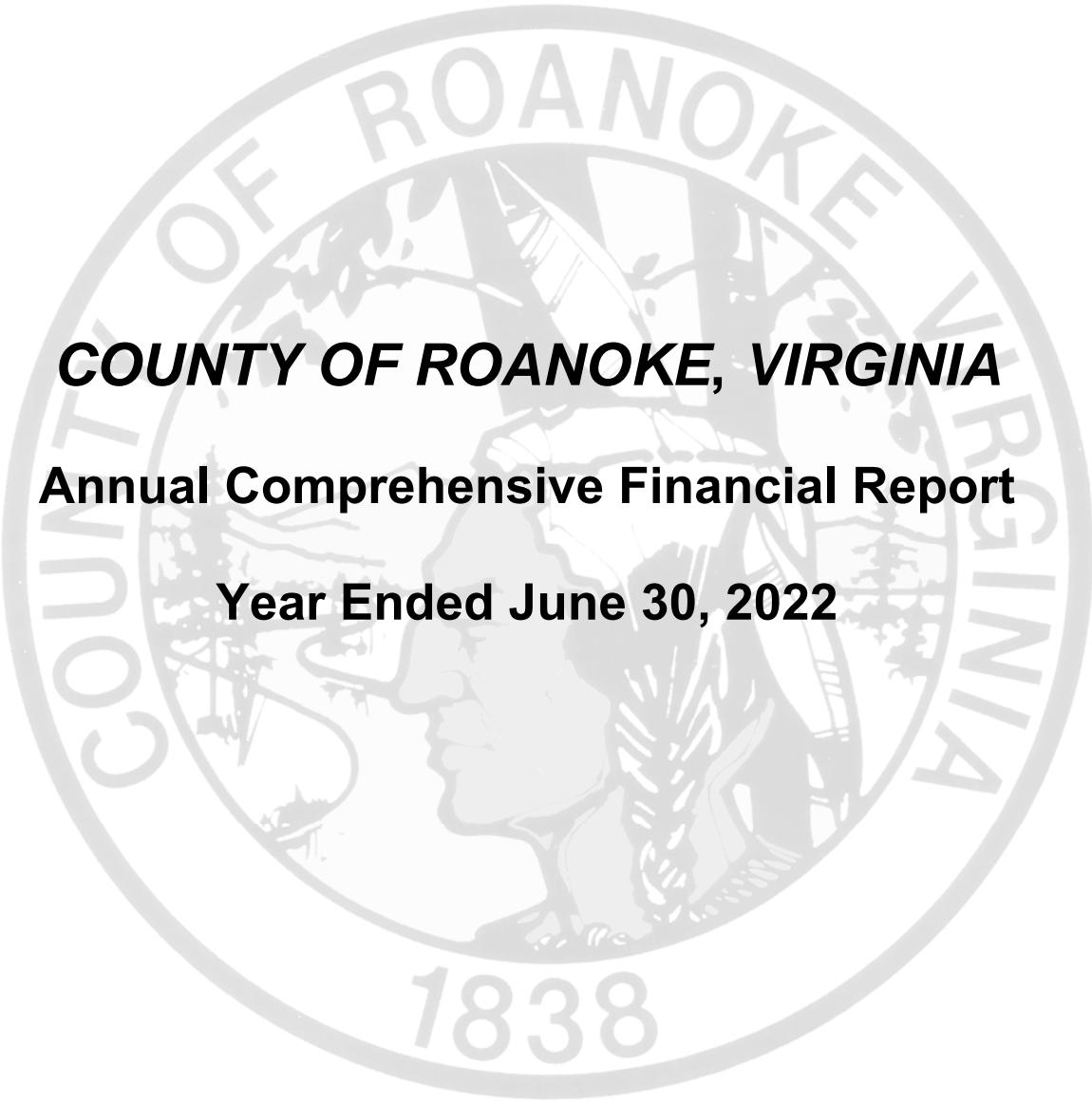


# County of Roanoke, Virginia

## Annual Comprehensive Financial Report



***Year Ended June 30, 2022***

The seal of the County of Roanoke, Virginia, is a circular emblem. The outer ring contains the text "COUNTY OF ROANOKE" on the left and "VIRGINIA" on the right, both in a serif font. The inner circle features a profile of a Native American man facing left, with a bow and arrow in his hand. The year "1838" is at the bottom of the inner circle.

## **COUNTY OF ROANOKE, VIRGINIA**

### **Annual Comprehensive Financial Report**

**Year Ended June 30, 2022**

Prepared by the

Department of Finance and Management Services  
5204 Bernard Drive  
P.O. Box 29800  
Roanoke, VA 24018-0798

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*Director of Finance and Management Services*

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*Assistant Director of Finance and Management Services*

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*Financial Analyst*

# Board of Supervisors

P. Jason Peters

Martha B. Hooker

Paul M. Mahoney

Phil C. North

David F. Radford

*Vinton*

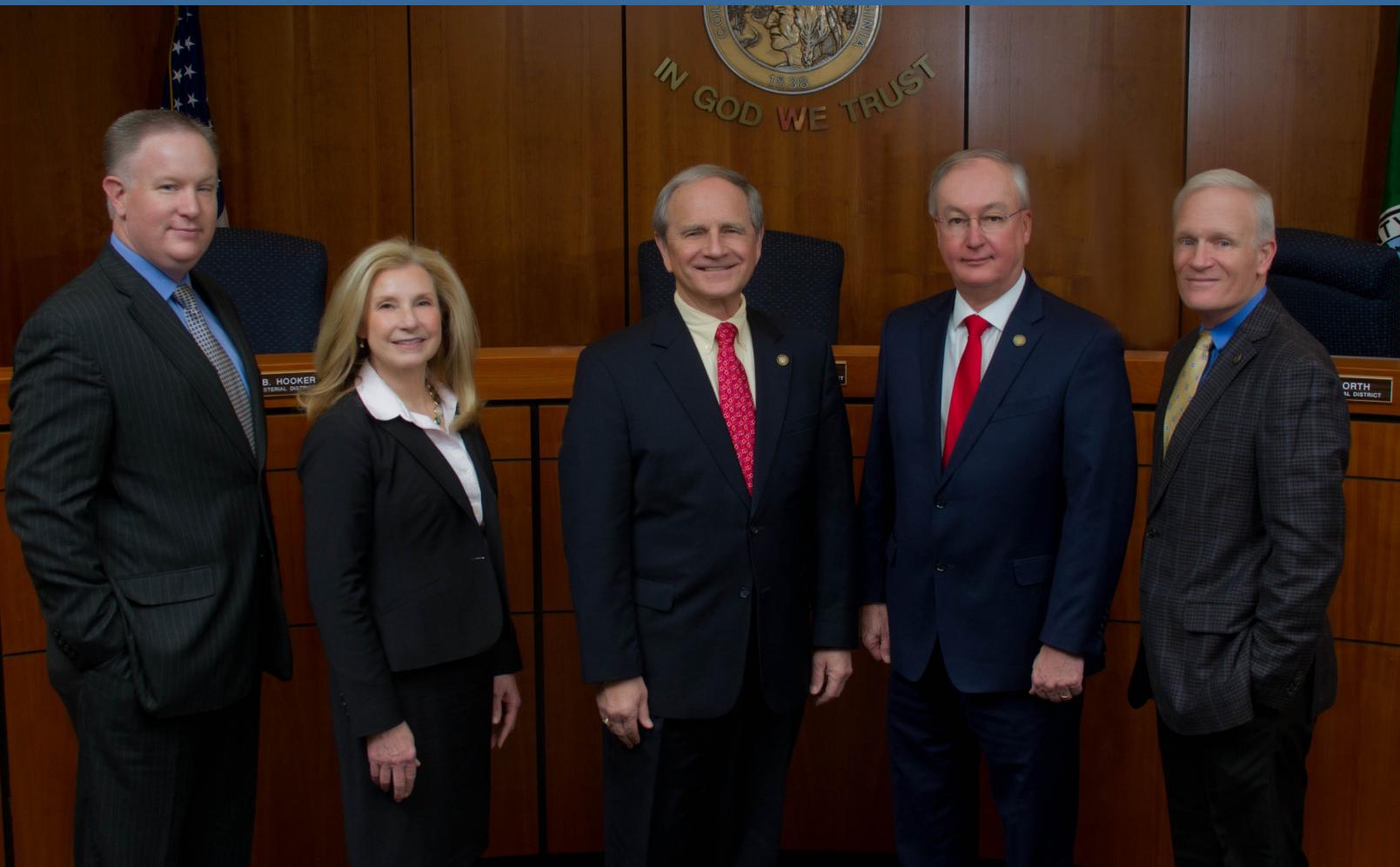
*Catawba*

*Cave Spring*

*Hollins*

*Windsor Hills*

*Magisterial District Magisterial District Magisterial District Magisterial District Magisterial District*



## County Administration

Richard L. Caywood, P.E.

*County Administrator*

Rebecca E. Owens

*Deputy County Administrator*

Doug M. Blount

*Assistant County Administrator*



**COUNTY OF ROANOKE, VIRGINIA**  
**Table of Contents**  
**June 30, 2022**

	<b>Page</b>
<b>INTRODUCTORY SECTION (UNAUDITED)</b>	
Transmittal Letter .....	1
County of Roanoke History .....	9
Directory – County Officials.....	11
Directory – School System Principal Officials .....	12
Organizational Chart .....	13
Certificate of Achievement for Excellence in Financial Reporting .....	14
<b>FINANCIAL SECTION</b>	
Report of Independent Auditor .....	17
Management's Discussion and Analysis (required supplementary information) .....	21
(Unaudited)	
<b>Exhibits</b>	<b>Basic Financial Statements</b>
<b>Government-wide Financial Statements</b>	
Exhibit I	Statement of Net Position .....
	33
Exhibit II	Statement of Activities .....
	34
<b>Fund Financial Statements</b>	
<i>Governmental Funds' Financial Statements</i>	
Exhibit III	Balance Sheet.....
	35
Exhibit IV	Statement of Revenues, Expenditures, and Changes in Fund Balances.....
	37
<i>Proprietary Funds' Financial Statements</i>	
Exhibit V	Statement of Net Position .....
	39
Exhibit VI	Statement of Revenues, Expenses, and Changes in Net Position.....
	40
Exhibit VII	Statement of Cash Flows.....
	41
<i>Fiduciary Funds' Financial Statements</i>	
Exhibit VIII	Statement of Fiduciary Net Position.....
	42
Exhibit IX	Statement of Changes in Fiduciary Net Position .....
	43
<i>Combining Component Units' Financial Statements</i>	
Exhibit X	Combining Statement of Net Position .....
	44
Exhibit XI	Combining Statement of Activities .....
	45
<b>Notes to the Basic Financial Statements.....</b>	
	<b>46</b>
<b>Required Supplementary Information other than Management's Discussion and Analysis (Unaudited)</b>	
Exhibit XII	Budgetary Comparison Schedule-General Fund.....
	127
Exhibit XIII	Schedule of Changes in Net Pension Liability (Asset) and Related Ratios.....
	129
Exhibit XIV	Schedule of Employers Proportionate Share of Net Pension Liability.....
	131
Exhibit XV	Schedule of Contributions - Pension .....
	132
Exhibit XVI	Schedule of Changes in Total Pension Liability-Fire and Rescue Pension Trust Length of Service Awards Program.....
	133

**COUNTY OF ROANOKE, VIRGINIA**  
**Table of Contents**  
**June 30, 2022**

<b>Roanoke County Other Postemployment Benefits Plan</b>		
Exhibit XVII	Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios.....	134
Exhibit XVIII	Schedule of Employer Contributions OPEB Benefits Plan .....	136
Exhibit XIX	Schedule of Investment Returns – OPEB.....	137
<b>Virginia Retirement System Other Postemployment Benefit Plans</b>		
Exhibit XX	Schedule of Changes in Health Insurance Credit Program Net OPEB Liability and Related Ratios .....	138
Exhibit XXI	Schedule of Employer Contributions to Health Insurance Credit Program .....	139
Exhibit XXII	Schedule of Employer's Proportionate Share in Group Life Insurance Program for Roanoke County Net OPEB Liability .....	140
Exhibit XXIII	Schedule of Employer Contributions to Group Life Insurance Program for Roanoke County .....	141
Exhibit XXIV	Schedule of Employer's Proportionate Share for Roanoke County Public Schools Net OPEB Liability .....	142
<b>Notes to Required Supplementary Information (Unaudited)</b> .....		143
<b>Supplementary Information</b>		
<b>Schedules</b>		<b>Budgetary Comparison Schedules of Governmental Funds</b>
Schedule 1	Budgetary Comparison Schedule – Debt Service Fund .....	149
Schedule 2	Budgetary Comparison Schedule – Capital Projects Fund .....	150
Schedule 3	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund .....	151
Schedule 4	Combining Statement of Net Position.....	157
Schedule 5	Combining Statement of Revenues, Expenses, and Changes in Net Position .....	158
Schedule 6	Combining Statement of Cash Flows.....	159
Schedule 7	Combining Statement of Custodial Funds	
Schedule 8	Combining Statement of Fiduciary Net Position - Custodial Funds .....	161
	Combining Statement of Changes in Fiduciary Net Position – Custodial Funds .....	162
<b>Statements of Component Units</b>		
<b>Roanoke County Public Schools</b>		
Schedule 9	Statement of Net Position .....	165
Schedule 10	Statement of Activities .....	166
Schedule 11	Balance Sheet – Governmental Funds.....	167
Schedule 12	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	169
Schedule 13	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	170
<b>Economic Development Authority of Roanoke County, Virginia</b>		
Schedule 14	Balance Sheet – Governmental Fund.....	171
Schedule 15	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Fund .....	172
Schedule 16	Schedule of Revenue Bonds and Notes Outstanding .....	173
<b>South Peak Community Development Authority</b>		
Schedule 17	Statement of Net Position .....	174
Schedule 18	Statement of Revenues, Expenditures and Changes in Net (Deficit) Position..	175
Schedule 19	Statement of Cash Flows.....	176

**COUNTY OF ROANOKE, VIRGINIA**  
**Table of Contents**  
**June 30, 2022**

**STATISTICAL SECTION (UNAUDITED)**

**Tables**

<b>Financial Trends</b>		
Table 1	Net Position by Component .....	180
Table 2	Changes in Net Position.....	181
Table 3	Fund Balances, Governmental Funds .....	182
Table 4	Changes in Fund Balances, Governmental Funds .....	183
<b>Revenue Capacity Information</b>		
Table 5	Assessed Value and Estimated Actual Value of Taxable Property .....	185
Table 6	Direct and Overlapping Property Tax Rates .....	186
Table 7	Principal Property Tax Payers.....	187
Table 8	Property Tax Levies and Collections .....	188
<b>Debt Capacity Information</b>		
Table 9	Ratios of Outstanding Debt by Type .....	189
Table 10	Ratios of General Bonded Debt Outstanding.....	190
Table 11	Debt Policy Information .....	191
<b>Demographic and Economic Information</b>		
Table 12	Demographic Statistics .....	192
Table 13	Principal Employers .....	193
<b>Operating Information</b>		
Table 14	Full-time Equivalent County Government Employees by Function/Program.....	194
Table 15	Operating Indicators by Function/Program .....	195
Table 16	Capital Asset Statistics by Function/Program .....	196

**COMPLIANCE SECTION**

Schedule of Expenditures of Federal Awards .....	199
Notes to Schedule of Expenditures of Federal Awards .....	204
Report of Independent Auditors 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> .....	205
Report of Independent Auditors on Compliance for Each Major Program and on Internal Control Over Compliance required by the Uniform Guidance .....	207
Summary of Compliance Matters.....	210
Schedule of Findings and Questioned Costs.....	211



# INTRODUCTORY SECTION



**COUNTY OF ROANOKE**  
Department of Finance and Management Services  
5204 Bernard Drive, PO Box 29800  
Roanoke, VA 24018

December 1, 2022

To the Honorable Chairman, Members of the Board of Supervisors,  
and Citizens of the County of Roanoke, Virginia:

It is with pleasure that we submit to you the Annual Comprehensive Financial Report (ACFR) of the County of Roanoke, Virginia (County) for the fiscal year ended June 30, 2022. State law requires that all local governments have their accounts and records, including those of the constitutional officers, audited annually as of June 30 by an independent certified public accountant and that the audited financial report be submitted on or before December 15 to the Auditor of Public Accounts of the Commonwealth of Virginia (APA). This report has been prepared by the County's Department of Finance and Management Services in accordance with the standards of financial reporting as prescribed by the Governmental Accounting Standards Board (GASB).

The ACFR was prepared with an emphasis on full disclosure of the financial activities of the County. Responsibility for both the completeness and reliability of the information contained in this report rests solely with County management, and is based upon a comprehensive framework of internal control that has been established for this purpose. 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.

The auditing firm of Brown, Edwards & Company, L.L.P., a firm of independent certified public accountants, has issued unmodified opinions on the County's basic financial statements as of and for the fiscal year ended June 30, 2022. Those opinions are located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the report of the independent auditor 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 County of Roanoke is primarily the suburban hub of the Roanoke Valley. The County is within easy reach of major markets for local manufacturers and distributors via Interstate 81 and railway access. The County's provisional population is 96,546<sup>1</sup>, a slight decrease of 0.4% from the 2020 census population of 96,929. The County is part of the Roanoke Metropolitan Statistical Area (MSA) that has a total population of 314,204, reflecting a similar decrease of 0.3% when compared to the 2020 census. Within the County's geographical boundaries lie the independent cities of Roanoke and Salem, as well as the Town of Vinton.

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<sup>1</sup> Population source: United States Census Bureau, 2020.

The County is governed by a charter approved by the 1986 session of the Virginia General Assembly, which grants additional authority to the County Administrator. The Board of Supervisors (Board) is the governing body of the County. Members of the Board, one from each of five magisterial districts, are elected to four-year terms. Board members annually select a Chairman and Vice-Chairman to each serve a one-year term.

The Board appoints a County Administrator to act as administrative head of the County. The County Administrator, who serves at the pleasure of the Board, carries out its policies and directs business procedures. All department heads report to the County Administrator, except for the County Attorney, who reports directly to the Board. Five constitutional officers (Commissioner of the Revenue, Commonwealth's Attorney, Clerk of the Circuit Court, Sheriff and Treasurer) are elected by the voters of the County and are not accountable to the Board, but work closely with the Board and the County Administrator.

The County provides a full range of services, including police and fire protection, curbside trash and brush collection, general public improvements, planning and zoning management, recreation and cultural activities, economic development and general administrative support. Residents enjoy certain other services provided through joint cooperation with neighboring localities, such as airport facilities, solid waste facilities, and water and sewer services.

The County provides education through its Roanoke County Public Schools system (School System) administered by the Roanoke County Public School Board (School Board) and promotes industry through the Economic Development Authority (EDA). The School System and EDA have been reflected as discretely presented component units in the accompanying financial statements because, under GASB pronouncements, they are legally separate entities for which the County is financially accountable. The School Board administers the County's schools and its own appropriations within the categories defined by the *Code of Virginia*, but is fiscally dependent upon the County because the Board of Supervisors approves the budget, levies the necessary taxes to finance operations and issues debt to finance capital projects. Additional information for the Schools is available in the separately published Roanoke County Public Schools annual comprehensive financial report. The EDA has the power to issue tax-exempt industrial development revenue bonds to qualifying enterprises wishing to utilize that form of financing. Those bonds represent limited obligations of the EDA and are to be repaid solely from revenue and receipts derived from the projects funded with the proceeds. The outstanding debt does not constitute a debt or pledge for the faith and credit of the County or the EDA.

The annual budget serves as the foundation of the County's financial planning and control. All departments of the County generally submit requests to the Department of Finance and Management Services in November of each year. The County Administrator uses these requests as the starting point for developing a proposed budget. The County Administrator then presents the proposed budget to the Board. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than June 30, the close of the County's fiscal year. The appropriated budget is prepared by fund, function (i.e., public safety), and department (i.e., Sheriff's office) with the budget appropriation resolution, adopted by the Board of Supervisors, placing legal restrictions on expenditures at the fund level.

## **Economic Condition and Outlook**

### **Local Economy**

The unemployment rate for Roanoke County as of June 30, 2022 is 2.6%, which is a decrease from last year's rate of 3.6%. The decrease in the unemployment rate is primarily due to the local economy recovering from the COVID-19 pandemic and is comparable to the state's average unemployment rate of 3.0% and to the national average unemployment rate of 3.4%.

Additionally, according to the most recent "Greater Roanoke Virginia Statistical Guide" produced by the Roanoke Regional Chamber of Commerce, the Valley's overall cost of living index is 86.9, indicating that costs in Roanoke are 13.1% lower than the national average of 100%. The composite index is based on six component categories: housing, utilities, grocery items, transportation, health care, and miscellaneous goods and services.

## **Economic Development**

The County and region strive to promote a healthy and growing economic base that includes a diverse mix of manufacturing, medical, wholesale/retail trade, finance, insurance and banking, corporate headquarters and related businesses. The County's multi-faceted economic development strategy includes an active business attraction, retention and expansion program, infrastructure and site development initiatives, and the redevelopment of key County properties. Ongoing outreach efforts with business leaders enable the County to identify company needs and provide appropriate assistance to maintain and grow the local tax base.

The Roanoke Valley Broadband Authority (RVBA) regularly invests in, supports, and partners with Roanoke County to improve economic opportunity for all citizens and businesses. The RVBA network continues to grow each year and aligns with major transportation corridors of the County, targeting commercial and industrial activity centers. A core fiber network of approximately 25 miles has been constructed throughout Roanoke County to support continued commercial and industrial growth, and an additional 10 plus miles has been built during the last two years, bringing the total to over 35 plus miles. Roanoke County entered into a public-private partnership to bring broadband access to the Bent Mountain community, which will be available to approximately 317 addresses and 26 businesses by the end of 2022. The County also received more than \$3.7 million in VATI grants to leverage more than \$7.7 million and partnerships with internet service providers to improve broadband connectivity throughout the County, bringing connectivity to over 1,400 addresses.

