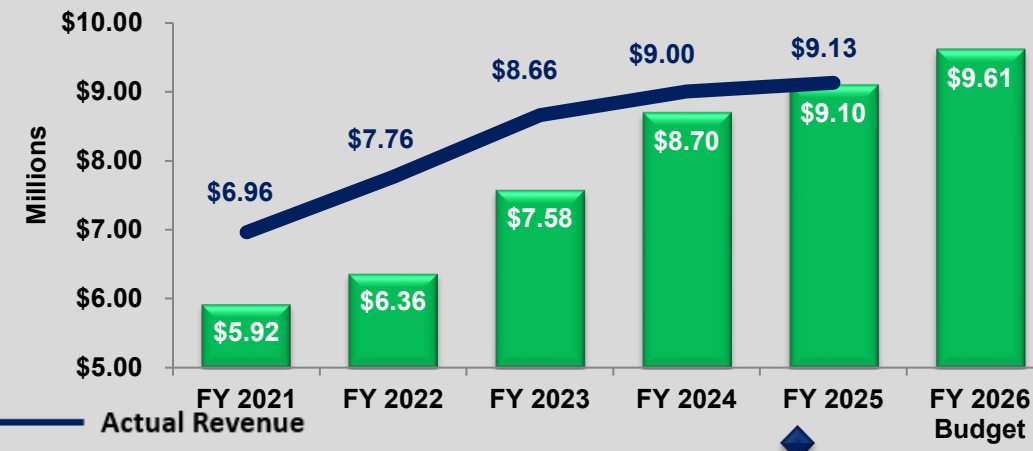
Actual Revenue – Major Categories

- Sales Tax
 - Below target at \$886,942 or 5.22% below amended budget
- Business License Tax
 - Met target at \$30,924 or 0.34% above amended budget