The 110-acre Wood Haven Technology Park is the largest prepared site in the urban area and represents the greatest economic opportunity for the region, given its gateway location at the intersection of I-81 and I-581. The technology park is a joint development of Roanoke County, the City of Roanoke, and City of Salem through the Western Virginia Regional Industrial Facility Authority. In FY 22, Wood Haven received a \$75,000 grant from the Virginia Economic Development Partnership as part of the Virginia Business Ready Sites Program to further enhance site readiness and marketability of the property. The site is being developed to attract high impact, value added companies that will create net-new jobs above the County's median wage rate.

The Route 419 corridor is the center of commerce for Roanoke County, and a key economic driver for the community. Roanoke County's vision to revitalize this corridor through the 419 Town Center Study, a planning study of 390 acres from Route 220 to Starkey Road in the Route 419 area near Tanglewood Mall is producing results. Nearly \$60 million in transportation improvements have been awarded for the Route 419 corridor to address congestion and safety in the 419 Town Center Study area. Completed improvements in FY 22 include the widening of 419 from Ogden Road to Route 220, and the Fallowater extension project, which will open up new development sites across from Tanglewood Mall. Transportation improvements have encouraged new economic development and private investment into the Route 419 corridor.

Tanglewood Mall continues to represent significant opportunity to repurpose this property for greater economic development outcomes. The Mall is the County's most noted and high-profile commercial development, located in the County's busiest commercial corridor, and is a catalyst site highlighted in the Route 419 Town Center Plan. Redevelopment scenarios continue to be evaluated and development concepts created, consistent with the goals and strategies outlined in the Plan to enhance the livability, accessibility and economic impact of the area. FY 22 announcements at Tanglewood include the development of four outparcels in the front of the Tanglewood property adding Great Clips, Jersey Mike's

Subs, and new-to-market restaurants like Panda Express and Blaze Pizza. Large retail brands such as Skechers and Burlington have also announced that they will be coming to Tanglewood Mall.

Other new project announcements include a WoodSpring Suites hotel, which will represent a \$10 million investment and create 20 jobs in the Hollins area. Also, Lowe's will develop a 60,000 square foot distribution center representing an \$11 million investment and the creation of 70 jobs. Southern Team Hyundai will expand their operations and develop a new 30,000 square foot state-of-the-art sales and service center, and Wurth Revcar will invest \$5 million to renovate the former Home Shopping network building in Bonsack to create 50 new jobs.

Many economic development initiatives are multi-year in nature, with implementation occurring in stages. Redevelopment projects continued this year including the announcement of the Vinton Hotel project representing a \$12 million investment and the creation of 20 new jobs. This project brings a national hospitality brand to downtown Vinton and will open tourism and economic development opportunities for the Town, and continues the trend over the past five years of redeveloping historic buildings throughout the area. Repurposing underutilized public facilities to breathe new life into Vinton has seen transformative results through redevelopment projects. There has been a total of 5 additional redevelopment projects in the Town of Vinton in the past few years, which have helped to make the highest and best use of underutilized properties and attract new business investment.

Roanoke County has received 6 state and national recognition awards in the past two years for economic development initiatives including the Reimagine 419 Plan and Town of Vinton Revitalization projects. Included are the National Association of Counties (NACO), the International Economic Development Council (IEDC), the Virginia Association of Counties (VACO), the Southern Economic Development Council (SEDC) and the Virginia Economic Developers Association (VEDA).

The County's Economic Development Department successfully utilizes provisions under the public/private partnership policy that allows businesses to receive assistance from the County 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. The Department is an Accredited Economic Development Organization (AEDO), through the International Economic Development Council (IEDC) and has maintained this status since its original designation in 2004.

The County recognizes the importance of expanding the business tax base to provide revenues for needed services. Further, the County is committed to attracting and retaining quality jobs and investments that will diversify the economy, broaden the tax base, and provide long-term employment opportunities for residents.

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

The County annually prepares a Capital Improvement Plan (CIP). The CIP serves as a planning tool for efficient, effective and equitable distribution of public improvements throughout the County. The CIP represents a balance between finite resources and an ever-increasing number of competing County priorities. This balance was achieved using the priorities and objectives established by the Board of Supervisors.

The Board of Supervisors adopted a formal policy for the establishment, maintenance, and use of unassigned general fund balance to provide for the long-term economic stability of the County of Roanoke. This policy requires the general government fund unassigned fund balance be maintained at 12% of budgeted annual general government expenditures. Rating agencies carefully monitor levels of unassigned fund balance in a government's general fund to evaluate a government's continued credit worthiness.

At June 30, 2022 the unassigned fund balance for the general government fund was 12% of the fiscal year 2022 general government fund budgeted expenditures. This is a tenet of the Board's commitment to prudent financial planning because it eliminates the need for short-term borrowing, ensures that current obligations, including debt payments, can be met and provides a cushion against the potential shock of any unexpected change in revenues. This practice, along with our prudent debt management policies, allows the County to

maintain strong bond ratings. The County has bond ratings on outstanding lease revenue bonds as follows: Standard & Poor's AA+, Moody's Investor Service Aa1, and Fitch AA+.

## **Relevant Financial Policies**

Fiscal integrity is a top priority for the County of Roanoke. The County recognizes financial policies establish the framework for financial planning and management and provide guidelines against which budgetary performance can be measured and proposals for future funding can be evaluated. Financial policies further ensure that the County can continue to be a model for excellence in government by providing direction in the areas of revenues, operating expenditures, Capital Improvement Program, reserves and debt management.

The County of Roanoke has adopted a Comprehensive Financial Policy to create the framework for making sound financial decisions. The County Administrator is responsible for the daily administration of the Board's policies and general County operations. The County Administrator may designate other County officials to assist in the administration of these policies. The Comprehensive Financial Policy is a statement of the guidelines and goals that influence and guide the financial management practices of the County of Roanoke and can be found on our website.

## **Major Initiatives**

Initiatives of the County of Roanoke promote economic progress, improve the community's quality of life, and position the County to respond to future development needs. The County is committed to providing quality housing and continues to receive positive publicity for the quality of life enjoyed by citizens and potential business prospects. Roanoke County saw the continuation of major capital and educational initiatives during the fiscal year. Major initiatives for 2021-2022 included:

**Education:** Roanoke County Public Schools is the 19<sup>th</sup> largest of 132 school systems in the Commonwealth of Virginia. The School Board consists of five members elected to four-year terms.

The School Division provides a broad spectrum of general, special, gifted, career and technical education opportunities for approximately 13,665 students (including pre-kindergarten) between the ages of 3 and 21 at sixteen elementary schools, five middle schools, five high schools, and one specialty center. In addition to the Standard Diploma, the School System also offers an Advanced Studies Diploma, an Applied Studies Diploma for students with disabilities who complete the requirements of their Individualized Education Program, a General Achievement Adult High School Diploma for individuals who are at least 18 years of age and not enrolled in public school or not otherwise meeting the compulsory school attendance requirements set forth in the Code of Virginia, and a General Educational Development Certificate.

All Roanoke County Public Schools were fully accredited based on high achievement in reading, mathematics, science, attendance, and graduation rates. The division ranked 8<sup>th</sup> of 131 divisions in overall math performance and 10<sup>th</sup> of 131 divisions in overall reading performance. Spring 2022 results showed the School Division much higher than the state average in all reading and math tests, led by 7<sup>th</sup> grade math which was 23 percentage points higher than the state average. The School Division also maintains extensive individualized intervention programs to support student academic success, culminating in a 95% on-time graduation rate for the students.

**Eastern Section of the Roanoke River Greenway:** This project entails the planning, design and construction of approximately 5 miles of the Roanoke River Greenway in the eastern portion of the County, from the Blue Ridge Parkway to Rutrough Road (State Route 618) in Explore Park. The project is broken into five sections and funded through several federal and state programs. Three of the greenway projects proposed between Roanoke City and Explore Park have completed the design phase and are in the right-of-way acquisition stage. The fourth project proposed through Explore Park to Rutrough Road is in the design phase. The projects are funded through approximately \$19,636,785 in federal and state funding

from the Highway Safety Improvement Program/Open Container, Transportation Alternatives, Surface Transportation Block Grant, and Federal Lands Access Programs with a local match requirement of approximately \$681,652. The local match is comprised of County funds, the value of donated right-of-way, and private donations. The projects will be constructed in phases between 2023-2025.

**Western Section of the Roanoke River Greenway:** This project entails the planning, design and construction of approximately 1.6 miles of the Roanoke River Greenway in the western portion of the County, from Green Hill Park in Roanoke County to West Riverside Drive in the City of Salem. The project is phased in two parts. The first phase project has completed the design phase and is in the right-of-way acquisition stage. The project is funded through approximately \$8.03 million in Highway Safety Improvement Program/Open Container, Surface Transportation Block Grant program, and SMART SCALE funds. The first phase of the project is estimated to be constructed in Fiscal Year 2024.

**Explore Park:** Explore Park is an 1,100-acre outdoor recreation park located in the eastern part of Roanoke County connecting with the Blue Ridge Parkway. In 2016, the Board of Supervisors adopted the Explore Park Adventure Plan that outlines the 15-year development plan for a regional park that will host not only local users but tourists from the surrounding region. Explore Park's plan focuses on private development for many of the recreational amenities such as a lodge, campground, cabins, restaurant, gas station, country store, rental facilities, ropes course and river access, creating a positive economic impact to the Roanoke Valley. In Fiscal Year 2019, the public water and sewer system was completed in the park to serve the Blue Ridge Parkway Visitor Center and park buildings. The cabin and yurt campground project was completed in the fall of 2018 with a project cost of \$900,000. Also, in Fiscal Year 2021, Explore Park opened its first mountain bike skills park. The skills park is expected to draw young new mountain bikers to the park to learn how to ride. Explore Park has two private vendors currently in operation with cabins & camping operations and a brewery & bistro operating in the historic Brugh Tavern. Treetop Quest, Explore Park's signature aerial adventure park, opened to the public in the summer of 2019. The park is completing its fourth full season of operations with over 11,000 admissions. Park attendance grew in 2021 to over 200,000 visitors. Explore Park's signature event, Illuminights, hosted over 60,000 visitors in an event that spanned 34 nights in the 2021 holiday season. For the 2022 holiday season, Illuminights will host 35 nights of lights and expects over 60,000 admissions. In Fiscal Year 2023, a new \$1.4 million project is underway to rebuild Old Salem Turnpike to increase connectivity to passive camping and access to the Roanoke River and to expand WiFi as well as cell service in the southern part of the park. Explore Park has become a regional outdoor destination for local residents and tourists.

**Plantation Road Project:** The Plantation Road Bicycle, Pedestrian and Streetscape Improvement Project was started in 2009. The project encompasses the length of Plantation Road (Route 115) from Interstate 81 to Williamson Road (Route 11), a distance of nine-tenths of one mile. The proposed improvements include sidewalks, pedestrian crosswalks, pedestrian signals, bicycle facilities, street trees, pedestrian-scaled lighting, a Hollins community identification sign, landscaping and drainage improvements. Shared-use trails are envisioned to connect Walrond Park to the Hollins University segment of the Tinker Creek Greenway and ultimately to the 60 miles of trails at Carvins Cove Natural Reserve. Phase 1 was completed in 2018 and includes a shared use path from Williamson Road to Walrond Drive with curb, gutter, street trees and a Welcome to Hollins sign. A total of about \$1.3 million was awarded in 2016 for Lila Drive Intersection Safety Improvements, which were completed at the end of 2020. Another \$1.8 million was awarded in 2017 for Phase 2 of the Plantation Road Project which will continue sidewalks, curb and gutter from Walrond Drive to Gander Way/Friendship Lane. The project will also include Walrond Drive intersection improvements, pedestrian signals and crosswalks at the Gander Way/Friendship Lane intersection. Construction is underway and is anticipated to be complete by Summer 2022.

**Public Service Center Facility:** This multi-phase project was initiated in the Fiscal Year 2017 Capital Improvement Plan (CIP) through the completion of a comprehensive building planning study to identify options for the replacement of this existing facility that provides office space, shops, storage, and equipment staging for multiple County departments. Fiscal Year 2018 resulted in contracting for the acquisition of key properties on Hollins Road adjacent to the County's Fleet Service Center necessary for Phase I of the project. Architectural and Engineering services were procured in Fiscal Year 2019 for Phase I and completed in late Fiscal Year 2020. Property necessary for Phase II construction was procured in Fiscal

Year 2020. Phase I projects were completed in Fiscal Year 2022. These include the new Welding Shop addition on the Fleet Center as well as the construction of the North Addition to house General Services staff. Phase I also included the renovation of an adjacent building to the Fleet Service Center as well a new fueling station and vehicle wash bay. These projects along with the construction of two shop buildings completed Phase I projects. Phase II is currently planned for funding in fiscal year 2023 and is currently under design. The total cost for all prior and future project phases is anticipated to be \$17 million.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Roanoke for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This was the thirty-eighth consecutive year that Roanoke County has received this prestigious honor. In order to be awarded a Certificate of Achievement, governments have to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable legal requirements. In addition, the County received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2021. This was the thirty-sixth consecutive year that the government received this esteemed recognition. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document must be judged proficient as a policy document, a financial plan, an operations guide and a communications device.

In closing, we would like to express our sincere gratitude to the personnel in the Department of Finance and Management Services for their dedication to assuring the financial integrity of the County of Roanoke and the preparation of this report. Appreciation is also extended to the Board of Supervisors and the administration, whose continuing leadership and support is essential to the financial health of the County of Roanoke.

Sincerely,

  
Richard L. Gaywood  
County Administrator

  
Laurie L. Gearheart  
Director of Finance and Management Services



## History of Roanoke County, Virginia

In the 1740s, the first Scotch-Irish and German settlers reached the upper Roanoke Valley by traveling from Pennsylvania through the Shenandoah Valley. They were joined by Tidewater Virginians of English ancestry who journeyed up the valleys of the James and Roanoke Rivers.

Roanoke County, named after the Roanoke River, was formed in 1838 from a portion of Botetourt County and in 1849 a portion of Montgomery County was added. Roanoke County's name comes from the Indian word "Rawrenock", which means wampum. Wampum were white shell beads worn by Native Americans. This explanation comes from Captain John Smith, who wrote about the origins of Roanoke Island in North Carolina's Albemarle Sound.

Most of Roanoke County was rural in nature and farming was predominant throughout the area. By the latter half of the 20th century, Roanoke County (County), was in transition from farm to factory, but the County's rural population was still relatively large in 1920.

The County today has a population of approximately 96,546 and is a mostly suburban area that surrounds the City of Roanoke. Its 251 square miles include the Town of Vinton; Hollins, home of the prestigious Hollins University for women; and historic Bonsack. A diversified economic base helps to provide security from market fluctuations related to particular products.

The County is governed by a charter approved by the 1986 session of the Virginia General Assembly, which grants additional authority to the County Administrator. The Board of Supervisors is the governing body of the County. Members of the Board, one from each of five magisterial districts, are elected to four-year terms. Board members annually select a Chairman and Vice-Chairman to each serve a one-year term.

The Board appoints a County Administrator to act as administrative head of the County. The County Administrator serves at the pleasure of the Board, carries out its policies and directs business procedures. All department heads report to the County Administrator except for the County Attorney who reports directly to the Board. Five constitutional officers (Commissioner of the Revenue, Commonwealth's Attorney, Clerk of the Circuit Court, Sheriff, and Treasurer) are elected by the voters of the County and are not accountable to the Board, but work closely with the Board and the County Administrator.

On July 1, 1980, the Roanoke County Public Service Authority (therein called the "Authority") was dissolved and the sewer utility operation became a part of the utility department within the County government. The water utility operation had previously been transferred to the County effective July 1, 1976. Effective July 1, 2004, these utility operations were transferred to the newly created Western Virginia Water Authority as discussed in more detail on the next page.

The County participates in the Roanoke Regional Airport Commission, formed in 1987 through an act of the Virginia General Assembly. The Commission's five Board members are each appointed a four year term by both the Roanoke City Council and the Roanoke County Board of Supervisors. This is representative of a cooperative, promotional spirit that is implemented in the Roanoke Valley between local governments.

In November 1992, the Roanoke County Police Department became the first nationally accredited department in Southwest Virginia through the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA). The department has maintained national accreditation since November 1997. Existing departmental programs, including criminal investigations, traffic enforcement, domestic violence, crime prevention, criminal apprehension, and community-involved policing, are enhanced through the accreditation process.

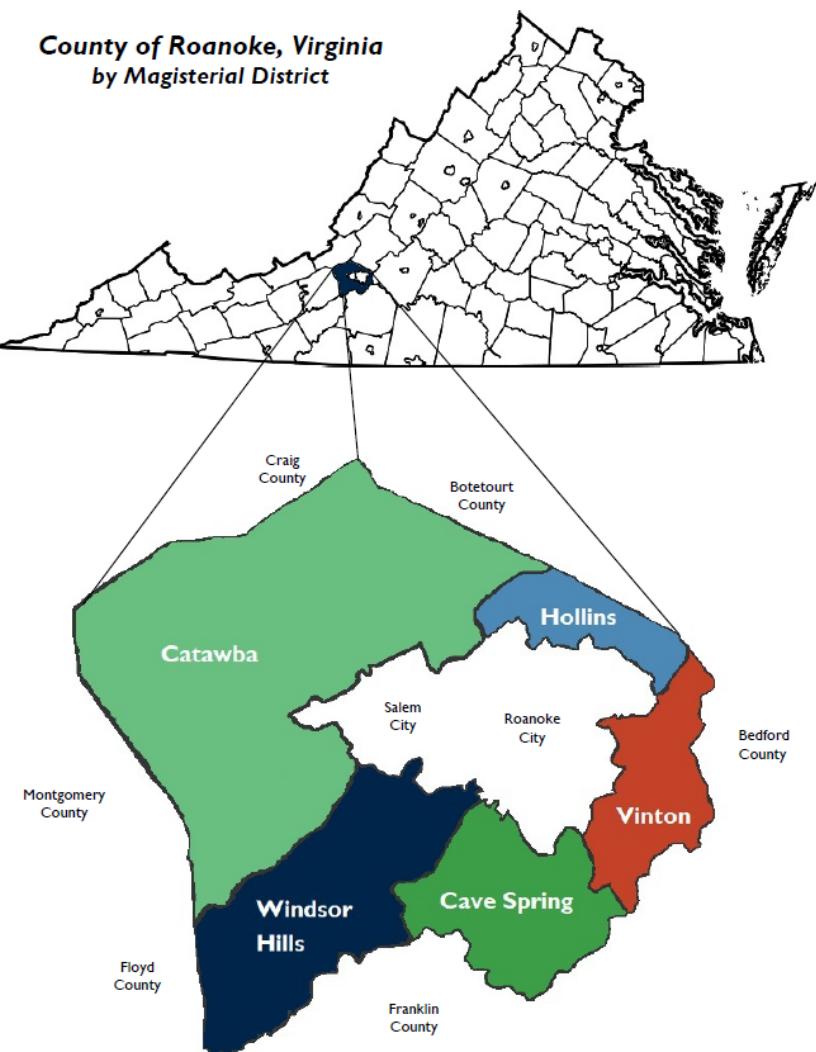
The Roanoke Valley Resource Authority (RVRA) was established on October 23, 1991 under a user agreement between the County of Roanoke, the City of Roanoke and the Town of Vinton to develop a regional solid waste disposal facility. In 2016, the City of Salem joined the RVRA. A nine-member board appointed by the governing bodies of the Charter Members presently governs the RVRA. The County has

control over the budget and financing of the Authority only to the extent of representation by board members appointed. The old regional sanitary landfill operated by the Roanoke Valley Regional Solid Waste Management Board was closed on September 30, 1993.

On July 1, 2004, the County of Roanoke and the City of Roanoke, Virginia (City) formed the Western Virginia Water Authority, a regional water and wastewater authority. This full service authority serves both County and City citizens ensuring a reliable and efficient means of providing water and wastewater treatment, at the lowest cost and best rate and service for its customers. The assets and liabilities of the County and City water and wastewater utilities were merged into one full service authority.

The Western Virginia Regional Jail Authority was formed in June 2005 by the counties of Roanoke, Franklin, and Montgomery and the City of Salem. This regional initiative was undertaken to address overcrowded conditions experienced by each of the partner jurisdictions. The Western Virginia Regional Jail houses post-sentencing inmates and special populations, while the local jails remain operational and are used to house pre-sentencing inmates.

In 2016, the Board of Supervisors adopted the first-ever Community Strategic Plan. The Community Strategic Plan focuses on Community Health and Well-Being, Economic Development, Education, Public Safety, Quality of Life, and Transportation through seven Strategic Initiatives identified through a series of citizen surveys.



**County of Roanoke  
County Officials  
June 30, 2022**

**Board of Supervisors**

Paul M. Mahoney, Chairman, Cave Spring District  
P. Jason Peters, Vice-Chairman, Vinton District  
Martha B. Hooker, Catawba District  
Phil C. North, Hollins District  
David F. Radford, Windsor Hills District

**County Administration**

Richard L. Caywood, County Administrator

County Attorney .....	Peter S. Lubeck
Deputy County Administrator .....	Rebecca E. Owens
Assistant County Administrator .....	Douglas M. Blount
Clerk to the Board .....	Deborah C. Jacks
Chief of Fire and Rescue .....	C. Travis Griffith
Chief of Police .....	Howard B. Hall
Director of Planning .....	Philip G. Thompson
Director of Development Services .....	Tarek M. Moneir
Director of Economic Development .....	Jill B. Loope
Director of Finance and Management Services .....	Laurie L. Gearheart
Director of General Services .....	Ashley D. King
Director of Human Resources .....	Elijah G. Daly
Director of Parks, Recreation and Tourism .....	R. Allen Hayes
Director of Communications and Information Technology .....	William F. Hunter
Director of Library Services .....	Jim L. Blanton
Director of Real Estate Assessments .....	Kenneth E. Fay
Director of Social Services .....	Susan G. Goad
General Registrar .....	Anna L. Cloeter
Unit Coordinator for Virginia Cooperative Extension .....	Leslie R. Prillaman

**Constitutional Officers**

Clerk of the Circuit Court .....	Steven A. McGraw, Sr.
Commissioner of the Revenue .....	Nancy J. Horn
Commonwealth Attorney .....	Brian T. Holohan
Sheriff .....	Joseph E. Orange
Treasurer .....	F. Kevin Hutchins

**Roanoke County Public Schools  
Principal Officials  
June 30, 2022**

**School Board Members**

David M. Linden, Chairman, Hollins District  
Brent T. Hudson, Vice-Chairman, Catawba District  
Cheryl A. Facciani, Windsor Hills District  
Timothy D. Greenway, Vinton District  
Michael A. Wray, Cave Spring District

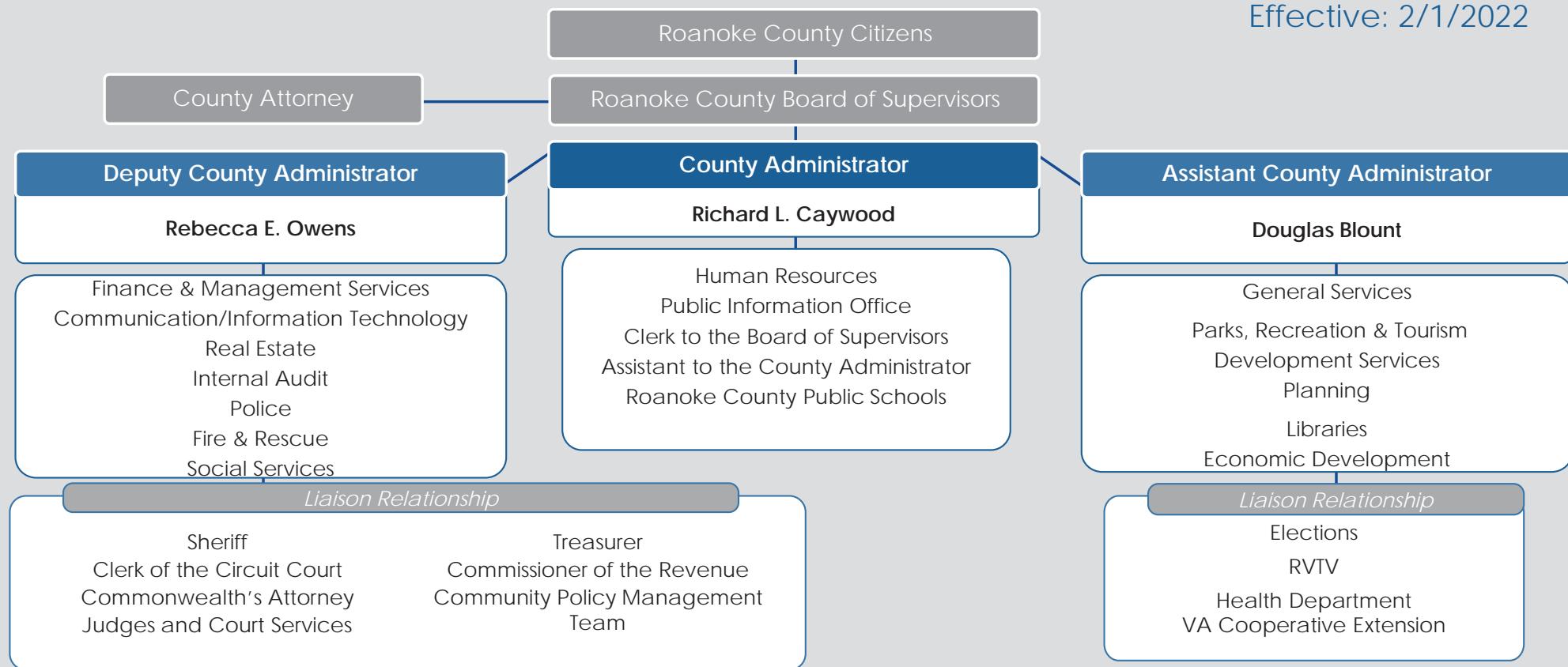
**School Administration**

Dr. Kenneth E. Nicely, Superintendent of Schools

Assistant Superintendent of Student Services and Human Resources .....	Dr. Jessica M. McClung
Assistant Superintendent of Administration .....	Dr. Rhonda W. Stegall
Executive Director of Elementary Instruction .....	Stephanie M. Hogan
Executive Director of Secondary Instruction .....	Michael J. Riley
Director of Assessment and Research .....	Ben J. Williams
Director of Career and Technical Education .....	Jason D. Suhr
Director of Facilities and Operations .....	Anthony (Todd) Kageals
Director of Finance .....	Susan L. Peterson
Director of Human Resources .....	James R. Bradshaw
Director of Technology .....	Jeff A. Terry
Director of School Counseling .....	Dr. Shawn D. Hughes
Director of Special Education .....	Elisabeth P. Harmon
Director of Community Relations .....	Charles D. Lionberger

# Roanoke County Organizational Chart

Effective: 2/1/2022





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Roanoke  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morrell*

Executive Director/CEO



# FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Supervisors  
County of Roanoke, Virginia  
Roanoke, Virginia

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Roanoke, Virginia (the “County”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the South Peak Community Development Authority (the “CDA”), as a discretely presented component unit of the County, which represents 4.2% of the respective assets, 0.5% of the respective revenues, and -2.1% of the respective net position of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for the CDA, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

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 *Specifications for Audits of Counties, Cities, and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County 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 opinions.

#### ***Change in Accounting Principle***

As described in Note 1 to the financial statements, in 2022, the County adopted new accounting guidance, GASB No. 87, *Leases*. Our opinion is not modified with respect to this matter.

## **Report on the Financial Statements (Continued)**

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 County'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.

### ***Auditor's 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 auditor's report that includes our opinions. 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 and *Government Audit Standards* 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 and *Government Audit Standards*, 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 County'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 County'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.

## **Report on the Financial Statements (Continued)**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information other than management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements. The supplementary information and the schedule of expenditures and federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***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 opinions on the basic financial statements do 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 December 1, 2022 on our consideration of the County'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 County'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 County's internal control over financial reporting and compliance.

*Brown, Edwards & Company, S.C.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia  
December 1, 2022

**COUNTY OF ROANOKE, VIRGINIA**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2022**

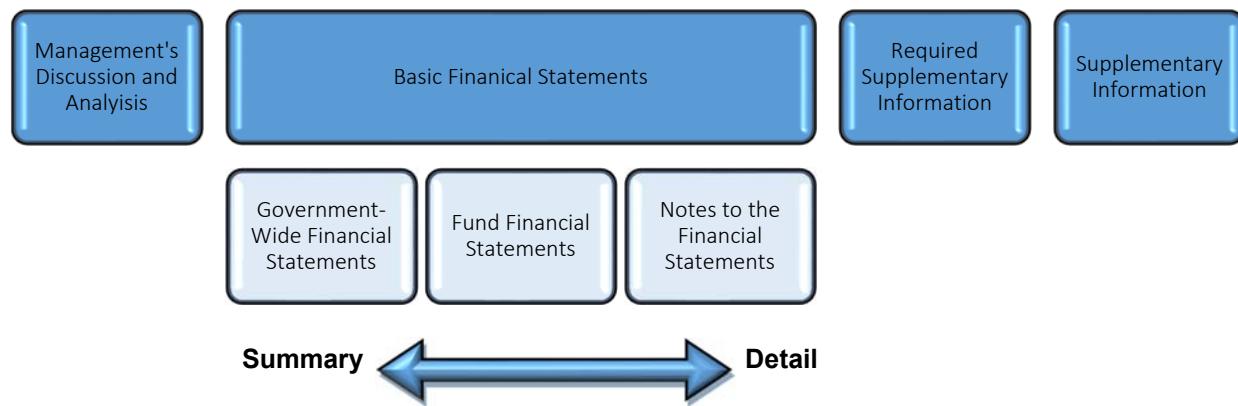
The management of the County of Roanoke, Virginia (County) presents the following discussion and analysis as an overview of the financial activities of the County for the year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-7 of this report.

## FINANCIAL HIGHLIGHTS

- The total assets and deferred outflows of the County's governmental activities exceeded its liabilities and deferred inflows as of June 30, 2022 by \$68.1 million (*net position*).
- On a government-wide basis for governmental activities, the County had expenses, net of program revenues, of \$202.8 million, which were \$11.2 million more than general revenues of \$191.6 million (Exhibit II).
- The County's outstanding debt, including bond premiums, increased by \$9.3 million during fiscal year 2022. This is the result of the 2021C VPSA bond issuance offset by scheduled debt payments made during the year that reduced the principal balance.

## OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The financial section of the Annual Comprehensive Financial Report consists of the following:



Management's discussion and analysis is intended to serve as an introduction to the County of Roanoke's basic financial statements and is unaudited. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition, required supplementary information accompanies the basic financial statements and related notes, but is unaudited.

The County's basic financial statements include two types of financial statements, each with a different view of the County's finances, the County as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the County's overall financial position. The fund financial statements focus on the individual funds of the County, reporting the County's operations in more detail than the government-wide statements. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the County's accountability.

**COUNTY OF ROANOKE, VIRGINIA**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2022**

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### **Government-wide Financial Statements**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These financial statements provide information about the County as a whole using the accrual basis of accounting, which is the method used by most private-sector companies. All current year revenues and expenses are reported in the Statement of Activities regardless of when cash is received or paid. These statements allow readers to answer the question: "Is the County's financial position, as a whole, better or worse as a result of the year's activities?"

One of the main goals of these two financial statements is to report the County's net position and changes that affected net position during the fiscal year. The amount of net position, which is the difference between assets and deferred outflows and liabilities and deferred inflows, is one way to measure the County's financial position. Over time, increases or decreases in net position are indicators of whether the County's financial condition is improving or deteriorating. Other nonfinancial factors, such as changes in the County's property tax base and the physical condition of the County's infrastructure should also be considered in assessing the overall financial condition of the County.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate Roanoke County Public Schools and a legally separate Economic Development Authority and South Peak Community Development Authority for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 33-34 of this report.

In the Statement of Net Position and the Statement of Activities, the County's fund-based activity is classified as follows:

**Governmental activities** – Most of the County's basic services are reported as governmental activities, including public safety, public works, judicial administration, library, health and welfare, parks, recreation and cultural, community development, education, and general government. Property and other local taxes, and state and federal grants finance most of these activities.

### **Fund Financial Statements**

Government financial statements have traditionally been prepared using the fund financial statement presentation. They provide more detailed information about the County's funds, focusing on its most significant or "major" funds – not the system as a whole. The County utilizes three types of funds:

- **Governmental funds**: Most of the County's basic services are reported in governmental funds, which focus on how resources flow into and out of those funds and the remaining balances at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic

**COUNTY OF ROANOKE, VIRGINIA**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2022**

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services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation accompanying the fund financial statements.

- **Proprietary funds:** The County uses Internal Service funds to provide for health, other post-employment benefits, dental, and workers' compensation coverage for employees and for general and automobile liability coverage.
- **Fiduciary funds:** The County is trustee, or fiduciary, for the Fire and Rescue Pension Trust Length of Service Awards Program. The County acts in a custodial capacity or fiscal agent, for the Roanoke Valley Resource Authority, Virginia Recreational Facilities Authority, the Western Virginia Regional Jail Authority, the Regional Center for Animal Control and Protection and other local agencies. Resources held for other governments, individuals or agencies not part of the County are reported as fiduciary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The County excludes these activities from the government-wide financial statements because the County cannot use these assets to finance its operations.

The governmental fund financial statements can be found beginning on page 35 of this report.

**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 government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 46 of this report.

**Required supplementary information** – In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's budgetary comparisons, contributions and progress in funding its obligation to provide pension and postemployment health care benefits to its employees. Required supplementary information can be found beginning on page 125 of this report.

Certain additional *supplementary information* is presented immediately following the required supplementary information. Supplementary information includes combining schedules of governmental funds (including budgetary comparisons), combining schedules of internal service funds, and combining schedules of fiduciary funds. Also included are statements of component units. Supplementary information can be found beginning on page 147 of this report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2022**

**FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE**

**Summary of Net Position**

As noted earlier, the amount of net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Summary of Net Position as presented in the government-wide financial statements:

<b>Summary of Net Position</b> <b>As of June 30, 2022 and 2021</b>			
	Governmental Activities		Percent Change
	2022	2021	
Current and other assets	\$ 138,119,464	\$ 114,368,029	20.8%
Capital assets, net	213,358,273	233,259,823	-8.5%
Total assets	351,477,737	347,627,852	1.1%
Deferred outflows	21,600,892	24,140,919	-10.5%
Other liabilities	32,749,984	23,142,975	41.5%
Long-term liabilities	219,959,928	248,692,184	-11.6%
Total liabilities	252,709,912	271,835,159	-7.0%
Deferred inflows	52,317,898	20,654,308	153.3%
Net investment in capital assets	76,338,759	93,376,262	-18.2%
Restricted	4,880,666	3,428,187	42.4%
Unrestricted	(13,168,606)	(17,525,145)	-24.9%
Total net position	<u>\$ 68,050,819</u>	<u>\$ 79,279,304</u>	<u>-14.2%</u>

In the case of the County, assets and deferred outflows exceed liabilities and deferred inflows by \$68.1 million at the close of fiscal year 2022. This decrease of \$11.2 million reflects an overall decrease in the County's financial position and is the result of a combination of factors including 1) a decrease in net capital assets due to an increase in asset values offset by annual depreciation expense, 2) a decrease in net assets resulting from tenancy-in-common assets transferred to Roanoke County Public Schools, and 3) expenses exceeding revenues for the year ended.

The largest portion of the County's net position is \$76.3 million (112.2%) and reflects its *net investment in capital assets* (i.e., land, buildings, machinery and equipment, and right to use leased equipment net of the lease liability) less any related outstanding debt used to acquire those assets. In the current year, with the implementation of GASB 87, *Leases*, a new asset type is added called right to use leased equipment. These amounts represent leased copier equipment. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County's *restricted net position* of \$4.9 million (7.2%) represents funds externally restricted for specific state and federal grant programs.

**COUNTY OF ROANOKE, VIRGINIA**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2022**

The remaining balance of \$(13.1) million, or -19.4%, is *unrestricted net position*. A negative balance indicates that no funds were available for discretionary purposes.

At the end of the current fiscal year, the County was able to report a positive balance in both the net investment in capital assets and the restricted categories and a negative balance in the unrestricted net position category.

**Changes in Net Position**

The following table presents a condensed summary of changes in net position for governmental activities:

<b>Changes in Net Position</b> <b>For the Year Ended June 30, 2022 and 2021</b>				
	<b>Governmental Activities</b>		<b>Percent Change</b>	
	<b>2022</b>	<b>2021</b>		
<b>Revenues</b>				
Program Revenues:				
Charges for services	\$ 13,788,612	\$ 11,573,983	19.1%	
Operating grants & contributions	35,351,978	48,846,350	-27.6%	
General Revenues:				
Property taxes	134,297,583	129,304,393	3.9%	
Sales taxes	14,032,192	13,052,496	7.5%	
Business license taxes	7,755,534	6,951,809	11.6%	
Communication taxes	2,815,716	2,900,980	-2.9%	
Consumer utility taxes	3,731,298	3,730,296	0.0%	
Tax on prepared food	5,151,823	4,428,697	16.3%	
Motor vehicle licenses	2,736,196	2,469,710	10.8%	
Other local taxes	6,370,046	5,391,855	18.1%	
Non-categorical state aid	12,229,857	12,229,857	0.0%	
Other revenues	2,505,664	2,009,809	24.7%	
<b>Total revenues</b>	<b>240,766,499</b>	<b>242,890,235</b>	<b>-0.9%</b>	
<b>Expenses</b>				
General government	22,638,930	20,615,324	9.8%	
Judicial administration	3,368,032	3,337,128	0.9%	
Public safety	55,285,436	55,886,260	-1.1%	
Public works	17,611,763	19,878,694	-11.4%	
Library	5,946,524	5,900,826	0.8%	
Health & welfare	23,620,592	24,320,257	-2.9%	
Parks, recreation and culture	8,566,756	9,799,032	-12.6%	
Community development	5,672,342	5,504,813	3.0%	
Education	102,899,875	80,416,431	28.0%	
Interest and other charges	6,384,734	6,503,819	-1.8%	
<b>Total expenses</b>	<b>251,994,984</b>	<b>232,162,584</b>	<b>8.5%</b>	
Change in net position	(11,228,485)	10,727,651	-204.7%	
Total net position, beginning of year	79,279,304	68,551,653	15.6%	
<b>Total net position, end of year</b>	<b>\$ 68,050,819</b>	<b>\$ 79,279,304</b>	<b>-14.2%</b>	

**COUNTY OF ROANOKE, VIRGINIA**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2022**

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### **Governmental Activities**

Governmental activities decreased the County's net position by \$11.2 million. The County's total revenues decreased from the prior year by 0.9% to \$240.8 million and expenses for all programs and services increased 8.5% to \$252.0 million.

Approximately 55.8% of the County's revenues come from property taxes, 3.2% from business license tax, 1.2% from communications tax, 1.6% from consumer utility tax, 2.1% from tax on prepared food, 1.1% from motor vehicle licenses, 2.7% from other local tax, 5.7% from charges for services, 14.7% from operating grants and contributions, 5.1% from non-categorical state aid, 5.8% from sales tax, and 1.0% from other and miscellaneous revenues.

The County's expenses cover a range of services, with about 40.8% related to Education, 21.9% to Public Safety, 7.0% to Public Works, 9.4% to Health and Welfare, 1.3% to Judicial Administration, 2.4% to Library, 3.4% to Parks, Recreation and Culture, 2.3% to Community Development, 9.0% to General Government, and 2.5% for interest and other charges.

Revenues for governmental activities decreased \$2.1 million (0.9%) and total expenses increased \$19.8 million (8.5%) when compared to the prior year.

Key elements of these changes were as follows:

- Property tax revenues increased by \$5.0 million (3.9%) during the year. This increase was due to growth in both real and personal property tax assessed values.
- Sales tax revenues increased by \$1.0 million (7.5%). This increase was primarily due to modest growth in local business revenues and higher-than-average spending by the local consumer.
- Business license tax revenues increased by \$0.8 million (11.6%). This increase was primarily due to growth in local business revenues following the end of the COVID-19 pandemic.
- General Government expenses increased by \$2.0 million (9.8%) due to increased spending of federal funding sources as a result of the COVID-19 pandemic.
- Public Works expenses decreased by \$2.3 million (-11.4%) primarily due to fewer stormwater management projects in fiscal year 2022 than in fiscal year 2021.
- Health and Welfare expenses decreased by \$0.7 million (-2.9%) due to a decrease in demand for services.
- Parks, Recreation, and Cultural expenses decreased by \$1.2 million (-12.6%) due to less spending of federal funding sources as a result of the COVID-19 pandemic.
- Community Development expenses increased by \$0.2 million (3.0%) primarily due to capital outlays related to transportation alternative grants, transportation improvement grants, and greenway improvement grants.
- Education expenses increased by \$22.5 million (28.0%) due to a decrease in net assets resulting from tenancy-in-common assets transferred to Roanoke County Public Schools.

**COUNTY OF ROANOKE, VIRGINIA**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2022**

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

**Governmental Funds**

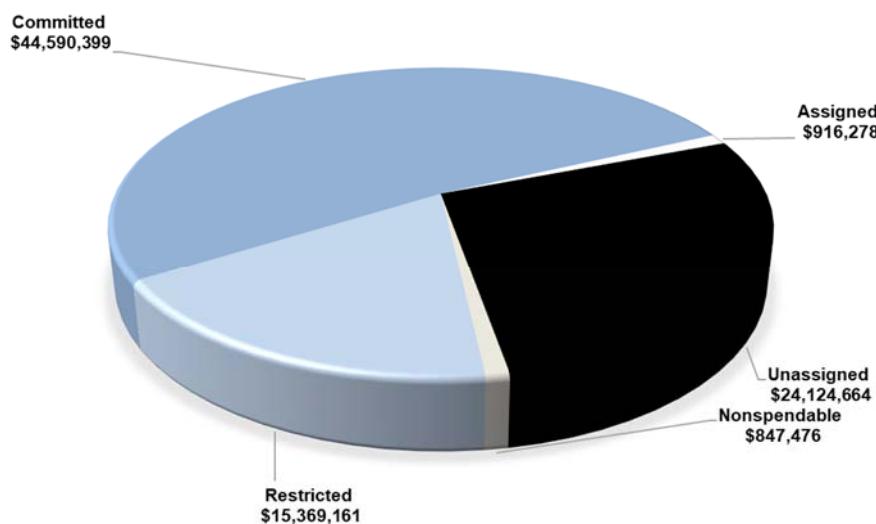
Governmental funds consist of the General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund and account for the general operations of the County. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In fiscal year 2011, the County implemented new reporting guidance, which replaced the traditional fund balance components. The components of fund balance now include non-spendable, restricted, committed, assigned and unassigned. The County has fund balances in all components at year end.

As of the end of the fiscal year, the County's governmental funds reported combined fund balance of \$85.8 million, an increase of \$15.2 million in comparison with fiscal year 2021. Of this amount 1.0% (\$0.8 million) constitutes *non-spendable fund balance* which reflects inventories and prepaid assets that are non-liquid in form and cannot be spent, 17.9% (\$15.4 million) constitutes *restricted fund balance*, which is externally restricted for State and Federal grant programs, 51.9% (\$44.6 million) constitutes *committed fund balance*, which is designated for future capital projects, education, community development, stormwater management, LOSAP pension liability, and other general government programs, 1.1% (\$0.9 million) constitutes *assigned fund balance*, which is designated for parks and recreation and other various general government programs, and 28.1% (\$24.1 million) constitutes *unassigned fund balance* which reflects the County's unappropriated fund balances for all general governmental accounts.

The fund balance of the General Fund increased \$2.8 million during the current fiscal year. This increase is primarily attributed to revenues exceeding original projections.

The Special Revenue Fund accounts for proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The restricted fund balance increased from prior year by \$58,991 as a result of the increase in the taxes received from the South Peak district.

The Capital Projects Fund is used to account for the acquisition or construction of major capital facilities. At the end of the current fiscal year, the Capital Projects Fund balance consisted of \$26,417 nonspendable for prepaid assets, \$24.3 million committed, and \$10.5 million restricted for future capital projects. The fund balance increased by \$12.3 million primarily due to proceeds from a debt issuance for the commencement of the William Byrd High School Renovation offset by continued spending for the construction of the Public Service Center.