Sales Tax Revenue



Business License Tax Revenue



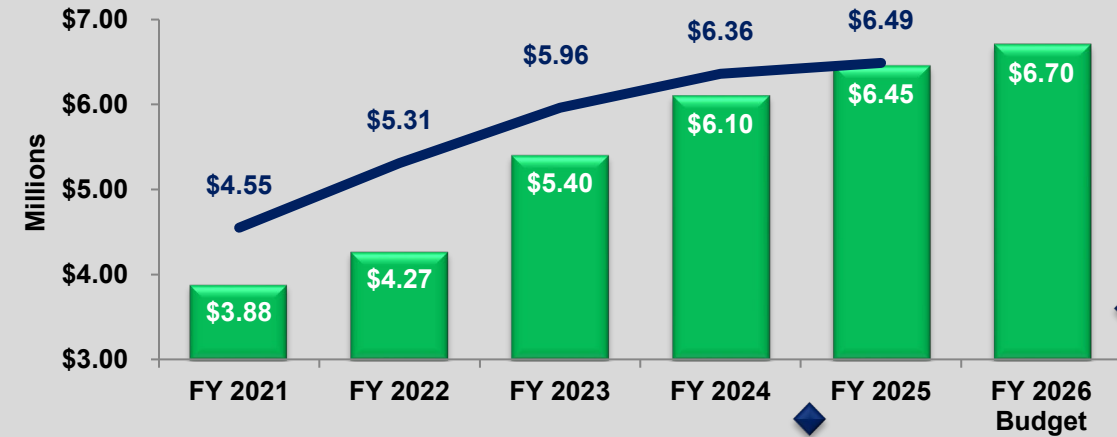
 Budgeted Revenue

 Actual Revenue

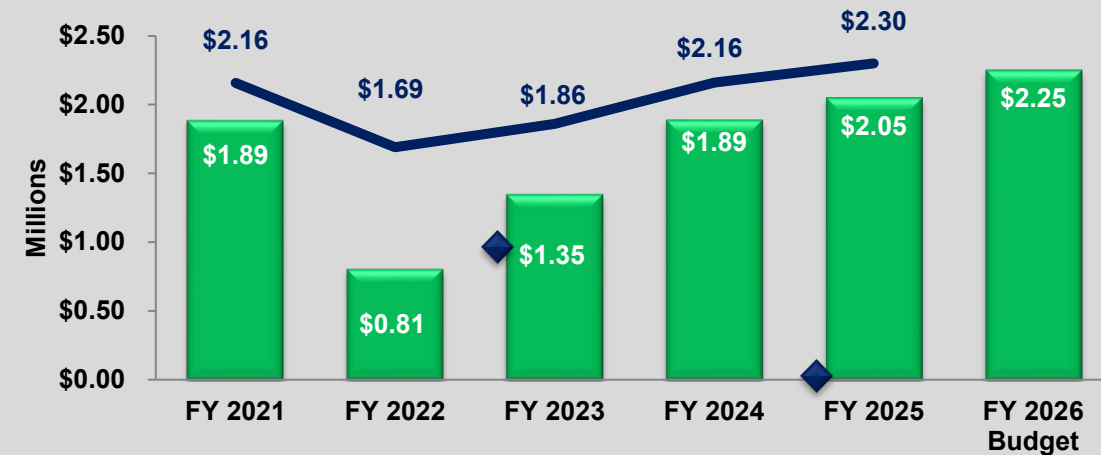
Actual Revenue – Major Categories

- Meals Tax
 - Met target at \$38,577 or 0.60% above amended budget
- Hotel & Motel Room Taxes
 - Above target by \$251,977 or 12.29% above amended budget due to strong room demand for regional events and increased business and vacation travel which has led to increase in room prices

Meals Tax Revenue



Hotel & Motel Room Tax Revenue



 Budgeted Revenue

 Actual Revenue

FY 2025 Expenditures – General Government

Expenditures by Category

Category	FY 2025 Amended Budget	FY 2025 Actual	Encumbrances	Balance	% of Budget Expended
Personnel & Benefits	\$ 95,124,141	\$ 94,826,467	\$ -	\$ 297,674	99.69%
Operating	36,436,411	36,175,159	124,409	136,843	99.62%
Transfers & Other	31,277,941	31,169,234	-	108,707	99.65%
Schools Operating	92,543,849	92,543,849	-	-	100.00%
Schools Debt	5,685,719	5,685,719	-	-	100.00%
Schools CSA	2,991,869	2,991,869	-	-	100.00%
Total	\$ 264,059,930	\$ 263,392,297	\$ 124,409	\$ 543,224	99.79%

Fund Balance Policies

Other Funds

Fund	FY 2025 Beginning Balance	FY 2025 Activity*	Undesignated Fund Balance (June 30, 2025)	Fund Balance Policy \$	Surplus/(Deficit) Fund Balance Policy
Criminal Justice Academy	\$ 130,368	\$ (56,919)	\$ 73,449	\$ 45,268	\$ 28,181
Fleet Service Center	337,396	104,195	441,591	319,753	121,838
Fee Class Fund	335,838	(105,335)	230,503	270,750	(40,247)
Information Technology	1,322,819	(523,148)	799,671	491,156	308,515
Communications Shop	401,627	(368,238)	33,389	197,033	(163,644)
Emergency Communications Center (ECC)	694,327	(294,013)	400,314	241,651	158,663

* Includes encumbrances as of June 30, 2025

Children's Services Act (CSA)

Fund	FY 2025 Beginning Balance	FY 2025 Deficit	Undesignated Fund Balance (June 30, 2025)	Fund Balance Policy \$	Surplus/(Deficit) Fund Balance Policy
Children's Services Act (CSA)	\$ (1,361,487)	\$ (271,346)	\$ (1,632,833)	\$ 2,149,936	\$ (3,782,769)

Fiscal Year	Total CSA Revenues	Total CSA Expenditures	Deficit	Addition to Fund Balance	Year End Fund Balance
FY 2018	6,457,922	6,993,575	(535,653)	525,000	1,139,787
FY 2019	6,946,760	7,170,706	(223,946)	-	915,841
FY 2020	7,485,868	7,515,842	(29,974)	-	885,867
FY 2021	8,725,018	9,233,706	(508,688)	-	377,179
FY 2022	8,936,390	9,512,855	(576,465)	2,200,000	2,000,714
FY 2023	10,308,508	11,566,264	(1,257,756)	-	742,958
FY 2024	11,492,115	13,596,560	(2,104,445)	-	(1,361,487)
FY 2025	12,457,427	14,354,510	(1,897,083)	1,625,737	(1,632,833)