**COUNTY OF ROANOKE, VIRGINIA**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2022**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The County's budget is prepared in accordance with the *Code of Virginia*. During the year, the County amended the original budget primarily for the following purposes:

- To reappropriate monies to pay for commitments in the form of encumbrances established prior to June 30, 2022 but not paid by that date.
- To reappropriate grants, donations and other revenues authorized in fiscal year 2022 or earlier, but not expended or encumbered as of June 30, 2022.
- To appropriate grants, donations, and other revenues accepted or adjusted in fiscal year 2022 when official notice of approval was received.
- To appropriate the designated general fund balance to capital projects.

Below is a condensed version of the budgetary comparison of the General Fund original budget, amended budget, and actual amounts for fiscal year 2022.

<b>Budgetary Highlights - General Fund</b> <b>For the Year Ended June 30, 2022</b>			
	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual</u>
Revenues	\$ 214,140,676	\$ 251,821,457	\$ 231,251,648
Expenditures	124,230,870	166,095,290	130,217,351
Transfers out, net	<u>93,934,350</u>	<u>98,250,165</u>	<u>98,250,165</u>
Net change in fund balance	<u>\$ (4,024,544)</u>	<u>\$ (12,523,998)</u>	<u>\$ 2,784,132</u>

Actual General Fund total revenues fell short of the amended budget by \$20.6 million for fiscal year 2022. The deficit is primarily the result of several reimbursable federal and state grants budgeted for the Roanoke River Greenway, Corridor improvements, American Rescue Plan Act funds, and other various projects. During the year, planning for the projects continued; however, minimal expenditures were incurred and, therefore, few revenues were received. Expenditures and transfers were less than budgetary estimates by \$35.9 million, resulting in savings at year end primarily due to grant awards budgeted, but not fully expended.

The County Board of Supervisors appropriated \$14.6 million in transfers in fiscal year 2022 to allocate the prior year ending fund balance for future expenditures and capital projects. The County ending fund balance increased at June 30, 2022 by \$15.2 million compared to the prior fiscal year end largely due to increased revenues due to increased property assessments and an increase in federal grant monies related to the American Rescue Plan Act. The School Board and County Board of Supervisors have a jointly adopted financial policy designating year end balances be re-appropriated, with recommendations presented for approval during the final year-end report.

#### **Proprietary Funds**

The County Internal Service Funds, a proprietary fund type, are presented on the same basis as the government-wide financial statements but is presented in more detail in the fund financial statements.

**COUNTY OF ROANOKE, VIRGINIA**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2022**

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Unrestricted net position of the Health Insurance, Dental Insurance, and Risk Management funds at the end of the year amounted to \$3,192,996. The net position of Risk Management increased by \$35,180, Health Insurance decreased by \$800,270 as a result of higher claims experience, and Dental Insurance increased by \$3,646.

**CAPITAL ASSETS**

As of June 30, 2022, the County had invested \$213.4 million, net of accumulated depreciation and amortization, in a variety of capital assets including land, buildings, construction-in-progress, land improvements, equipment, and right to use leased equipment. The total net decrease in the County's investment in capital assets for the current year was \$19.9 million. The County implemented GASB 87, Leases, during fiscal year 2022. For the two copier leases existing as of June 30, 2021, the County recorded a beginning asset related to the right to use leased equipment in the amount of \$359,020 and the related accumulated amortization of \$55,702.

Additional information about the County's capital assets can be found in Note 9 to the basic financial statements. Capital assets are illustrated in the following table:

<b>Capital Assets</b> <b>As of June 30, 2022 and 2021</b>		
	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b>
Land	\$ 12,750,129	\$ 15,203,683
Buildings, improvements and systems	341,149,416	369,907,646
Furniture, fixtures, and equipment	81,667,379	79,900,971
Construction in progress	30,494,648	18,156,988
Right to use leased equipment	359,020	359,020
Subtotal	<u>466,420,592</u>	<u>483,528,308</u>
Accumulated depreciation and amortization	(253,062,319)	(250,268,485)
Totals	<u>\$ 213,358,273</u>	<u>\$ 233,259,823</u>

Major capital asset events during the current fiscal year included the following:

- Land decreased by \$2.5 million and buildings, improvements, and systems decreased by \$28.8 million primarily due to the transfer of tenancy-in-common assets to Roanoke County Public Schools.
- Furniture, fixtures, and equipment increased by \$1.8 million due to the purchase of 31 new vehicles, a negotiator's van, a tanker truck, an ambulance, and a new solid waste truck.
- Construction in progress increased by \$12.3 million due to the commencement of the William Byrd High School renovation.

**COUNTY OF ROANOKE, VIRGINIA**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2022**

**LONG-TERM DEBT**

At June 30, 2022, the County had a number of bonded debt issues outstanding. These include \$85.9 million of Virginia Public School Authority (VPSA) bonds for School purposes and \$73.9 million outstanding of lease revenue bonds. Although the issuance of bonds by Virginia counties is not subject to any limitations on amount, counties are prohibited from issuing general obligation bonds unless the issuance has been approved by public referendum. Outstanding debt, including bond premiums, at June 30, 2022 increased by a net amount of \$9.3 million as a result of a new VPSA debt issuance along with the continued scheduled debt payments made during the year that reduced the principal balance of outstanding debt.

The County has adopted a debt policy that establishes guidelines and limitations for the issuance of debt. The debt policy addresses the level of total indebtedness the County can reasonably expect to incur without jeopardizing its financial position and to ensure the efficient and effective operation of the County. The County measures its total level of debt through three ratios: 1) net debt per capita (excluding business type funds) should not exceed \$2,500, 2) net debt per assessments should not exceed 3%, and 3) debt service to general fund expenditures should not exceed 10%. As of June 30, 2022, the County's net debt per capita ratio was \$1,783, the net debt to assessments ratio was 1.46%, and the percent of debt service to general fund expenditures was 5.60% based on total debt outstanding.

The County has bond ratings on outstanding lease revenue bonds as follows: Standard & Poor's AA+, Moody's Investor Service Aa1, and Fitch AA+.

Additional information on the County's long-term debt can be found in Note 8 to the basic financial statements. The following table illustrates the County's outstanding debt:

<b>Outstanding Debt</b> <b>As of June 30, 2022 and 2021</b>			
<b>Governmental Activities</b>			
	<b>2022</b>	<b>2021</b>	
Lease Revenue bonds	\$ 73,900,000	\$ 77,530,000	
Virginia Public School Authority bonds	85,873,052	74,515,490	
Bond Premiums	12,384,805	10,777,149	
Lease obligations	238,807	303,318	
<b>Totals</b>	<b>\$ 172,396,664</b>	<b>\$ 163,125,957</b>	

**FACTORS INFLUENCING FUTURE BUDGETS AND RATES**

Key factors that are expected to impact future budgets include:

- Current financial market volatility and continued uncertainty of the economy.
- Projected changes in retirement contribution rates assessed by the Virginia Retirement System.
- Projected increases in health insurance premiums.
- Funding for the Capital Improvements Program.
- Volatility of CSA program expenditures.

**COUNTY OF ROANOKE, VIRGINIA**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2022**

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**ECONOMIC FACTORS**

The County continues to forecast growth in the local tax base to further enhance the necessity to maintain existing service levels. While we have always kept a watchful eye on the year-to-date revenue collections and regularly update revenue forecasts, our current fiscal climate dictates that continuous revenue budgeting be a top priority. However, even with this emphasis, it is important to be aware of the pitfalls of estimating future revenues in this continuing unstable economic environment.

The County recognizes the value of properly illustrating year-end commitments. Accordingly, the County is able to utilize all or portions of surpluses at the end of the current year as a source of funding in a subsequent year, while also meeting the County's fund balance and capital policies, and maintaining desired reserves for future needs.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the resources it receives. If you have questions about this report or need additional financial information, contact the Director of Finance and Management Services, County of Roanoke, 5204 Bernard Drive, Suite 300E, Roanoke, Virginia 24018, telephone (540) 283-8126, or visit the County's web site at [www.roanokecountyva.gov](http://www.roanokecountyva.gov).



# BASIC FINANCIAL STATEMENTS

**COUNTY OF ROANOKE, VIRGINIA**  
**Statement of Net Position**  
**June 30, 2022**

	<b>Governmental</b>	<b>Component</b>
	<b>Activities</b>	<b>Units</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 39,223,530	\$ 27,930,080
Cash and investments with fiscal agents	17,393,656	-
Investments	42,683,665	14,443,594
Restricted cash and cash equivalents	1,154,443	15,000
Accounts receivable	17,997,865	382,072
Lease receivable	1,934,923	-
Due from other governments	16,883,906	7,542,838
Inventories	348,951	642,422
Land held for resale	-	4,817,324
Prepaid and other assets	498,525	186,362
Net asset from pension	-	4,570,307
Capital assets:		
Land and construction in progress	43,244,777	15,620,227
Other capital assets, net	<u>170,113,496</u>	<u>68,412,454</u>
Capital assets, net	<u>213,358,273</u>	<u>84,032,681</u>
Total assets	<u>351,477,737</u>	<u>144,562,680</u>
<b>DEFERRED OUTFLOWS</b>		
Deferred charges on refundings of debt	596,269	-
Resources related to pension plan	17,368,143	28,177,784
Other postemployment benefits provided by Virginia Retirement System	1,015,809	3,106,920
Other postemployment benefits provided by Roanoke County and Roanoke County Public Schools	2,620,671	613,411
Total deferred outflows	<u>21,600,892</u>	<u>31,898,115</u>
<b>LIABILITIES</b>		
Accounts payable	7,960,027	1,485,309
Accrued liabilities	1,973,492	7,250,849
Unearned revenues	20,242,190	865,695
Accrued interest payable	2,574,275	86,489
Long-term liabilities:		
Portion due or payable within one year:		
Bonds payable	11,843,501	310,000
Bond premiums	1,049,876	-
Lease obligations	66,242	2,940,560
Compensated absences	3,890,162	842,403
Claims payable	1,603,312	1,693,991
Portion due or payable after one-year:		
Bonds payable	147,929,551	5,421,000
Bond premiums	11,334,929	-
Lease obligations	172,565	3,592,799
Compensated absences	2,622,215	1,789,048
Claims payable	1,389,260	582,247
Net pension liabilities	20,910,355	72,585,738
Net LOSAP pension liability	12,533,736	-
Other postemployment benefits provided by Virginia Retirement System	3,766,495	17,318,454
Other postemployment benefits provided by Roanoke County and Roanoke County Public Schools	<u>847,729</u>	<u>5,163,187</u>
Total liabilities	<u>252,709,912</u>	<u>121,927,769</u>
<b>DEFERRED INFLOWS</b>		
Deferred revenues	12,551,206	15,000
Lease agreements	1,934,923	-
Resources related to pension plan	29,962,301	58,772,293
Other postemployment benefits provided by Virginia Retirement System	1,287,011	2,909,566
Other postemployment benefits provided by Roanoke County and Roanoke County Public Schools	<u>6,582,457</u>	<u>6,811,814</u>
Total deferred inflows	<u>52,317,898</u>	<u>68,508,673</u>
<b>NET POSITION</b>		
Net investment in capital assets	76,338,759	71,768,322
Restricted for:		
Grants and other governmental programs	4,880,666	-
Net asset from pension	-	4,570,307
Unrestricted	<u>(13,168,606)</u>	<u>(90,314,276)</u>
Total net position	<u>\$ 68,050,819</u>	<u>\$ (13,975,647)</u>

**COUNTY OF ROANOKE, VIRGINIA**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Units	
<b>Primary Government</b>							
General government	\$ 22,638,930	\$ 1,574,899	\$ 826,523	\$ -	\$ (20,237,508)	\$ -	-
Judicial administration	3,368,032	1,065,252	1,452,782	-	(849,998)	-	-
Public safety	55,285,436	4,327,104	9,838,240	-	(41,120,092)	-	-
Public works	17,611,763	362,564	65,992	-	(17,183,207)	-	-
Library	5,946,524	108,959	196,648	-	(5,640,917)	-	-
Health and welfare	23,620,592	1,158,972	14,755,484	-	(7,706,136)	-	-
Parks, recreation, and culture	8,566,756	4,445,034	483,604	-	(3,638,118)	-	-
Community development	5,672,342	745,828	7,503	-	(4,919,011)	-	-
Education	102,899,875	-	7,725,202	-	(95,174,673)	-	-
Interest and other charges	6,384,734	-	-	-	(6,384,734)	-	-
	<u>\$ 251,994,984</u>	<u>\$ 13,788,612</u>	<u>\$ 35,351,978</u>	<u>\$ -</u>	<u>(202,854,394)</u>	<u>-</u>	<u>-</u>
<b>Total component units</b>	<b>\$ 185,015,727</b>	<b>\$ 1,567,386</b>	<b>\$ 50,417,384</b>	<b>\$ 24,246,891</b>			<b>(108,784,066)</b>
General revenues:							
Real estate and personal property					134,297,583	-	-
Local share of sales tax					14,032,192	-	-
Business license taxes					7,755,534	-	-
Communications taxes					2,815,716	-	-
Consumer utility taxes					3,731,298	-	-
Tax on prepared food					5,151,823	-	-
Motor vehicle licenses					2,736,196	-	-
Other local taxes					6,370,046	-	-
Payments from Roanoke County					-	74,541,757	-
Payments from other local governments					-	104,468	-
Non-categorical state aid					12,229,857	60,663,011	-
Incremental tax revenues					-	632,280	-
Special assessment revenues					-	7,690	-
Gain on sale of capital assets					130,978	205,835	-
Interest and Investment earnings					1,387,867	1,400	-
Miscellaneous					986,819	4,191,607	-
Total general revenues					<u>191,625,909</u>	<u>140,348,048</u>	-
Change in net position					(11,228,485)	31,563,982	-
Total net position at beginning of year					<u>79,279,304</u>	<u>(45,539,629)</u>	-
Total net position at end of year					<u>\$ 68,050,819</u>	<u>\$ (13,975,647)</u>	-

See accompanying notes to basic financial statements.

**COUNTY OF ROANOKE, VIRGINIA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 22,582,285	\$ 779,686	\$ 260,997	\$ 12,114,543	\$ 35,737,511
Cash and investments with fiscal agents	3,552,618	-	9	13,841,029	17,393,656
Investments	28,136,175	-	-	11,296,784	39,432,959
Restricted cash and cash equivalents	1,154,443	-	-	-	1,154,443
Receivables	17,650,300	-	-	88,245	17,738,545
Lease Receivable	1,934,923	-	-	-	1,934,923
Due from other governments	16,374,667	-	-	509,239	16,883,906
Prepaid items and other assets	472,108	-	-	26,417	498,525
Inventories	348,951	-	-	-	348,951
Total assets	<u>\$ 92,206,470</u>	<u>\$ 779,686</u>	<u>\$ 261,006</u>	<u>\$ 37,876,257</u>	<u>\$ 131,123,419</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 4,104,175	\$ -	\$ -	\$ 3,045,375	\$ 7,149,550
Accrued wages and benefits	1,973,492	-	-	-	1,973,492
Unearned revenues	20,242,190	-	-	-	20,242,190
Total liabilities	<u>\$ 26,319,857</u>	<u>-</u>	<u>-</u>	<u>3,045,375</u>	<u>29,365,232</u>
<b>DEFERRED INFLOWS</b>					
Deferred tax revenues	12,551,206	-	-	-	12,551,206
Unavailable revenues	1,424,080	-	-	-	1,424,080
Lease agreements	1,934,923	-	-	-	1,934,923
	<u>15,910,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,910,209</u>
<b>FUND BALANCES</b>					
Nonspendable	821,059	-	-	26,417	847,476
Restricted	4,100,980	779,686	-	10,488,495	15,369,161
Committed	20,013,423	-	261,006	24,315,970	44,590,399
Assigned	916,278	-	-	-	916,278
Unassigned	24,124,664	-	-	-	24,124,664
Total fund balances	<u>49,976,404</u>	<u>779,686</u>	<u>261,006</u>	<u>34,830,882</u>	<u>85,847,978</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 92,206,470</u>	<u>\$ 779,686</u>	<u>\$ 261,006</u>	<u>\$ 37,876,257</u>	<u>\$ 131,123,419</u>

See accompanying notes to basic financial statements.

(continued)

**COUNTY OF ROANOKE, VIRGINIA**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

**Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Position**

Total fund balances for governmental funds (Exhibit III) \$ 85,847,978

Total net capital assets reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (Note 9). Those assets consist of:

Land and construction in progress	43,244,777
Other capital assets, net of \$253,062,319 of accumulated depreciation and amortization	<u>170,113,496</u>
Total capital assets, net	213,358,273

Internal service funds (Exhibit V) are used by the County to charge the cost of health, dental, and risk management to individual funds. These assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. Internal service fund net position is:

County revenues that are earned but not considered available are not current financial resources and, therefore, are not reported in the governmental funds.	3,192,996
	1,424,080

Long-term assets or liabilities are not due and payable in the current period and, therefore, are not reported as assets or liabilities in the governmental funds. Balances at June 30, 2022 are:

Accrued interest payable	(2,574,275)
Bonds payable	(159,773,052)
Bond premiums	(12,384,805)
Lease obligations	(238,807)
Compensated absences	(6,512,377)
Other postemployment benefit OPEB liabilities	(4,614,224)
Net pension liabilities	<u>(33,444,091)</u>
Total long-term assets and liabilities	(219,541,631)

Deferred outflows and inflows or resources related to debt refunds, pensions, and OPEB are applicable to future periods and, therefore, are not reported in the governmental funds. Balances at June 30, 2022 are:

Deferred outflow from debt refundings resulting in loss transactions	596,269
Deferred outflows of resources related to pension plan	17,368,143
Deferred outflows of resources related to other postemployment benefits	3,636,480
Deferred inflows of resources related to other postemployment benefits	(7,869,468)
Deferred inflow of resources related to pension plan	<u>(29,962,301)</u>
Total deferred outflows and inflows	(16,230,877)

Total net position of governmental activities (Exhibit I) \$ 68,050,819

See accompanying notes to basic financial statements.

**COUNTY OF ROANOKE, VIRGINIA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2022**

	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
General property taxes	\$ 135,083,947	\$ 283,907	\$ -	\$ -	\$ 135,367,854
Other local taxes	41,950,778	356,063	- -	- -	42,306,841
Permits, fees, and licenses	1,015,324	- -	- -	- -	1,015,324
Fines and forfeitures	527,158	- -	- -	- -	527,158
Use of money and property	264,184	- 9	129,582	393,775	
Charges for services	9,060,187	- -	27,426	9,087,613	
Intergovernmental revenue	39,443,668	- 4,125,345	3,599,857	47,168,870	
Locality compensation payments	- -	124,438	- -	124,438	
Miscellaneous	3,906,402	- 376,967	524,225	4,807,594	
Total revenues	<u>231,251,648</u>	<u>639,970</u>	<u>4,626,759</u>	<u>4,281,090</u>	<u>240,799,467</u>
<b>EXPENDITURES</b>					
Current operating:					
General government	17,389,535	- -	- -	- -	17,389,535
Judicial administration	3,301,715	- -	- -	- -	3,301,715
Public safety	53,631,798	- -	- -	- -	53,631,798
Public works	15,853,689	- -	- -	- -	15,853,689
Library	5,116,325	- -	- -	- -	5,116,325
Health and welfare	23,176,426	- -	- -	- -	23,176,426
Parks, recreation, and culture	7,170,073	- -	- -	- -	7,170,073
Community development	4,577,790	17,947	- -	- -	4,595,737
Education	70,263,842	- -	- -	- -	70,263,842
Debt service:					
Principal	- 278,000	12,182,438	- -	- -	12,460,438
Interest and other charges	- 285,032	6,495,753	27,490	- -	6,808,275
Capital outlay	- -	- -	27,287,865	- -	27,287,865
Total expenditures	<u>200,481,193</u>	<u>580,979</u>	<u>18,678,191</u>	<u>27,315,355</u>	<u>247,055,718</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,770,455</u>	<u>58,991</u>	<u>(14,051,432)</u>	<u>(23,034,265)</u>	<u>(6,256,251)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of bonds	- -	- -	19,910,000	19,910,000	
Premium on bonds	- -	- -	2,543,232	2,543,232	
Proceeds from sale of land, buildings and equipment	- -	- -	130,978	130,978	
Transfers in	10,014	- 14,252,105	16,733,282	30,995,401	
Transfers out	(27,996,337)	- (180,000)	(3,977,592)	(32,153,929)	
Total other financing sources (uses), net	<u>(27,986,323)</u>	<u>- 14,072,105</u>	<u>35,339,900</u>	<u>21,425,682</u>	
Net change in fund balances	2,784,132	58,991	20,673	12,305,635	15,169,431
Total fund balances at beginning of year	<u>47,192,272</u>	<u>720,695</u>	<u>240,333</u>	<u>22,525,247</u>	<u>70,678,547</u>
Total fund balances at end of year	<u>\$ 49,976,404</u>	<u>\$ 779,686</u>	<u>\$ 261,006</u>	<u>\$ 34,830,882</u>	<u>\$ 85,847,978</u>

See accompanying notes to basic financial statements.

(continued)

**COUNTY OF ROANOKE, VIRGINIA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2022**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities**

Net change in fund balances - total governmental funds (Exhibit IV) \$ 15,169,431

Total change in net position reported for governmental activities in the Statement of Activities is different due to:

Internal service funds (Exhibit VI) are used by the County to charge the cost of health, dental, and risk management to individual funds. The change in net position of internal service funds is reported with governmental activities. (761,444)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds. (48,955)

Governmental funds report capital outlays and right to use leased equipment obligations as expenditures. However, in the Statement of Activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlays and the net book value of disposals (\$559,275) were under depreciation and amortization expense (\$20,384,574) in the current period. (19,825,299)

Long-term liabilities, including bond and other obligation proceeds, are reported as financing sources in governmental funds and, thus, contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the change in net position. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position.

Obligation under debt issuances	(22,453,232)
Repayments of principal	12,182,438
Locality compensation payment	<u>(124,438)</u>
Net adjustment	(10,395,232)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, which is presented on the accrual basis, expenses and changes in liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net change of the following:

Compensated absences	21,295
Accrued interest payable	<u>701,541</u>
Net adjustment	722,836

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. 2,440,980

Governmental funds report other postemployment benefit contributions as expenditures. However, in the Statement of Activities, the cost of other postemployment benefits earned net of employee contributions is reported as pension expense. 1,469,198

Change in net position of governmental activities (Exhibit II) \$ (11,228,485)

See accompanying notes to basic financial statements.

**COUNTY OF ROANOKE, VIRGINIA**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

	<b>Internal Service Funds</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 3,486,019
Investments	3,250,706
Accounts receivable	259,320
Total current assets	<u>6,996,045</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	810,477
Claims payable	<u>1,603,312</u>
Total current liabilities	<u>2,413,789</u>
Noncurrent liabilities:	
Claims payable	<u>1,389,260</u>
Total noncurrent liabilities	<u>1,389,260</u>
Total liabilities	<u>3,803,049</u>
Net Position:	
Unrestricted	<u>3,192,996</u>
Total net position	<u>\$ 3,192,996</u>

See accompanying notes to basic financial statements

**COUNTY OF ROANOKE, VIRGINIA**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	<b>Internal Service Funds</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 13,040,528
Total operating revenues	<u>13,040,528</u>
<b>OPERATING EXPENSES</b>	
Purchased services	2,135,747
Claims	12,834,201
Total operating expenses	<u>14,969,948</u>
Operating loss	(1,929,420)
<b>NONOPERATING REVENUES</b>	
Investment income	9,448
Total nonoperating revenues	<u>9,448</u>
Net loss before transfers	<u>(1,919,972)</u>
<b>TRANSFERS</b>	
Transfers in	1,165,170
Transfers out	(6,642)
Net transfers	<u>1,158,528</u>
Change in net position	(761,444)
Total net position at beginning of year	3,954,440
Total net position at end of year	<u>\$ 3,192,996</u>

**COUNTY OF ROANOKE, VIRGINIA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	<b>Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from interfund services provided	\$ 13,040,528
Payments to suppliers	(2,305,034)
Payments to employees	(2,755)
Claims paid	(12,741,221)
Other payments, net	(51,336)
Cash used in operating activities	<u><u>(2,059,818)</u></u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in from other funds	1,165,170
Transfers to other funds	(6,642)
Cash provided by noncapital financing activities	<u><u>1,158,528</u></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of pooled investments	(388,212)
Interest and dividends received	9,448
Cash used in investing activities	<u><u>(378,764)</u></u>
Decrease in cash and cash equivalents	(1,280,054)
Cash and cash equivalents at beginning of the year	4,766,073
Cash and cash equivalents at end of the year	<u><u>\$ 3,486,019</u></u>
<b><u>Reconciliation of operating loss to net cash used in operating activities:</u></b>	
Operating loss	\$ (1,929,420)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Change in assets and liabilities:	
Accounts receivable	(51,336)
Accounts payable	(172,042)
Claims payable	92,980
Net cash used in operating activities	<u><u>\$ (2,059,818)</u></u>

**COUNTY OF ROANOKE, VIRGINIA**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2022**

	<b>OPEB Trust</b>	<b>Custodial Funds</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 30,259,852	\$ 30,259,852
Investments	- -	3,188,816	3,188,816
Investments held by trustee, at fair value:			
Other pooled funds	8,810,778	- -	8,810,778
Accounts receivable	- -	1,417,568	1,417,568
Interest receivable	- -	5,682	5,682
Due from other governments	- -	1,792,762	1,792,762
Prepaid items	- -	3,250	3,250
Inventory	- -	479,513	479,513
Total assets	<u>8,810,778</u>	<u>37,147,443</u>	<u>45,958,221</u>
<b>LIABILITIES</b>			
Accounts payable	- -	617,426	617,426
Accrued payroll	- -	1,956,283	1,956,283
Due to other governments	- -	385,416	385,416
Total liabilities	<u>- -</u>	<u>2,959,125</u>	<u>2,959,125</u>
<b>NET POSITION</b>			
Restricted for:			
Postemployment benefits other than pensions	8,810,778	- -	8,810,778
Individuals, organizations and other governments	- -	34,188,318	34,188,318
Total Net Position	<u>\$ 8,810,778</u>	<u>\$ 34,188,318</u>	<u>\$ 42,999,096</u>

See accompanying notes to basic financial statements.

**COUNTY OF ROANOKE, VIRGINIA**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2022**

	<b>OPEB Trust</b>	<b>Custodial Funds</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions from employer	\$ 1,017,921	\$ -	\$ 1,017,921
Custodial fund additions	-	154,664,889	154,664,889
Total additions	<u>1,017,921</u>	<u>154,664,889</u>	<u>155,682,810</u>
<b>DEDUCTIONS</b>			
Benefit payments including refunds of member contributions	896,096	-	896,096
Investment deductions:			
Decrease in fair value of investments	883,928	-	883,928
Administrative expense	10,760	-	10,760
Total investment deductions	<u>894,688</u>	<u>-</u>	<u>894,688</u>
Custodial fund payments and withdrawals	-	151,002,505	151,002,505
Total deductions	<u>1,790,784</u>	<u>151,002,505</u>	<u>152,793,289</u>
Change in net position	(772,863)	3,662,384	2,889,521
Total net position at beginning of year	9,583,641	30,525,934	40,109,575
Total net position at ending of year	<u>\$ 8,810,778</u>	<u>\$ 34,188,318</u>	<u>\$ 42,999,096</u>

See accompanying notes to basic financial statements.

**COUNTY OF ROANOKE, VIRGINIA**  
**Combining Statement of Net Position**  
**Component Units**  
**June 30, 2022**

	<b>Roanoke County Public Schools</b>	<b>Economic Development Authority</b>	<b>South Peak Community Development Authority</b>	<b>Total Component Units</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 27,407,012	\$ 523,068	\$ -	\$ 27,930,080
Investments	14,443,594	-	-	14,443,594
Restricted cash and cash equivalents	-	15,000	-	15,000
Accounts and other receivables	323,529	58,543	-	382,072
Due from other governments	6,763,152	-	779,686	7,542,838
Inventory	642,422	-	-	642,422
Land held for resale	-	4,817,324	-	4,817,324
Prepaid and other assets	186,362	-	-	186,362
Net asset from pension	4,570,307	-	-	4,570,307
Capital assets:				
Land and construction in progress	10,290,164	-	5,330,063	15,620,227
Other capital assets, net	68,412,454	-	-	68,412,454
Capital assets, net	<u>78,702,618</u>	<u>-</u>	<u>5,330,063</u>	<u>84,032,681</u>
Total assets	<u>133,038,996</u>	<u>5,413,935</u>	<u>6,109,749</u>	<u>144,562,680</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Resources related to pension plan	28,177,784	-	-	28,177,784
Other postemployment benefit provided by Virginia Retirement System	3,106,920	-	-	3,106,920
Other postemployment benefit provided by Roanoke County Public Schools	613,411	-	-	613,411
Total deferred outflows of resources	<u>31,898,115</u>	<u>-</u>	<u>-</u>	<u>31,898,115</u>
<b>LIABILITIES</b>				
Accounts payable	1,485,309	-	-	1,485,309
Accrued liabilities	7,250,849	-	-	7,250,849
Unearned revenue	865,695	-	-	865,695
Accrued interest payable	-	-	86,489	86,489
Long-term liabilities:				
<i>Portion due or payable within one year:</i>				
Bonds payable	-	-	310,000	310,000
Lease obligations	2,940,560	-	-	2,940,560
Compensated absences	842,403	-	-	842,403
Claims payable	1,693,991	-	-	1,693,991
<i>Portion due or payable after one year:</i>				
Bonds payable	-	-	5,421,000	5,421,000
Lease obligations	3,592,799	-	-	3,592,799
Compensated absences	1,789,048	-	-	1,789,048
Claims payable	582,247	-	-	582,247
Net pension liability	72,585,738	-	-	72,585,738
Net liability from other postemployment benefit provided by Virginia Retirement System	17,318,454	-	-	17,318,454
Net liability from other postemployment benefit provided by Roanoke County Public Schools	5,163,187	-	-	5,163,187
Total liabilities	<u>116,110,280</u>	<u>-</u>	<u>5,817,489</u>	<u>121,927,769</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenues	-	15,000	-	15,000
Resources related to pension plan	58,772,293	-	-	58,772,293
Other postemployment benefit provided by Virginia Retirement System	2,909,566	-	-	2,909,566
Other postemployment benefit provided by Roanoke County Public Schools	6,811,814	-	-	6,811,814
Total deferred inflows of resources	<u>68,493,673</u>	<u>15,000</u>	<u>-</u>	<u>68,508,673</u>
<b>NET POSITION</b>				
Net investment in capital assets	72,169,259	-	(400,937)	71,768,322
Restricted for:				
Net asset from pension	4,570,307	-	-	4,570,307
Unrestricted (deficit)	(96,406,408)	5,398,935	693,197	(90,314,276)
Total net (deficit) position	<u>\$ (19,666,842)</u>	<u>\$ 5,398,935</u>	<u>\$ 292,260</u>	<u>\$ (13,975,647)</u>

See accompanying notes to basic financial statements

**COUNTY OF ROANOKE, VIRGINIA**  
**Combining Statement of Activities**  
**Component Units**  
**For the Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position				Total Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Public Schools	Economic Development Authority	South Peak Community Development Authority		
Roanoke County Public Schools	\$ 183,334,486	\$ 1,567,386	\$ 50,417,384	\$ 24,246,891	\$ (107,102,825)	\$ -	\$ -	\$ -	\$ (107,102,825)
Economic Development Authority	1,397,076	-	-	-	-	(1,397,076)	-	-	(1,397,076)
South Peak Community Development Authority	284,165	-	-	-	-	-	(284,165)	(284,165)	(284,165)
<b>Total component units</b>	<b>\$ 185,015,727</b>	<b>\$ 1,567,386</b>	<b>\$ 50,417,384</b>	<b>\$ 24,246,891</b>	<b>(107,102,825)</b>	<b>(1,397,076)</b>	<b>(284,165)</b>	<b>(108,784,066)</b>	
General revenues:									
Payments from Roanoke County				73,700,490	841,267	-	74,541,757		
Payments from other local governments				-	104,468	-	104,468		
Non-categorical state aid				60,663,011	-	-	60,663,011		
Incremental tax revenues				-	-	632,280	632,280		
Special assessment revenues				-	-	7,690	7,690		
Gain on sale of capital assets				205,835	-	-	205,835		
Interest and investment earnings				-	1,400	-	1,400		
Miscellaneous				4,124,966	66,641	-	4,191,607		
<b>Total general revenues</b>				<b>138,694,302</b>	<b>1,013,776</b>	<b>639,970</b>	<b>140,348,048</b>		
Change in net position									
Total net (deficit) position at beginning of year				(51,258,319)	5,782,235	(63,545)	(45,539,629)		
Total net (deficit) position at end of year				<b>\$ (19,666,842)</b>	<b>\$ 5,398,935</b>	<b>\$ 292,260</b>	<b>\$ (13,975,647)</b>		

See accompanying notes to basic financial statements

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**(1) Summary of Significant Accounting Policies**

**Financial Reporting Entity**

Formed in 1838, the County of Roanoke, Virginia (County) is a county government within the Commonwealth of Virginia (Commonwealth or State). The County is a municipal corporation governed by an elected five-member Board of Supervisors (Board), one from each of the five magisterial districts that appoints a County Administrator. There are also five elected Constitutional Officers who are independent of the Roanoke County Government by law and serve as Clerk of the Circuit Court, Commissioner of the Revenue, Commonwealth Attorney, Sheriff and Treasurer.

The County's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County's financial reporting entity is defined and its financial statements are presented in accordance with GAAP, which defines the distinction between the County as the Primary Government and its related entities. Accordingly, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable, hereafter referred to as the Reporting Entity.

**Discretely Presented Component Units**

Discretely presented component units are entities that are legally separate organizations for which the elected officials of the Primary Government are financially accountable or for which the nature and significance of their relationship with a Primary Government are such that exclusion would cause the Reporting Entity's financial statements to be misleading. They are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

**Roanoke County Public Schools**

The Roanoke County Public School Board (School Board) is responsible for overseeing elementary and secondary public education within the government's jurisdiction. The members of the School Board are elected by the citizens of Roanoke County. However, the Roanoke County Public Schools (School System) is fiscally dependent upon the County because its Board approves the School System's budget, levies the necessary taxes to finance operations, and approves the borrowing of money and issuance of debt to support School System operations and infrastructure. The School System's financial information is presented within the Discretely Presented Component Units' column to emphasize that it is legally separate from the Primary Government. The School System has separately issued financial statements, which may be obtained by writing the Roanoke County Public Schools Department of Finance, 5937 Cove Road, Roanoke, VA 24016 or visit their website [www.rcps.us](http://www.rcps.us).

**Economic Development Authority of Roanoke County, Virginia**

The Economic Development Authority of Roanoke County, Virginia (EDA or Authority) was created as a political subdivision of the Commonwealth of Virginia by ordinance of the Roanoke County Board on August 11, 1971, pursuant to the provisions of the Industrial Development and Revenue Bond Act (Chapter 49, Section 15.2 et. Seq., of the *Code of Virginia* (1950), as amended). The Authority is governed by a board of directors appointed by the County's Board. As a result, the Authority's revenues and expenses may be influenced by the decisions made by the County. The Authority is authorized to acquire, own, lease, and dispose of properties aimed at promoting industry and developing trade by encouraging enterprises to locate and remain in the Roanoke Valley. In addition, the Authority is authorized to issue revenue bonds for the purpose of obtaining and constructing facilities, for which related liabilities may be retained by the Authority or may be assumed by the enterprises for which facilities are constructed. Collection of revenues pledged to

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

liquidate the bonds may be assigned to a trustee. The revenue bonds are not deemed to constitute a debt of pledge of the faith and credit of the Commonwealth of Virginia or any municipality thereof and are payable solely from revenues generated from the lease of facilities constructed, which may be secured by a deed of trust on those facilities. The EDA financial information is presented within the Discretely Presented Component Units' column to emphasize that it is legally separate from the primary government. The Authority does not issue separate financial statements.

**South Peak Community Development Authority**

The South Peak Community Development Authority (CDA) was created as a political subdivision of the Commonwealth of Virginia by ordinance of the County Board on August 24, 2010 pursuant to the provisions of the Virginia Water and Waste Authorities Act (Chapter 51, Section 15.2 et. Seq., of the *Code of Virginia* (1950), as amended). The CDA is governed by a board of directors appointed by the County's Board. As a result, the CDA's revenues and expenses may be influenced by the decisions made by the County. The creation of the CDA was the result of a petition filed with the Board by the land owners within the South Peak Community Development District (District). The District consists of approximately 62.5 acres of land within the County intended to be a mixed-use development consisting of commercial and residential properties. The CDA was created to assist in financing the infrastructure, improvements and services in connection with the development of the land. The funding for these improvements will be through bonds issued by the CDA, special assessments to be levied pursuant to Section 15.2-5158(A)(5) of the *Code of Virginia* (1950), as amended, and contributions made by the County of certain incremental tax revenues generated within the District. Any bonds issued by the CDA, or any other financing arrangements entered into by the CDA are the obligations of the CDA, and will not be a debt or other obligation of the County nor does it constitute a pledge of the faith and credit of the County. The CDA's financial information is presented within the Discretely Presented Component Units' column to emphasize that it is legally separate from the primary government. The CDA has separately issued financial statements, which may be obtained by writing to the County of Roanoke Department of Finance and Management Services, 5204 Bernard Drive, Roanoke, VA 24018.

**Related Organizations**

As the custodian of public funds, the County's Treasurer invests all public monies held on deposit with the County. In the case of the separate agencies listed below, the County serves as fiscal agent, but is not financially accountable for their operations. Accordingly, the activities of the following organizations are accounted for as Custodial funds within the County's financial records:

Roanoke Valley Resource Authority (RVRA)  
Commonwealth Fund  
Special Welfare Fund  
Cable TV (RVTV)  
Roanoke Valley Greenway Commission (RVGC)  
Regional Fire Training Center  
Virginia Recreational Facilities Authority (VRFA)  
Western Virginia Regional Jail Authority (WVRJA)  
Regional Center for Animal Care and Protection (RCACP)

**Government-wide and Fund Financial Statements**

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements with all non-fiduciary activities categorized as governmental or proprietary. Fiduciary activities, whose resources are not available to finance the County's programs, are not included in the government-wide statements. In accordance with GAAP, the County's financial statements are comprised of the following components:

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Government-wide Financial Statements**

The reporting model includes financial statements prepared using full accrual accounting for all the County's activities. This approach includes not just current assets and liabilities but also capital assets, deferred inflows and outflows, and long-term liabilities. Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

**Statement of Net Position**

The Statement of Net Position is designed to display the financial position of the Primary Government and its discretely presented component units. The County reports all capital assets, net of accumulated depreciation and amortization, in the government-wide Statement of Net Position and reports depreciation and amortization expense – the cost of “using up” capital assets - in the Statement of Activities. The net position of a government may be broken down into three categories: 1) net investment in capital assets, 2) restricted, and 3) unrestricted.

**Statement of Activities**

The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each government function. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

**Fund Financial Statements**

The Fund financial statements organize and report the financial transactions and balances of the County on the basis of fund categories. Separate statements for each of the County's three fund categories – Governmental (e.g., General), Proprietary (e.g., Internal Service) and Fiduciary are presented. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. For the governmental funds, the financial statements consist of a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances, which are presented on current financial resources and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. For the Internal Service funds, the financial statements consist of a Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues and expenditures or expenses, as appropriate. Fiduciary fund statements are used to report assets that are held in a trustee or custodial capacity and consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

**Reconciliation of Government-wide and Fund Financial Statements**

A summary reconciliation of the difference between the total governmental fund balances and total net position for governmental activities, as shown in the government-wide Statement of Net Position, is presented in an accompanying reconciliation to the governmental funds' Balance Sheet. The asset, liability and deferred inflows and outflows of resources elements, which comprise the reconciliation differences, stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the governmental-wide financial statements use the economic resources measurement focus and the accrual basis of accounting.

A summary reconciliation of the difference between net changes in governmental fund balances and change in net position for governmental activities as shown on the government-wide Statement of Activities is presented in a reconciliation to the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balances. The revenue and expense elements, which comprise the reconciliation differences, stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the government-

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

wide financial statements use the economic resources measurement focus and the accrual basis of accounting.

### **Measurement Focus and Basis of Presentation**

**Government-wide Financial Statements:** The Statement of Net Position and the Statement of Activities display information about the County as a whole, except for fiduciary funds, and are prepared using the economic resources measurement focus, which differs from the manner in which governmental fund financial statements are prepared.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, are clearly identifiable to a particular function. Program revenues include charges for services, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County. The County does not allocate indirect expenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this rule is where the elimination of the interfund activity would distort the direct costs and program revenues reported for the various functions.

**Fund Financial Statements:** Financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances and changes therein. Fund financial statements are designed to present financial information of the County at this more detailed level. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. The following is a brief description of the specific funds used by the County:

- **Governmental Funds** – These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after year-end. Accordingly, real and personal property taxes are recorded as deferred revenue and receivables when billed. Sales taxes, which are collected by the State by year-end and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the State, which is generally in the month preceding receipt by the County. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. The individual governmental funds are:
  - **General Fund** – This fund accounts for all revenues and expenditures applicable to the general operations of the County that are not required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service and interest income. A significant part of the General Fund's revenues is used principally to finance the operations of the Roanoke County Public Schools. The General Fund is considered a major fund for reporting purposes.
  - **Special Revenue Fund** – This fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Special Revenue Fund consists of activity related to the CDA. Revenues are derived primarily from property taxes,

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

other local taxes, and special assessments collected within the South Peak district. The Special Revenue Fund is considered a major fund for reporting purposes.

- **Debt Service Fund** – This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and other related costs. The Debt Service Fund is considered a major fund for reporting purposes.
- **Capital Projects Fund** – This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by the proprietary fund. The Capital Projects Fund is considered a major fund for reporting purposes.
- **Internal Service Funds** – These funds account for employee health, dental, and workers' compensation coverage provided to other departments on a cost-reimbursement basis and they derive their funding from charges assessed to the user departments and employees. These funds are included in the governmental activities for government-wide reporting purposes. As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. The excess revenue or expenses for the fund are allocated to the appropriate functional activity.

Additionally, the County reports the following Fiduciary funds:

- **Other Postemployment Benefits (OPEB) Trust Fund** – This fiduciary fund is used to account for the assets held in trust for the employees and beneficiaries of its OPEB plan.
- **Custodial Funds** – These are fiduciary funds used to account for assets held by the County in a trustee capacity or as agent or custodian for other governmental units or other funds. They are presented in the fund financial statements by type. The County's Custodial funds include assets held for entities for which the County is the fiscal agent. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. Custodial funds for the County include the Roanoke Valley Resource Authority, Commonwealth Fund, Special Welfare Fund, Cable TV, Roanoke Valley Greenway Commission, Regional Fire Training Center, Virginia Recreational Facilities Authority, Western Virginia Regional Jail Authority, and Regional Center for Animal Care and Protection.

### **Basis of Accounting**

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements.

#### ***Government-wide, Proprietary Fund, and Fiduciary Fund Financial Statements.***

The government-wide, proprietary, pension and other postemployment benefits trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Custodial funds report assets and liabilities using the economic resources measurement focus and use the accrual basis of accounting.

***Governmental Fund Financial Statements.*** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting wherein revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after year-end. Expenditures are recorded when the related fund liability is incurred, except compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Revenues: Exchange and Non-exchange Transactions** – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within thirty days of fiscal year end.