- Alternative Day School costs increased \$1,194,545 in FY 2023 and \$1,195,175 in FY 2024 for an increase over the two-year period of \$2,386,720 with only an increase of 3 youth served over the same period. These costs have increased another \$793,805 in FY 2025

Internal Service Funds

Fund	FYE 2025 Beginning Balance +IBNR	FY 2025 Activity	Undesignated Fund Balance +IBNR	Fund Balance Policy \$	Surplus/(Deficit) Fund Balance Policy
Health	\$ 2,410,874	\$ 1,628,536	\$ 4,039,410	\$ 2,363,686	\$ 1,675,724
Dental	142,178	22,447	164,625	-	164,625
Risk Management	3,674,216	(138,100)	3,536,116	2,913,900	622,216

Fund Balance Policy: Health Insurance – 10% of current year expenditure budget plus IBNR
 Risk Management – 10% of current year expenditure budget plus IBNR and \$500K for property claims

(IBNR: Incurred But Not Reported claims)

Proposed Changes to Comprehensive Financial Policy

- Minor wording change from “financial advisor” to “municipal advisor”
- Under Section 7 – Debt Management:
 - Updated Fiscal years for debt issuances and wording and amounts under Funding Sources for the Future Capital Projects Fund
- Bring to the Board on the Consent agenda for the October 14, 2025 meeting

FY 2027 Budget Development

FY 2027 Budget Issues

- VRS Increases
- CSA
- Continued increase for funding for debt model
- Technology costs (infrastructure, SAAS)
- Funding for unappropriated balance and general government expenditure contingency
- Funding for School Resource Officers (ending of grants)
- Aging facilities with increased capital maintenance
- Investments in trash trucks, fire & rescue apparatus, police vehicles

FY 2027 Budget Issues (continued)

- Vehicle maintenance
- Utilities, fuel costs, overtime and part-time expenditures
- Regional program increases
- Long term Public Safety Staffing
- Social Services funding due to State requirements for programs such as SNAP, Medicaid, etc.

Proposed FY 2027 Budget Calendar

Item	Date
Work Session – Capital Project Status Update	October 28, 2025
Work Session – Long term Public Safety staffing needs	November 18, 2025
Presentation of Year End Financial Results for June 30, 2025, acceptance of audit report and allocation of year end funds	December 16, 2025
Briefing – 2026 Real Estate Assessment	December 16, 2025
Revenue Team Meeting (First of Two)	January 6, 2026
Work Session – FY 2025-2026 Mid-Year Revenue and Expenditure Update	January 27, 2026
Revenue Team Meeting (Second of Two)	January 29, 2026
Work Session – FY 2026-2027 Revenue Outlook; County Fees & Charges Compendium	February 10, 2026
Work Session: FY 2027-2036 Capital Improvement Program	February 24, 2026

Proposed FY 2027 Budget Calendar (Continued)

Item	Date
Public Hearing – Effective Tax Rate	March 10, 2026
Briefing – County Administrator’s Proposed FY 2026-2027 Operating Budget and Capital Improvement Program	March 24, 2026
Public Hearing – Tax Rate Adoption Adoption of 2026 tax rates (order) Work Session – Proposed FY 2026-2027 Operating Budget Information (first of two) <i>if necessary</i>	April 7, 2026
Public Hearing – Operating and Capital Budgets (first of two) Briefing – Roanoke County Public Schools present budget to Roanoke County Board of Supervisors Work Session – Proposed FY 2026-2027 Operating Budget Information (second of two) <i>if necessary</i>	April 28, 2026
Public Hearing – Operating and Capital Budgets (second of two) First reading of budget ordinances (total of three ordinances) Approval of School Board budget categories (resolution)	May 12, 2026
Second reading of budget ordinances (total of three ordinances) Approval of operating and capital budgets, revenues and expenditures for County and Schools (resolution)	May 26, 2026

Questions & Comments