Non-exchange transactions are transactions in which the County receives value without directly giving value in return. Taxes (e.g. real and personal property, sales), licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Taxes are levied to fund a subsequent fiscal period are recorded as a deferred inflow at fiscal year-end. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when cash is received by the County. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

**Deferred Outflows and Inflows of Resources** – The Statement of Net Position reports a separate section for deferred outflows of resources in addition to assets. The County reports deferred outflows of resources for deferred charges on refunding, amounts related to pensions, and amounts related to other postemployment benefits (OPEB) in the government-wide Statement of Net Position. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt. Deferred outflows for pensions and OPEB result from changes in actuarial assumptions, pension returns that exceed projected earnings, change in the proportion, actual economic experience that is different than estimated, and pension/OPEB contributions made subsequent to the measurement date. Changes in deferred outflows of resources, except contributions subsequent to the measurement date, are amortized over the remaining service life of all plan participants with the exception of investment experience amounts, which are deferred and amortized over a closed five-year period.

The Statement of Net Position reports a separate section for deferred inflows of resources in addition to liabilities. Deferred inflows of resources in the governmental funds' Balance Sheet represent unavailable revenue for amounts billed and not collected. Deferred inflows of resources in the government-wide Statement of Net Position represent unearned revenues for amounts received in advance of meeting timing requirements or amounts collected in advance of the fiscal year to which they apply. Deferred inflows of resources are also reported for amounts related to pensions and OPEB in the government-wide statement of net position. Actuarial losses resulting from a difference in expected and actual experience, investment results, changes in actuarial assumptions and changes in proportionate share are deferred and amortized. Changes in deferred inflows of resources are amortized over the remaining service life of all plan participants with the exception of investment experience amounts, which are deferred and amortized over a closed five-year period.

**Unearned Revenue** – Unearned revenue arises when assets are recognized before revenue recognition criteria can be satisfied and also when assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period. Grants and entitlements received before the eligibility requirements are met have been recorded as unearned revenue.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Cash and Cash Equivalents** – The County considers cash and cash equivalents in proprietary funds to be cash on hand and demand deposits. In addition, because the Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent. For purposes of the Statement of Cash Flows, cash and cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and investments with maturities of 90 days or less. For purposes of the Statement of Cash Flows, cash includes unrestricted cash and cash equivalents and restricted cash. Restricted cash equivalents are defined differently and are not considered available for operations and, therefore, are not considered to be cash equivalents for the Statement of Cash Flows. Note 4 provides a detailed disclosure regarding cash equivalents and investments held by the County.

**Investments** – Cash received by the County is deposited in various bank accounts. Monies legally required to be maintained individually, such as trust balances and contractor escrows, are deposited and maintained in individual segregated bank accounts. All other monies are deposited in a pool of bank accounts and are used to purchase investments that are specifically allocated to the appropriate funds. Interest earned on pooled investments is accrued as earned and distributed to the General Fund and other qualifying funds utilizing a formula based on the average month end balance of cash and cash equivalents of all pooled funds. Short-term investments are stated at amortized cost or at fair value and may consist of certificates of deposits, repurchase agreements, commercial paper, bankers' acceptances, Local Government Investment Pool (LGIP) and U.S. government securities. Investments are stated at fair value with any net appreciation or depreciation in fair value reflected as investment income. Investments consist of equity interest in long-term investments in U.S. government accounts. Interest earned is allocated based on average monthly balance. Note 4 provides a detailed disclosure regarding investments held by the County.

The County requires all banking institutions holding its public funds to protect such funds in accordance with the Virginia Security for Public Deposits Act (Act). The Act established a single body of law applicable to the pledge of security as collateral for public funds on deposit in banking institutions so that the procedures for securing public deposits is uniform throughout the Commonwealth. Under the Act, banks holding public deposits must pledge certain levels of collateral and make monthly filings with the State Treasury Board.

**Fair Value Measurement** – The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and are described as follows.

- Level 1 inputs are quoted prices in active markets for identical assets;
- Level 2 inputs are significant other observable inputs;
- Level 3 inputs are significant unobservable inputs.

**Receivables** – Local taxes and governmental fund accounts receivable are recorded in the County's accounts as both receivables and unearned revenue when billed. Property taxes paid in advance are recorded as unearned revenue until such time as the taxes become due. The reporting entity determines allowances for uncollectible accounts using historical collection data, specific account analysis and management's judgment.

**Prepays** – Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements. These payments are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

**Inventories** – Inventories consist of various consumable supplies and are maintained on a perpetual basis with periodic verification based on physical count. All inventories are valued at cost using the first-

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

in first-out method for the government-wide statements. The cost of the consumable supplies is recoded as expenditures when consumed in the General Fund.

**Capital Assets** – Capital outlays are recorded as expenditures in the governmental funds and as assets in the government-wide financial statements, to the extent the County's capitalization threshold is met. The County defines capital assets as assets with an initial individual cost of more than \$10,000 and an estimated useful life of at least two years. Major additions, including those that significantly prolong a capital asset's economic life or expand usefulness, are capitalized. Normal repairs that merely maintain the asset in its present condition are recorded as expenditures and are not capitalized. Depreciation and amortization expense for capital assets and right to use leased equipment is identified with a function, whenever possible, and is included as a direct expense.

All capital assets are capitalized at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and donated capital assets received in a service concession arrangement would be reported at acquisition value rather than fair value. Upon the sale or retirement of a capital asset or right to use leased equipment, the cost and related accumulated depreciation and amortization, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

Capital assets and right to use leased assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	40-50 years
Building Improvements	10-25 years
Furniture, Fixtures, and Equipment	3-25 years

According to the *Code of Virginia*, when a local government incurs a financial obligation payable over more than one fiscal year to fund an acquisition, construction or improvement of public school property, the local government acquires title to the school property as a tenant-in-common with the local school board for the term of the financial obligation. For financial reporting purposes, the local government may report the school property and related financial obligation. At the time the financial obligation is paid in full, the net value of the school property is transferred to the local school board and reflected as program revenue and expense in the government-wide financial statements for the local school board and the local government, respectively.

**Pension Plan** – The Virginia Retirement System (VRS) County Retirement Plan is a multiple-employer, agent plan. 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 County's Retirement plan and the additions to/deductions from the County's Retirement plan's net fiduciary position have been determined on the same basis as they were reported by the VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**Other Postemployment Benefits (OPEB)** – In connection with the County's funding of other postemployment benefits in fiscal year 2009, the County joined the Virginia Pooled OPEB Trust (OPEB Trust Fund). The County plans to contribute amounts to the OPEB Trust Fund sufficient to fund the actuarially determined contribution (ADC), an actuarially determined rate in accordance with GAAP. The OPEB Trust Fund assets are recorded at fair value. The Trust Board of Trustees establishes investment objectives, risk tolerance, and asset allocation policies based on the investment policy, market and economic conditions, and generally prevailing prudent investment practices.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Health Insurance Credit Program** – The VRS Political Subdivision Health Insurance Credit Program is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. The Political Subdivision Health Insurance Credit Program was established pursuant to §51.1-1400 et seq. of the *Code of Virginia*, as amended, and provides the authority under which benefit terms are established or may be amended.

For purposes of measuring the net Health Insurance Credit Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Health Insurance Credit Program OPEB, and the Health Insurance Credit Program OPEB expense, information about the fiduciary net position of the VRS Political Subdivision Health Insurance Credit Program; and the additions to/deductions from the VRS Political Subdivision Health Insurance Credit Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Group Life Insurance Program** – The VRS Group Life Insurance Program is a multiple-employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program 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. The Group Life Insurance Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers.

For purposes of measuring the net Group Life Insurance Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the VRS Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB'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.

**Self-Insurance** – The County is self-insured for workers' compensation, health insurance, general liability and automobile liability. Estimates for accrued liabilities in each program at the end of the year have been recorded.

**Compensated Absences** – The liability for compensated absences reported at the government-wide level consists of unpaid accumulated vacation and sick leave balances. The liability is based on the sick leave and vacation leave accumulated at June 30. Limited vacation and sick leave may be accumulated until retirement or termination. Accumulated sick leave is paid at a fixed daily rate and accumulated vacation is paid at the employee's current wage upon retirement or termination.

**Long-term Obligations** – Long-term debt and other obligations are reported as liabilities in the Statement of Net Position in the government-wide financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using straight line amortization. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period but no related long-term liabilities. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as an other financing source while discounts on debt issuances are reported as other financing uses. Payments to an escrow agent to defease debt is reported as other financing uses while issuance costs and repayments of principal and interest are reported as debt service expenditures. Matured principal and interest payments are reported when due.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Leases (Lessee)** – The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The County recognizes lease liabilities with an initial, individual value of \$100,000 or more. At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term.

Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the County determines the discount rate it uses to discount the expected lease payments to present value, the lease term, and lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long term debt on the statement of net position.

**Leases (Lessor)** – At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the County determines the discount rate it uses to discount the expected lease receipts to present value, the lease term, and lease receipts.

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Interfund Transactions** – On fund financial statements, receivables and payables resulting from interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental activities’ column of the Statement of Net Position. Flow of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

**Encumbrances** – The County uses encumbrance accounting, wherein purchase orders, contracts, and other commitments for the expenditure of funds are recorded to restrict, commit, or assign that portion of the applicable appropriation.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Net Position** – Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net position is divided into three components:

- Net investment in capital assets - consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding which was used to finance those assets plus right to use leased assets less related amortization expense.
- Restricted - consists of assets where there are limitations imposed on their use through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.
- Unrestricted - all other net position is reported in this category.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources, as needed.

**Fund Balance** – Except when required to comply with GAAP, all commitments and restrictions of Governmental Fund balances reflect County Board action in the context of adoption of the County's budget.

**Pollution and Remediation** – In accordance with GAAP, the County yearly analyzes the requirements for reporting liabilities related to cleaning up pollution and/or contamination. As of June 30, 2022, the County has determined that there is no related liability.

**Use of Estimates** – Management of the County has made a number of estimates and assumptions relating to the reporting of assets and deferred outflows, liabilities and deferred inflows, revenues, expenditures, and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with GAAP. Actual results could differ from those estimates.

**New Accounting Pronouncements** – The following accounting pronouncements have been implemented by the County:

- GASB Statement No. 87, *Leases* – This statement aims to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. The impact of this statement is incorporated in Exhibits I and II and details can be found in Notes 8, 9, and 10.

**(2) Property Taxes**

Property taxes are levied annually in April on assessed values as of January 1. In addition, personal property transactions during the year are taxed on a prorated basis. Real estate tax is payable in two equal installments on or before December 5, and June 5, and personal property tax is due on or before May 31, or within 30 days subsequent to assessment. Taxes levied and due December 5 are intended to fund operations of that fiscal year. A lien is created when the real estate taxes are levied, and after three years it becomes enforceable by judicial sale of the property. Personal property taxes do not create a lien on property; however, the County reports delinquent taxpayers to the Virginia Department of Motor Vehicles (DMV) twice a year. At that time, the taxpayer will no longer be able to conduct any business with the DMV until the outstanding taxes are paid. The County bills and collects both real estate and personal property taxes. The County recognizes tax revenue when levied to the extent that they are collected during the fiscal year and within 30 days after year-end.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

The annual assessment for real estate is based on 94% of the assessed fair market value. A penalty of 10% of the unpaid tax is due for late payment. Interest is accrued at 10% for the initial year of delinquency, and thereafter at the maximum annual rate authorized by the Internal Revenue Code Section 6621(b). The effective tax rates per \$100 of assessed value for the year ended June 30, 2022 were as follows:

Real Estate	\$1.09
Personal Property	3.50
Machinery and Tools	2.85

**(3) Fund Balances**

The Board has adopted policies that provide a framework for the County's overall fiscal planning and management. The County's unassigned General Fund fund balance has been built over the years to provide the County with sufficient working capital to finance unforeseen emergencies without borrowing. The County is dedicated to maintaining a diversified and stable revenue system to shelter the government from fluctuations in any single revenue source and to ensure its ability to provide ongoing services. The County's policy is to fund current expenditures with current revenues. If it becomes necessary to fund current expenditures with fund balance, amounts already set aside for that specific purpose will be utilized unless otherwise directed by the County Board.

The County, in accordance with GAAP, categorizes its governmental-type fund balances using the following guidance:

- **Nonspendable** – Represents County assets that will never convert to cash (e.g., inventory and prepaid items).
- **Restricted** – Represents County resources with externally enforceable limitations on their use imposed by grantor, or laws and regulations of other governments.
- **Committed** – Represents County resources that can be used only for specific purposes, as determined by the County's highest level of decision-making authority, the Board, and is imposed by formal appropriation, which is an ordinance. The County policy is that formal Board action is required to establish or rescind a committed fund balance.
- **Assigned** – Represents County resources that are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. The County Board has approved limited authority to the parks and recreation management to have the flexibility in decisions on the use of certain funds as deemed necessary by an approved ordinance dated September 27, 1994.
- **Unassigned** – Represents County resources that have no spending restrictions under any of the preceding four classifications. The County has adopted a Board policy for establishing unappropriated fund balance. The General Fund is the only fund that reports a positive unassigned fund balance amount.

It is the policy of the County to spend all restricted monies first, committed funds second, with assigned funds third, and unassigned funds being spent last for any projects with multiple funding sources.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

Fund balances classified in accordance with GAAP at June 30, 2022 are as follows:

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
<b>Nonspendable:</b>					
Prepays	\$ 472,108	\$ -	\$ -	\$ 26,417	\$ 498,525
Inventory	348,951	-	-	-	348,951
	<b><u>\$ 821,059</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 26,417</u></b>	<b><u>\$ 847,476</u></b>
<b>Restricted for:</b>					
Children's Services Act	\$ 2,000,715	\$ -	\$ -	\$ -	\$ 2,000,715
Law Enforcement	1,389,245	-	-	-	1,389,245
Clerk of Circuit Court	-	-	-	15,050	15,050
Fire and Rescue	35,350	-	-	162,311	197,661
Parks and Recreation	466,190	-	-	7,005	473,195
Stormwater Management	-	-	-	10,273,201	10,273,201
Community Development	-	779,686	-	30,928	810,614
Other purposes	209,480	-	-	-	209,480
	<b><u>\$ 4,100,980</u></b>	<b><u>\$ 779,686</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 10,488,495</u></b>	<b><u>\$ 15,369,161</u></b>
<b>Committed to:</b>					
Law Enforcement	\$ 710,905	\$ -	\$ -	\$ 433,712	\$ 1,144,617
LOSAP pension	3,552,618	-	-	-	3,552,618
Fire and Rescue	17,193	-	-	2,103,529	2,120,722
Garage and Motor Pool	286,817	-	-	-	286,817
Information Technology and Communications Shop	965,607	-	-	3,853,412	4,819,019
Integrated Financial System	-	-	-	387,038	387,038
Human Resources and Payroll System	-	-	-	514,362	514,362
Public Works	216,070	-	-	-	216,070
Parks and Recreation	32,852	-	-	314,723	347,575
Libraries	-	-	-	457,335	457,335
General Services	20,457	-	-	2,211,924	2,232,381
Debt Service Reserves	-	-	261,006	-	261,006
Future Capital Projects	14,102,682	-	-	11,058,889	25,161,571
Community Development	25,822	-	-	2,869,215	2,895,037
Assessment	-	-	-	110,832	110,832
Other purposes	82,400	-	-	999	83,399
	<b><u>\$ 20,013,423</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 261,006</u></b>	<b><u>\$ 24,315,970</u></b>	<b><u>\$ 44,590,399</u></b>
<b>Assigned to:</b>					
Law enforcement	\$ 53,004	\$ -	\$ -	\$ -	\$ 53,004
Parks and Recreation	863,274	-	-	-	863,274
	<b><u>\$ 916,278</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 916,278</u></b>
Unassigned	<b><u>\$ 24,124,664</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 24,124,664</u></b>
Total Fund Balances	<b><u>\$ 49,976,404</u></b>	<b><u>\$ 779,686</u></b>	<b><u>\$ 261,006</u></b>	<b><u>\$ 34,830,882</u></b>	<b><u>\$ 85,847,978</u></b>

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

The adopted Comprehensive Financial Policy states under Section 10 the County of Roanoke's General Government Fund Unassigned Balance will be maintained to provide the County with sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue. The General Government Fund's Unassigned Fund Balance should not be used to support recurring operating expenditures outside of the current budget year. If a budget variance requires the use of Unassigned Fund Balance, the County will decrease the General Government Fund's expenditures and/or increase the General Government Fund's revenues to prevent using the Unassigned Fund balance for two consecutive fiscal years to subsidize General Fund operations.

The General Government Fund's Unassigned Fund balance will be 12% of budgeted annual General Government expenditures. In the event that the General Government Fund's Unassigned Fund Balance is used to provide for temporary funding of unforeseen emergency needs, the County shall restore the balance to the 12% minimum within two fiscal years following the fiscal year in which the event occurred. This will provide for full recovery of the targeted General Government Fund Unassigned Fund Balance in a timely manner.

**(4) Deposits and Investments**

At June 30, 2022, the fair value and maturity of the County's and Component Units' total deposits and investments were as follows:

Deposits and Investments	Fair Value	Original Investment Maturity		Credit Rating
		Less Than 1 Year	1-6 Year	
Demand and time deposits	\$ 29,784,575	\$ 29,784,575	\$ -	not applicable
Interest-earning investment contract	3,552,618	3,552,618	-	AA-
Money market mutual funds	47,779,834	47,779,834	-	AAAm
Virginia LGIP	34,859,534	34,859,534	-	AAAm
Federal agency bonds and notes	60,316,075	32,120,450	28,195,625	AAA
Investment in other pooled funds	10,259,148	10,259,148	-	not applicable
<b>Total</b>	<b>\$ 186,551,784</b>	<b>\$ 158,356,159</b>	<b>\$ 28,195,625</b>	

The investment in other pooled funds categorizes its investments within the fair value hierarchy established by generally accepted accounting principles. A government is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the Net Asset Value (NAV) per share (or its equivalent) of the investment. Investments in the pooled funds are valued using the NAV per share, which is determined by dividing the total value of the pooled funds by the number of outstanding shares. The NAV per share changes with the value of the underlying investments in the pooled funds. Generally, participants may redeem their investment at the end of a calendar quarter upon 90 days' written notice. As of June 30, 2022, excluding the pooled funds, there were no other investments.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

Below is the carrying value of cash and investments for the Reporting Entity as of June 30, 2022:

Entity	Cash and Cash Equivalents	Investments with Fiscal Agents	Investments	Restricted Cash	Total
County	\$ 39,223,530	\$ 17,393,656	\$ 42,683,665	\$ 1,154,443	\$ 100,455,294
Component Units:					
School System	27,407,012	-	14,443,594	-	41,850,606
Economic Development Authority	523,068	-	-	15,000	538,068
	<u>27,930,080</u>	<u>-</u>	<u>14,443,594</u>	<u>15,000</u>	<u>42,388,674</u>
Fiduciary Funds:					
Roanoke County School System	30,259,852	8,810,778	3,188,816	-	42,259,446
	<u>-</u>	<u>1,448,370</u>	<u>-</u>	<u>-</u>	<u>1,448,370</u>
	<u>30,259,852</u>	<u>10,259,148</u>	<u>3,188,816</u>	<u>-</u>	<u>43,707,816</u>
Total	<u><u>\$ 97,413,462</u></u>	<u><u>\$ 27,652,804</u></u>	<u><u>\$ 60,316,075</u></u>	<u><u>\$ 1,169,443</u></u>	<u><u>\$ 186,551,784</u></u>

Fair Value

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The County has the following recurring fair value measurements as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Debt securities				
U.S. governmental bonds & notes	\$ -	\$ 60,316,075	\$ -	\$ 60,316,075

Debt securities classified in Level 2 of the fair value hierarchy are valued using matrix technique pricing.

Credit and Concentration of Credit Risk

In accordance with the *Code of Virginia* and other applicable laws, including regulations, the County's investment policy (Policy) limits credit risk by restricting authorized investments to the following: bonds, notes and other direct obligations of the United States; bonds, notes and other direct obligations of the Commonwealth of Virginia or political subdivisions thereof; bonds and other obligations issued, guaranteed or assumed by the International Bank for Reconstruction and Development and the Asian Development Bank; prime quality commercial paper; certificates of deposits; bankers' acceptances; repurchase agreements; and money market funds. The Policy requires that commercial paper have a minimum Standard & Poor's (S&P) rating (or Moody's equivalent) of A-1.

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the 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. The LGIP is administered by the Treasury Board pursuant to Sections 2.2-4600 through 2.2-4606 of the *Code of Virginia*. The Treasury Board has delegated the management of the LGIP to the State Treasurer. The fair value of the County's position in the LGIP is the same as the value of the pool shares measured at amortized cost.

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issue. The Policy establishes limitations on portfolio composition, both by investment type and by issuer, in order to control concentration of credit risk.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

The maximum percentage of the portfolio permitted in each eligible security with the limit to any one issuer is as follows:

U.S. Treasury Obligations	70%
U.S. Treasury Agency Securities and Instrumentalities of Government Sponsored Corporations	80%
Bankers' Acceptance with no more than 25% with any one Institution and a maximum of 10% in any one issuance	40%
Repurchase Agreement Overnight with no more than 20% with any one institution	70%
Repurchase Agreement Two or more nights with no more than 20% with any one institution	25%
Certificate of Deposit with Commercial Banks with no more than 45% with any one institution	100%
Certificate of Deposit with Savings and Loan Associations with no more than \$100,000 with any one institution	10%
Commercial Paper with no more than 35% with any one institution and a maximum of 10% or \$1 million dollars in any one issuance	35%
Local Government Investment Pool	75%

As of June 30, 2022, the portion of the County and School System's portfolio, excluding the LGIP, State Non-Arbitrage Program (SNAP), interest-earning investment contract and investment in other pooled funds held by fiduciary agents, and U.S. Government guaranteed obligations, that exceeded 5% of the total portfolio are as follows:

<u>Issuer</u>	<u>% of Portfolio</u>
Federal Farm Credit Bank Bonds	19.74%

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the depositor will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Policy requires that all investment securities purchased by the County or held as collateral on deposits or investments shall be held by the County or by a third-party custodial agent who may not otherwise be counterparty to the investment transaction. As of June 30, 2022, with the exception of the LOSAP funds, all other County investments are held by the County or in a bank's trust department in the County's name.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Policy requires maturity scheduling be timed to anticipated need and scheduled to coincide with projected cash flow needs. All funds shall be considered short-term except those reserved for capital projects and prepayment funds being held for debt retirement. As of June 30, 2022, the County had investments totaling \$1,892,600 with a maturity greater than 24 months.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**(5) Receivables**

Receivables at June 30, 2022 are as follows:

	Accounts	Taxes	Due from Other Governments	Total
Governmental activities				
General	\$ 5,593,161	\$ 12,057,139	\$ 16,374,667	\$ 34,024,967
Capital Projects	88,245	-	509,239	597,484
Internal Service	259,320	-	-	259,320
Total governmental activities	<u>\$ 5,940,726</u>	<u>\$ 12,057,139</u>	<u>\$ 16,883,906</u>	<u>\$ 34,881,771</u>

**(6) Interfund Transfers**

Interfund transfers for the year ended June 30, 2022 consisted of the following amounts:

Transfer To	Transfer Out					Total
	General	Debt Service	Capital Projects	Internal Service		
General Fund	\$ -	\$ -	\$ 3,372	\$ 6,642	\$ 10,014	
Debt Service Fund	14,252,105	-	-	-	14,252,105	
Capital Projects Fund	12,579,062	180,000	3,974,220	-	16,733,282	
Internal Service Fund	1,165,170	-	-	-	1,165,170	
Totals	<u>\$ 27,996,337</u>	<u>\$ 180,000</u>	<u>\$ 3,977,592</u>	<u>\$ 6,642</u>	<u>\$ 32,160,571</u>	

Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget required to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**(7) Payables**

Payables at the government-wide level at June 30, 2022 are as follows:

	Accrued			Total
	Wages and		Benefits	
	Vendors			
Governmental funds:				
General	\$ 4,104,175	\$ 1,973,492	\$ 6,077,667	
Capital Projects	3,045,375	-	3,045,375	
Total governmental funds	<u>\$ 7,149,550</u>	<u>\$ 1,973,492</u>	<u>\$ 9,123,042</u>	
Proprietary funds:				
Internal Service	\$ 810,477	\$ -	\$ 810,477	
Total proprietary funds	<u>\$ 810,477</u>	<u>\$ -</u>	<u>\$ 810,477</u>	
Accrued interest payable			2,574,275	
Total governmental activities			<u>\$ 12,507,794</u>	

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**(8) Long-Term Liabilities**

The County's outstanding debt consists of General Obligation Bonds, Lease Revenue Bonds, and Virginia Public School Authority (VPSA) Bonds. Debt is issued to provide funds for the acquisition, construction and improvement of major capital facilities. Federal arbitrage regulations are managed by SNAP and Virginia Resource Authority (VRA) for state obligations and all other obligations are managed by a private consulting firm. The issuance of bonds by Virginia counties is not subject to any limitation on amount.

Outstanding long-term liabilities at June 30, 2022 are as follows:

	<b>Governmental Activities</b>
\$20,630,000 - 2003 Series C VPSA bonds due in annual installments of \$1,030,000 through July 15, 2023; interest at 5.1%	\$ 2,060,000
\$14,900,000 - 2007 Non-subsidized VPSA bonds due in annual installments of \$745,000 through July 15, 2027; interest at 5.1%	4,470,000
\$6,364,713 - 2007 subsidized VPSA bonds due in annual installments of \$328,240 to \$371,160 through July 15, 2027; interest at 4.4% to 5.1%	2,123,052
\$43,830,000 - 2009 B VPSA bonds due in annual installments of \$2,190,000 through July 15, 2029; interest at 4.1% to 5.1%	17,520,000
\$9,080,000 - 2011 VPSA bonds due in annual installments of \$450,000 to \$455,000 through July 15, 2031; interest at 3.3% to 5.1%	4,530,000
\$17,835,000 - 2014 Series C VPSA bonds due in annual installments of \$890,000 to \$895,000 through July 15, 2034; interest at 3.6% to 5.1%	11,570,000
\$27,875,000 - 2018 VPSA bonds due in annual installments of \$1,390,000 to \$1,395,000 through July 15, 2038; interest at 3.6% to 5.1%	23,690,000
\$19,910,000 - 2021 VPSA bonds due in annual installments of \$995,000 to \$1,000,000 through July 15, 2041; interest at 1.925% to 5.05%	19,910,000
\$20,625,000 - 2013B VRA Refunding and Lease Revenue bonds due in annual installments of \$510,000 to \$1,645,000 through October 1, 2033; interest at 4.1% to 4.8%	13,430,000
\$5,770,000 - 2014A VRA Refunding bonds due in annual installments of \$15,000 to \$1,415,000 through October 1, 2033; interest at 3.1% to 4.9%	5,770,000
\$44,175,000 - Lease Revenue bond Series 2015 due in annual installments of \$465,000 to \$3,215,000 through October 15, 2037; interest at 3.0% to 5.0%	40,965,000
\$6,440,000 - Lease Revenue bond Series 2017 due in annual installments of \$245,000 to \$420,000 through October 1, 2037; interest at 3.1% to 5.1%	5,275,000
\$9,025,000 - Lease Revenue bond Series 2019 due in annual installments of \$275,000 to \$640,000 through October 1, 2039; interest at 3.0% to 5.1%	8,460,000
	<hr/>
	\$ 159,773,052

(continued)

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

	Governmental Activities
Bond premiums	12,384,805
Lease Obligations	238,807
Accrued compensated absences	6,512,377
Claims payable	2,992,572
LOSAP liability	12,533,736
Net OPEB liability provided by VRS	3,766,495
Net OPEB liability provided by County	847,729
Net Pension liability	20,910,355
	<u><u>\$ 219,959,928</u></u>

All of the indenture agreements for the Virginia Public Schools Authority bond issuances require the County to pledge the facility constructed as collateral for the bonds. In addition, the 2014A Virginia Resources Authority (VRA) bonds have the Public Safety Facility as collateral, the 2015 VRA bonds are collateralized by the Green Ridge Recreation Facility, the South County Library, the North County Fire Station, and the Vehicle Fleet Maintenance Facility, the 2017 VRA bonds are collateralized by the Vinton Library, and the 2019 VRA bonds are collateralized by Roanoke County's Social Services building and the cold storage facility located at 5285 Hollins Road.

Changes in long-term liabilities for the year ended June 30, 2022 were as follows:

	Outstanding June 30, 2021		Additions		Outstanding June 30, 2022		Amounts Due Within One Year						
							Deletions	Amounts Due Within One Year					
<b>Primary Government</b>													
Governmental Activities:													
VPSA School Bonds	\$ 74,515,490		\$ 19,910,000	\$ 8,552,438	\$ 85,873,052	\$ 8,043,501							
Lease Revenue Bonds	77,530,000		-	3,630,000	73,900,000	3,800,000							
	<u>152,045,490</u>		<u>19,910,000</u>	<u>12,182,438</u>	<u>159,773,052</u>	<u>11,843,501</u>							
Bond premiums	10,777,149		2,543,232	935,576	12,384,805	1,049,876							
Lease obligations	303,318		-	64,511	238,807	66,242							
Accrued compensated absences	6,533,672		5,030,880	5,052,175	6,512,377	3,890,162							
Claims payable	2,899,592		12,044,190	11,951,210	2,992,572	1,603,312							
LOSAP liability	12,156,472		818,950	441,686	12,533,736	-							
Net OPEB liability provided by VRS	5,173,634		197,169	1,604,308	3,766,495	-							
Net OPEB liability provided by County	4,110,450		1,060,242	4,322,963	847,729	-							
Net Pension liability	54,692,407		34,463,468	68,245,520	20,910,355	-							
	<u>54,692,407</u>		<u>34,463,468</u>	<u>68,245,520</u>	<u>20,910,355</u>	<u>-</u>							
	<u><u>\$ 248,692,184</u></u>		<u><u>\$ 76,068,131</u></u>	<u><u>\$ 104,800,387</u></u>	<u><u>\$ 219,959,928</u></u>	<u><u>\$ 18,453,093</u></u>							

**Component Units**

School System:

Lease obligations	\$ 7,432,605	\$ 2,112,654	\$ 3,011,900	\$ 6,533,359	\$ 2,940,560
Accrued compensated absences	2,720,650	6,212,776	6,301,975	2,631,451	842,403
Claims payable	1,945,429	18,236,351	17,905,542	2,276,238	1,693,991
Net Pension liability	135,109,014	52,313,227	119,406,810	68,015,431	-
Net OPEB liability provided by VRS	19,313,346	2,923,676	4,918,568	17,318,454	-
Net OPEB liability provided by RCPS	5,790,970	817,294	1,445,077	5,163,187	-
	<u>\$ 172,312,014</u>	<u>\$ 82,615,978</u>	<u>\$ 152,989,872</u>	<u>\$ 101,938,120</u>	<u>\$ 5,476,954</u>

CDA:

Bond payable	\$ 6,009,000	\$ -	\$ 278,000	\$ 5,731,000	\$ 310,000
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The Debt Service Fund is used to liquidate most long-term liabilities of governmental activities as shown above; however, a portion of compensated absences, claims payable, net pension, and net OPEB liabilities are liquidated by the General Fund.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

The annual requirements to amortize governmental activities' debt outstanding as of June 30, 2022 are as follows:

Fiscal Year	Virginia Public School Authority Bonds		Lease Revenue Bonds		Lease Obligations		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

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**(9) Capital Assets**

In accordance with GAAP, all school related bond obligations are reported herein as County debt since the County is legally responsible for debt repayment. All related capital assets for which the County and the School System maintain a tenancy in common relationship have been reported as County assets. As of June 30, 2022, the related capital assets totaled \$66,292,321 net of accumulated depreciation, and \$12,240,696 of CIP.

Bondholders of the lease revenue bonds have a security leasehold interest in the underlying assets purchased with the proceeds of those bonds until the bonds are paid off or refinanced.

Primary Government capital asset activity for the year ended June 30, 2022 was as follows:

**Governmental Activities**

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022
<b>Capital assets not being depreciated:</b>				
Land	\$ 15,203,683	\$ 655,000	\$ (3,108,554)	\$ 12,750,129
Construction in progress	18,156,988	19,195,106	(6,857,446)	30,494,648
Total capital assets at historical cost not being depreciated	<u>33,360,671</u>	<u>19,850,106</u>	<u>(9,966,000)</u>	<u>43,244,777</u>
<b>Capital assets being depreciated:</b>				
Building and improvements	369,907,646	4,502,311	(33,260,541)	341,149,416
Furniture, fixtures, and equipment	79,900,971	3,931,414	(2,165,006)	81,667,379
Right to use leased equipment	359,020	-	-	359,020
Total capital assets at historical cost being depreciated	<u>450,167,637</u>	<u>8,433,725</u>	<u>(35,425,547)</u>	<u>423,175,815</u>
<b>Less accumulated depreciation and amortization:</b>				
Buildings and improvements	(187,310,574)	(15,878,290)	15,449,726	(187,739,138)
Furniture, fixtures, and equipment	(62,902,209)	(4,437,608)	2,141,014	(65,198,803)
Right to use leased equipment	(55,702)	(68,676)	-	(124,378)
Total accumulated depreciation and amortization	<u>(250,268,485)</u>	<u>(20,384,574)</u>	<u>17,590,740</u>	<u>(253,062,319)</u>
Total capital assets, being depreciated, net	<u>199,899,152</u>	<u>(11,950,849)</u>	<u>(17,834,807)</u>	<u>170,113,496</u>
Governmental activities capital assets, net	<u>\$ 233,259,823</u>	<u>\$ 7,899,257</u>	<u>\$ (27,800,807)</u>	<u>\$ 213,358,273</u>

The County began construction on a new Public Service Center in Fiscal Year 2020. This project is ongoing and is being financed with County capital funds and bond proceeds.

**Intangible Right-to-Use Lease Assets**

In 2022, the County implemented the guidance in GASB Statement 87, *Leases*, and recognized the value of copiers leased under long-term contracts. For the two leases existing as of June 30, 2021, the County recorded an asset related to the right to use leased equipment in the amount of \$359,020 and the related accumulated amortization of \$55,702.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

Depreciation and amortization expense for the year ended June 30, 2022 was charged to functions/programs of the Primary Government as follows:

General government	\$ 780,399
Judicial administration	83,097
Public Safety	3,120,220
Public Works	1,685,237
Health and welfare	620,186
Parks, recreation and culture	1,586,930
Library	796,909
Community development	67,291
Education	<u>11,644,305</u>
<b>Total depreciation and amortization expense - governmental activities</b>	<b><u>\$ 20,384,574</u></b>

The South Peak Community Development Authority's capital asset activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022
<b>Capital assets not being depreciated:</b>				
Infrastructure	\$ 5,330,063	\$ -	\$ -	\$ 5,330,063
<b>Total capital assets at historical cost not being depreciated</b>	<b>\$ 5,330,063</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,330,063</b>

The Roanoke County Public Schools' capital asset activity for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022
<b>Capital assets not being depreciated:</b>				
Land	\$ 5,683,473	\$ 2,453,554	\$ -	\$ 8,137,027
Construction in progress	898,877	1,301,026	(46,766)	2,153,137
<b>Total capital assets at historical cost not being depreciated</b>	<b>6,582,350</b>	<b>3,754,580</b>	<b>(46,766)</b>	<b>10,290,164</b>
<b>Capital assets being depreciated:</b>				
Building and improvements	103,837,499	18,039,387	-	121,876,886
Furniture, fixtures, and equipment	42,928,415	1,062,997	(5,145,481)	38,845,931
Right to use leased equipment	11,375,439	2,112,654	-	13,488,093
<b>Total capital assets at historical cost being depreciated</b>	<b>158,141,353</b>	<b>21,215,038</b>	<b>(5,145,481)</b>	<b>174,210,910</b>
<b>Less accumulated depreciation and amortization:</b>				
Buildings and improvements	(63,558,953)	(2,945,906)	-	(66,504,859)
Furniture, fixtures, and equipment	(35,397,544)	(2,037,408)	5,049,401	(32,385,551)
Right to use leased equipment	(3,942,834)	(2,965,212)	-	(6,908,046)
<b>Total accumulated depreciation and amortization</b>	<b>(102,899,331)</b>	<b>(7,948,526)</b>	<b>5,049,401</b>	<b>(105,798,456)</b>
<b>Total capital assets, being depreciated, net</b>	<b>55,242,022</b>	<b>13,266,512</b>	<b>(96,080)</b>	<b>68,412,454</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 61,824,372</b>	<b>\$ 17,021,092</b>	<b>\$ (142,846)</b>	<b>\$ 78,702,618</b>

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

The School System implemented GASB Statement No. 87, *Leases*, during fiscal year 2022. For the six leases existing as of June 30, 2021, the School System recorded an asset related to the right to use leased equipment in the amount of \$11,375,439 and the related accumulated depreciation of \$3,942,834.

Depreciation and amortization expense for the Roanoke County Public Schools' charged to function/program activities for the year ended June 30, 2022 was as follows:

Instruction	\$ 3,665,660
Administration	205,011
Transportation	763,625
Operations and maintenance	299,768
Technology	2,965,212
School nutrition	49,250
Total depreciation and amortization expense	<u>\$ 7,948,526</u>

**(10) Leases**

County as Lessee

The County, as a lessee, has entered into two lease agreements involving printing and imaging equipment. The total costs of the County's leased assets are recorded as \$359,020, less accumulated amortization of \$124,378 as of June 30, 2022. The leased equipment and accumulated amortization of the right-to-use assets are outlined in Note 9.

The future lease payments under lease agreements are as follows:

<b>Governmental Activities</b>			
<b>Leases</b>			
	<b>Principal</b>	<b>Interest</b>	
2023	\$ 66,242	\$ 9,140	
2024	69,202	6,180	
2025	72,295	3,087	
2026	31,068	341	
	<u>\$ 238,807</u>	<u>\$ 18,748</u>	

County as Lessor

The County, as a lessor, has entered into lease agreements involving several sites around the Roanoke Valley for the purpose of maintaining towers and antennae for its public safety radio communications system. The total amount of inflows of resources, including lease revenue and interest revenue recognized during fiscal year 2022 was \$217,305, with \$48,162 attributable to interest revenue and \$169,143 attributable to lease revenue.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

The future lease receipts under lease agreements are as follows:

<b>Governmental Activities</b>			
<b>Leases</b>			
	<b>Principal</b>	<b>Interest</b>	
2023	\$ 122,628	\$ 46,324	
2024	152,731	43,099	
2025	137,265	39,185	
2026	141,239	35,588	
2027	113,842	31,885	
2028-2032	399,421	127,996	
2033-2037	445,758	78,207	
2038-2042	341,640	25,596	
2043-2047	<u>80,399</u>	<u>2,177</u>	
	<u><u>\$ 1,934,923</u></u>	<u><u>\$ 430,057</u></u>	

School System as Lessee

The School System, as a lessee, has entered into seven lease agreements involving computer and technology equipment. The total costs of the School System's leased assets are recorded as \$13,488,093, less accumulated amortization of \$6,908,046 as of June 30, 2022. The leased equipment and accumulated amortization of the right-to-use assets are outlined in Note 9.

The future lease payments under lease agreements are as follows:

<b>Governmental Activities</b>			
<b>Leases</b>			
	<b>Principal</b>	<b>Interest</b>	
2023	\$ 2,940,560	\$ 28,250	
2024	2,442,200	15,905	
2025	1,064,329	5,382	
2026	106,270	437	
	<u>\$ 6,553,359</u>	<u>\$ 49,974</u>	

More information regarding the School System leases summarized above can be found in the School System's separately published Annual Comprehensive Financial Report, which may be obtained by writing the Roanoke County Public Schools Department of Finance, 5937 Cove Road, Roanoke, VA 24016 or by visiting their website: [www.rcps.us](http://www.rcps.us).

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**(11) Risk Management**

The County of Roanoke is self-insured for workers' compensation, health insurance, general liability and automobile liability as follows:

*Workers' Compensation* – The County established a self-insured Workers' Compensation program on July 1, 1986. On July 1, 1990, the School System also implemented a self-insured Workers' Compensation program. Premiums are paid into the Internal Service Fund and the Component Unit Internal Service Fund and are available to pay claims, claims reserves and administrative costs of the programs. An excess coverage insurance policy covers each accident in excess of \$500,000 for both the County and the School System, with a higher threshold of \$550,000 for emergency personnel, with statutory limits for all claims prior to June 30, 2015. Effective July 1, 2015, the County and Schools joined the Virginia Association of Counties Group Self-Insurance Risk Pool (VACORP) for any claims in excess of \$200,000. At June 30, 2022, the County and the School System have accrued liabilities of \$2,100,000 and \$858,000, respectively, based primarily upon an estimate by a qualified actuary. Interfund premiums are based primarily upon the insured funds' claims experience and are reported as interfund services provided and used.

*Health Insurance* – The County established a self-insured health insurance program July 1, 1988. On July 1, 1990, the School System also implemented a self-insured health insurance program. Monthly contributions are paid into the Internal Service Fund and the Component Unit Internal Service Fund from the County and School System funds and the County and School System employees 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. At June 30, 2022, incurred but not yet reported (IBNR) claims for the County and School System are estimated to be \$816,072 and \$1,418,238 respectively. Interfund premiums are based upon the employees within that fund who are enrolled in the plan.

*General Liability* – The County established a self-insured program for general liability and automobile insurance July 1, 1994. The County purchased excess insurance with \$250,000 retention, with limits of \$2,000,000 per occurrence, and no aggregate limit. At June 30, 2022, the County has an accrued general liability of \$32,500, based primarily upon an estimate by a qualified actuary.

*Automobile Liability* – The County continues to be self-insured up to \$250,000 and has certain deductibles in place for auto physical damage and comprehensive/collision. Effective July 1, 2017, the County purchased coverage for physical damage to and liability associated with the operation of the County's fleet, including Fire and Rescue and Solid Waste. At June 30, 2022, the County has an accrued automotive liability of \$44,000, based primarily upon an estimate by a qualified actuary.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

Settled claims have not exceeded insurance coverage for the past five years. Unpaid claims are included as accrued liabilities on the balance sheet. Changes in the balances of claims liabilities during the past two years are as follows:

**Primary Government:**

	<b>Workers' Compensation</b>	<b>Health Insurance</b>	<b>General Liability</b>	<b>Automobile Liability</b>	<b>Total</b>
Unpaid Claims June 30, 2020	\$ 2,100,000	\$ 753,867	\$ 20,300	\$ 71,000	\$ 2,945,167
Incurred claims*	602,893	9,421,141	(20,300)	(71,000)	9,932,734
Claim Payments	<u>(702,893)</u>	<u>(9,405,716)</u>	<u>25,300</u>	<u>105,000</u>	<u>(9,978,309)</u>
Unpaid Claims June 30, 2021	2,000,000	769,292	25,300	105,000	2,899,592
Incurred claims*	783,114	11,233,532	20,533	7,011	12,044,190
Claim Payments	<u>(683,114)</u>	<u>(11,186,752)</u>	<u>(13,333)</u>	<u>(68,011)</u>	<u>(11,951,210)</u>
Unpaid Claims June 30, 2022	<u>\$ 2,100,000</u>	<u>\$ 816,072</u>	<u>\$ 32,500</u>	<u>\$ 44,000</u>	<u>\$ 2,992,572</u>

\*Incurred claims includes claims incurred but not reported and changes in estimates.

**School System Component Unit:**

	<b>Workers' Compensation</b>	<b>Health Insurance</b>	<b>Total</b>
Unpaid Claims June 30, 2020	\$ 857,000	\$ 1,423,036	\$ 2,280,036
Incurred claims*	225,777	14,770,573	14,996,350
Claim Payments	<u>(297,777)</u>	<u>(15,033,180)</u>	<u>(15,330,957)</u>
Unpaid Claims June 30, 2021	785,000	1,160,429	1,945,429
Incurred claims*	576,264	17,660,087	18,236,351
Claim Payments	<u>(503,264)</u>	<u>(17,402,278)</u>	<u>(17,905,542)</u>
Unpaid Claims June 30, 2022	<u>\$ 858,000</u>	<u>\$ 1,418,238</u>	<u>\$ 2,276,238</u>

\*Incurred claims includes claims incurred but not reported and changes in estimates.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**(12) Pension Plan**

**Plan Description** – All full-time, salaried permanent employees of the County are automatically covered by a VRS Retirement Plan upon employment. This plan is administered by the Virginia Retirement System (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 pay 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.

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. The specific information for each plan and the eligibility for covered groups within each plan are set out in the following table.

**RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE**

PLAN 1	PLAN 2	HYBRID PLAN
<b>About Plans</b>		
Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.	Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.	<p>The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> <li>• The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.</li> <li>• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.</li> <li>• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.</li> </ul>
<b>Eligible Members</b>		
Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.	Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.	<p>Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees*</li> <li>• Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held</li> </ul>

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID PLAN</b>
<p><b><u>Hybrid Opt-In Election</u></b></p> <p>VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p><b><u>Hybrid Opt-In Election</u></b></p> <p>Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p>January 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014.</p> <p><b><u>*Non-Eligible Members</u></b></p> <p>Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees</li> <li>• Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</li> </ul>
<b>Retirement Contributions</b>		
<p>Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p>Same as Plan 1.</p>	<p>A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer.</p> <p>Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>
<b>Creditable Service</b>		
<p>Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has</p>	<p>Same as Plan 1.</p>	<p><b><u>Defined Benefit Component</u></b></p> <p>Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has</p>

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID PLAN</b>
<p>purchased or additional creditable service the member was granted.</p> <p>A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit.</p> <p>It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>		<p>purchased or additional creditable service the member was granted.</p> <p>A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit.</p> <p>It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><b><u>Defined Contribution Component</u></b>  Creditable service is used to determine vesting for the employer contribution portion of the plan.</p>
<b>Vesting</b>		
<p>Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service.</p> <p>Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Same as Plan 1.</p>	<p><b><u>Defined Benefit Component</u></b>  Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><b><u>Defined Contribution Component</u></b>  Vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p>

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID PLAN</b>
		<ul style="list-style-type: none"> <li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li> <li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li> <li>• After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</li> </ul> <p>Distribution is not required by law until age 70½.</p>
<b>Calculating the Benefit</b>		
<p>The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.</p> <p>An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.</p>	<p>Same as Plan 1.</p>	<p><b>Defined Benefit Component</b>  Same as Plan 1.</p> <p><b>Defined Contribution Component</b>  The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<b>Average Final Compensation</b>		
<p>A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p>Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<b>Service Retirement Multiplier</b>		
<p>The retirement multiplier is a factor used in the formula to determine a final retirement benefit.</p> <p>The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p><b>Sheriffs and regional jail superintendents:</b> The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p>	<p>Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013.</p> <p>For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.</p> <p><b>Sheriffs and regional jail superintendents:</b> Same as Plan 1.</p>	<p><b>Defined Benefit Component</b>  The retirement multiplier for the defined benefit component is 1.00%.</p> <p>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.</p> <p><b>Sheriffs and regional jail superintendents:</b> Not applicable.</p>

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID PLAN</b>
<b>Political subdivision hazardous duty employees:</b> The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.	<b>Political subdivision hazardous duty employees:</b> Same as Plan 1.	<b>Political subdivision hazardous duty employees:</b> Not applicable.  <b>Defined Contribution Component</b> Not applicable.
<b>Normal Retirement Age</b>		
Age 65.  <b>Political subdivision hazardous duty employees:</b> Age 60.	Normal Social Security retirement age.  <b>Political subdivision hazardous duty employees:</b> Same as Plan 1.	<b>Defined Benefit Component</b> Same as Plan 2.  <b>Political subdivision hazardous duty employees:</b> Not applicable.  <b>Defined Contribution Component</b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
<b>Earliest Unreduced Retirement Eligibility</b>		
Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.  <b>Political subdivision hazardous duty employees:</b> Age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.	Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.  <b>Political subdivision hazardous duty employees:</b> Same as Plan 1.	<b>Defined Benefit Component</b> Same as Plan 2.  <b>Political subdivision hazardous duty employees:</b> Not applicable.  <b>Defined Contribution Component</b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
<b>Earliest Reduced Retirement Eligibility</b>		
Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.  <b>Political subdivision hazardous duty employees:</b> Age 50 with at least five years of creditable service.	Age 60 with at least five years (60 months) of creditable service.  <b>Political subdivision hazardous duty employees:</b> Same as Plan 1.	<b>Defined Benefit Component</b> Same as Plan 2.  <b>Political subdivision hazardous duty employees:</b> Not applicable.  <b>Defined Contribution Component</b> Members are eligible to receive distributions upon leaving employment, subject to restrictions.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID PLAN</b>
<b>Cost-of-Living Adjustment (COLA) in Retirement</b>		
The COLA matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.	The COLA matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.	<u><b>Defined Benefit Component</b></u> Same as Plan 2.  <u><b>Defined Contribution Component</b></u> Not applicable.
<b>Eligibility</b> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.  For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.	<b>Eligibility</b> Same as Plan 1.	<b>Eligibility</b> Same as Plan 1 and Plan 2.
<b>Exceptions to COLA Effective Dates</b> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP).</li> <li>• The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.</li> <li>• The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to</li> </ul>	<b>Exceptions to COLA Effective Dates</b> Same as Plan 1.	<b>Exceptions to COLA Effective Dates</b> Same as Plan 1 and Plan 2.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID PLAN</b>
December 31) from the date the monthly benefit begins.		
<b>Disability Coverage</b>		
Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.	Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.	Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members.  Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.
<b>Purchase of Prior Service</b>		
Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	Same as Plan 1.	<p><b>Defined Benefit Component</b>  Same as Plan 1, with the following exceptions:  • Hybrid Retirement Plan members are ineligible for ported service.</p> <p><b>Defined Contribution Component</b>  Not applicable.</p>

**Pension Plan Data** – The System issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information for the plans administered by VRS. A copy of the most recent report may be obtained from the VRS website at <https://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Employees Covered by Benefit Terms** – As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

	<b>County of Roanoke</b>	<b>School System Non-Professional Plan</b>
Inactive members or their beneficiaries currently receiving benefits	777	442
<i>Inactive members:</i>		
Vested	197	97
Non-vested	350	167
Active elsewhere in VRS	336	83
Total inactive members	<hr/> 883	<hr/> 347
Active members	1,031	79
<b>Total covered employees</b>	<b><hr/>2,691</b>	<b><hr/>868</b>

### **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 localities and school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The County's contractually required contribution rate for the year ended June 30, 2022 was 14.38% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

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. Employer contributions to the pension plan from the County were \$7,268,195 and \$6,730,418 for the years ended June 30, 2022 and June 30, 2021, respectively.

In addition, the School System's contractually required employer contribution rates for the year ended June 30, 2022 were 16.62% and 2.09% of covered employee compensation for the Teacher and Non-Professional Plans, respectively. These rates were based on actuarially determined rates from actuarial valuations as of June 30, 2019. The actuarially determined 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.

The contractually required employer contribution rate for the Teacher Retirement Plan was 16.62%. Contributions to the pension plan from the School System Teacher Retirement Plan were \$13,999,677 and \$13,245,307 for the years ended June 30, 2022 and June 30, 2021, respectively. The contractually required employer contribution rate for the Non-Professional Plan was 2.09%. Contributions to the pension plan from the School System Non-Professional Plan were \$47,011 and \$45,833 for the years ended June 30, 2022 and June 30, 2021, respectively.

### **Net Pension Liability (Asset)**

The net pension liability (asset) is calculated separately for each employer and represents that particular employer's total pension liability (asset) determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For the County and School System, the net pension liability (asset) was measured as of June 30, 2021. The total pension liability (asset) used to calculate the net pension liability

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

(asset) was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to the measurement date of June 30, 2021.

**Actuarial Assumptions – General Employees and Teacher Plan**

The total pension liability for General Employees in the County's Retirement Plan and School System employees in both the Teacher and Non-Professional Plans were based on an actuarial valuation as of June 30, 2020, 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, 2021.

Inflation .....	2.50%
Salary increases .....	3.50% to 5.35%, including inflation for General Employees and the Non-Professional School System Plan
.....	3.50% to 5.95%, for the Teacher Plan
Investment rate of return .....	6.75%, net of pension plan investment expenses, including inflation

**Mortality rates – Non-Hazardous Duty:** 15% of deaths are assumed to be service related

Pre-Retirement .....	Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years; 105% rates for females set forward 3 years.
Post-Retirement .....	Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.
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.

**Mortality rates – Teacher Plan:** 15% of deaths are assumed to be service related

Pre-Retirement .....	Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males.
Post-Retirement .....	Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females.
Post-Disablement .....	Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on the VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates .....	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 year age and service through 9 years of service
Disability Rates .....	No change

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

Salary Scale .....No change  
Line of Duty Disability....No change  
Discount Rate.....No change

**Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits**

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

Inflation.....2.50%  
Salary increases.....3.50% to 4.75%, including inflation  
Investment rate of return .....6.75%, net of pension plan investment expenses, including inflation

**Mortality rates – Hazardous Duty:** 45% 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.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on the VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates .....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 year age and service through 9 years of service

Disability Rates .....No change

Salary Scale .....No change

Line of Duty Disability....No change

Discount Rate .....No change

**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:

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return</b>
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
Multi-Asset Public Strategies (MAPS)	6.00%	3.29%	0.20%
Private Investment Partnership (PIP)	3.00%	6.84%	0.21%
<b>Total</b>	<b><u>100.00%</u></b>		4.89%
<b>Inflation</b>			2.50%
<b>Expected arithmetic nominal return*</b>			<b>7.39%</b>

\* The above allocation provides a one-year expected return of 7.39%. 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 6.94%, including expected inflation of 2.50%.

\*On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

#### **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. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; Counties were also provided with an opportunity to use an alternative employer contribution rate.

For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. From July 1, 2021 on, participating employers are assumed to continue 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.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Changes in Net Pension Liability (Asset)**

	County of Roanoke			School System - Non-Professional		
	Plan			Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)			
Balances at June 30, 2020	\$ 267,434,918	\$ 212,742,511	\$ 54,692,407	\$ 32,705,122	\$ 32,314,134	\$ 390,988
Changes for the year:						
Service cost	5,870,132	-	5,870,132	272,235	-	272,235
Interest	17,608,681	-	17,608,681	2,115,819	-	2,115,819
Change in assumptions between expected and actual experience	10,798,347	-	10,798,347	1,526,735	-	1,526,735
Difference between expected and actual experience	(1,551,230)	-	(1,551,230)	(241,202)	-	(241,202)
Impact in change of proportion	202,032	160,715	41,317	-	-	-
Contribution - employer	-	6,496,924	(6,496,924)	-	45,833	(45,833)
Contributions - employee	-	2,243,247	(2,243,247)	-	136,658	(136,658)
Net investment income	-	57,948,883	(57,948,883)	-	8,474,537	(8,474,537)
Benefit payments including refunds of employee contributions	(13,535,234)	(13,535,234)	-	(2,719,321)	(2,719,321)	-
Administrative expense	-	(144,991)	144,991	-	(22,930)	22,930
Other changes	-	5,236	(5,236)	-	784	(784)
Net Changes	19,392,728	53,174,780	(33,782,052)	954,266	5,915,561	(4,961,295)
Balances at June 30, 2021	\$ 286,827,646	\$ 265,917,291	\$ 20,910,355	\$ 33,659,388	\$ 38,229,695	\$ (4,570,307)
Teacher Plan Net Pension Liability at June 30, 2021				\$ 499,119,012	\$ 426,533,274	\$ 72,585,738
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Teacher Plan)						85.46%

**Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the net pension liability (asset) of the County and School System using the discount rate of 6.75%, as well as what the County and School System's net pension liability (asset) 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:

	Net Pension Liability (Asset)		
	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
<b>County of Roanoke:</b>			
Retirement Plan	\$ 58,349,693	\$ 20,910,355	\$ (10,028,530)
<b>School System:</b>			
Teacher Retirement Plan	\$ 140,086,542	\$ 72,585,738	\$ 17,057,309
Non-Professional Plan	(1,214,856)	(4,570,307)	(7,430,324)

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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

For the year ended June 30, 2022, the County and the School System recognized pension expense of \$4,216,456, \$909,461, and \$182,757 in the Retirement Plan, the Teacher Retirement Plan and the Non-Professional Plan, respectively. For the year ended July 31, 2021, the Length of Service Award Program (LOSAP) recognized pension expense of \$818,950 which is detailed in Footnote 14. This totals a combined pension expense for all plans of \$6,127,624.

At June 30, 2022, the County and School System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	County of Roanoke		School System			
	Retirement Plan		Teacher Retirement Plan		Non-Professional Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,479,507	\$ 1,100,291	\$ -	\$ 6,182,414	\$ -	\$ -
Change in assumptions	8,620,441	-	12,716,831	-	-	-
Net difference between projected and actual earnings on plan investments	-	28,827,859	-	45,741,589	-	4,131,757
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	34,151	1,414,265	2,716,533	-	-
Employer contributions subsequent to the measurement date	7,268,195	-	13,999,677	-	47,011	-
Total	<u>\$ 17,368,143</u>	<u>\$ 29,962,301</u>	<u>\$ 28,130,773</u>	<u>\$ 54,640,536</u>	<u>\$ 47,011</u>	<u>\$ 4,131,757</u>

\$7,268,195, \$13,999,677, and \$47,011 reported as deferred outflows of resources related to pensions resulting from the County and School System's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023, for the Retirement Plan, Teacher, and Non-Professional Plans, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	County of Roanoke		School System	
	Retirement		Teacher	
	Plan	Retirement Plan	Non-Professional	Plan
2023	\$ (2,057,533)	\$ (9,668,686)	\$ (963,569)	
2024	(3,530,413)	(8,880,365)	(933,849)	
2025	(5,525,514)	(9,337,344)	(958,401)	
2026	(8,748,893)	(12,637,957)	(1,275,938)	
Thereafter	-	14,912	-	
	<u>\$ (19,862,353)</u>	<u>\$ (40,509,440)</u>	<u>\$ (4,131,757)</u>	

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Payable to the Pension Plan**

At June 30, 2022, the Teacher and Non-Professional Plans reported payables of \$226,026, and \$3,270, respectively, for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

**(13) Other Postemployment Benefits (OPEB)**

***Retiree Medical Program***

**Plan Description** - The County administers and sponsors a single-employer defined benefit healthcare plan (Retiree Medical Plan). All full-time employees hired before July 1, 2016 who retire directly from the County prior to age 55 with 10 years of continuous full-time service with the County through the date of retirement are eligible to receive early or regular retiree health benefits until they are eligible for Medicare. Specific information about the County's Retiree Medical Plan, including eligibility, coverage, and benefits is set out in the table that follows:

<b>OPEB PLAN PROVISIONS – RETIREE MEDICAL</b>	
<b>Eligible Members</b>	
All full-time employees hired before July 1, 2016, who meet the following criteria, are eligible for post-retirement medical coverage:	
<ul style="list-style-type: none"><li>○ Retire directly from the County and are eligible to receive an early or regular retirement benefit from the VRS</li><li>○ Have 10 years of continuous full-time service with the County through the date of retirement</li><li>○ Have 5 years of enrollment in the County sponsored medical plan immediately prior to retirement</li></ul>	
Eligible dependents on the employee's health insurance may continue to receive the County's contribution toward the health plan.	
<b>Benefit Amounts</b>	
For plan members receiving benefits, the County contributes a specified amount monthly towards the cost of the health insurance premium.	
<b>Program Notes</b>	
Active employees hired after July 1, 2016 are not eligible. The Retiree Medical Plan is assumed to be the primary plan of benefits prior to age 65. Once the retiree or spouse becomes eligible for Medicare, they must then enroll in the Medicare Advantage Plan.	

The County participates in the OPEB Trust Fund, an irrevocable trust established for the purpose of accumulating assets to fund postemployment benefits other than pensions. The OPEB Trust Fund issues a separate report, which can be obtained by requesting a copy from the plan administrator, Virginia Municipal League (VML), at P.O. Box 12164, Richmond, Virginia 23241.

**Long-Term Expected Rate of Return** - The long-term expected rate of return on OPEB 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 OPEB plan 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:

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return</b>
Large Cap Equity (Domestic)	21.00%	7.13%	1.50%
Small Cap Equity (Domestic)	10.00%	8.53%	0.85%
International Equity (Developed)	13.00%	7.99%	1.04%
Emerging Markets	5.00%	9.23%	0.46%
Private Equity	10.00%	10.47%	1.04%
Core Bonds	5.00%	2.58%	0.13%
Core Plus	11.00%	2.88%	0.32%
Long/Short Equity	6.00%	5.68%	0.34%
Private Core Real Estate	10.00%	6.60%	0.66%
Liquid Absolute Return	4.00%	3.25%	0.13%
Opportunistic Real Estate	5.00%	9.60%	0.48%
<b>Total</b>	<b>100.00%</b>		6.95%
		Inflation	2.75%
		Expected arithmetic nominal return	9.70%

Benefits will be financed through a combination of accumulated trust funds and on a pay as you go basis until sufficient funds are accumulated in the OPEB trust. The discount rate used to measure the total OPEB liability is 7.50% based on the current expected return on assets and the investment portfolio.

**OPEB Expense** – As the total OPEB expense is not easily identifiable from information presented in the financial statements, it is best practice for a primary government to provide the aggregate amount of OPEB expense in its footnotes. Total OPEB expense for all plans combined was \$2,032,126 for the year ended June 30, 2022. These expenses and benefits are detailed below and also over the following several pages.

The County recognized OPEB expense (benefit) of (\$580,227), \$98,986, and \$94,690 in its Retiree Medical program, Health Insurance Credit program, and Group Life Insurance program, respectively, in fiscal year 2022. Total OPEB benefit for the County plans combined was (\$386,551) for the year ended June 30, 2022.

The School System recognized OPEB expense (benefit) of \$695,536 in its Retiree Medical program; \$917,773 and \$630,123 in its Health Insurance Credit Program for its Teacher Plan and Non-Professional Plan, respectively; and \$175,712 and (\$467) in its Group Life Insurance program for its Teacher Plan and Non-Professional Plan, respectively. Total OPEB expense for the School System plans combined was \$2,418,677 for the year ended June 30, 2022.

**Retiree Medical Program – OPEB Plan Disclosures**

**Employees Covered by Benefits Terms** - As of the June 30, 2022 actuarial valuation, the following employees were covered by the benefit terms of the Retiree Medical Plan:

Inactive members:	
Retirees	79
Active members	532
Total covered members	611

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Contributions** - The Retiree Medical Plan is funded with contributions from plan members and the County. Plan members receiving benefits contribute specified amounts monthly, ranging from 42.8% to 72.7%, towards the cost of the health insurance premiums. For fiscal year ended June 30, 2022, the retirees contributed approximately \$594,995 or 52.9% of total premiums, through their required contributions of \$374.36 to \$2,228.14 per month depending on the coverage (single, single plus dependent, single plus spouse, or family and the number of years of service completed by the employee).

The County's actuarially determined contribution rate for the year ended June 30, 2022 was 0.9% of covered employee compensation for the Retiree Medical Plan. The total amount contributed was \$1,017,921. This rate was based on the actuarially determined rate from actuarial valuations as of June 30, 2022.

**Net OPEB Liability** - The Plan data for the Retiree Medical Plan was measured as of June 30, 2022 based on an actuarial valuation performed as of June 30, 2022.

**Actuarial Methods and Assumptions** - The net OPEB liability was based on an actuarial valuation as of June 30, 2022, 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, 2022.

Discount rate .....	7.50%
Salary increases .....	3.50%, including a 2.50% inflation assumption and a 1.00% productivity component
Investment rate of return .....	7.50%
Healthcare cost trend rate – Medical .....	Initial rate of 7.50% decreasing down by 0.50% annually to an ultimate rate of 4.50%

**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

The plan does not have sufficient data to have credible experience. Therefore, mortality assumptions are set to reflect general population trends based upon Pub-2010 Mortality tables and the most recent generational projection scale MP-2021 released by the Society of Actuaries (SOA) for future mortality improvements.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**OPEB Liabilities and OPEB Expense for the Retiree Medical Plan as of 2022 measurement date**

	<b>Total OPEB Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
Balances at June 30, 2021	\$ 10,440,056	\$ 9,583,641	\$ 856,415
Changes for the year:			
Service cost	209,532	-	209,532
Interest	765,723	-	765,723
Difference between expected and actual experience	88,899	-	88,899
Change of assumptions	210,219	-	210,219
Contribution - employer	-	1,017,921	(1,017,921)
Net investment expense	-	(883,928)	883,928
Benefit payments including refunds of member contributions	(896,096)	(896,096)	-
Administrative expense	-	(10,760)	10,760
Net Changes	<u>378,277</u>	<u>(772,863)</u>	<u>1,151,140</u>
Balances at June 30, 2022	<u><u>\$ 10,818,333</u></u>	<u><u>\$ 8,810,778</u></u>	<u><u>\$ 2,007,555</u></u>

**Net OPEB Liability** - The net OPEB liability (NOL) is calculated separately, the OPEB Plan represents its total OPEB liability determined in accordance with GAAP, less the fiduciary net position. As of June 30, 2022, NOL amounts are as follows:

Total OPEB Liability	\$ 10,818,333
Plan Fiduciary Net Position	8,810,778
Net OPEB Liability	<u><u>\$ 2,007,555</u></u>

Fiduciary Net Position as a Percentage of Total OPEB Liability	81.44%
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**Sensitivity to Changes in the Discount Rate** - The following presents the County's net OPEB liability using the discount rate of 7.50%, as well as what it would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	<b>1.00% Decrease (6.50%)</b>	<b>Current Rate (7.50%)</b>	<b>1.00% Increase (8.50%)</b>
Net OPEB Liability	\$ 2,761,449	\$ 2,007,555	\$ 1,317,149

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Sensitivity to the Changes in the Healthcare Cost Rate** - The following presents the County's net OPEB liability using the health care cost rate of 7.50% grading to 4.50%, as well as what it would be if it were calculated using a healthcare cost rate that is one percentage point lower (6.50% grading to 3.50%) or one percentage point higher (8.50% grading to 5.50%) than the current rate:

	<b>1.00% Decrease</b> (6.50% decreasing to 3.50%)	<b>Current Rate</b> (7.50% decreasing to 4.50%)	<b>1.00% Increase</b> (8.50% decreasing to 5.50%)
Net OPEB Liability	\$ 1,208,864	\$ 2,007,555	\$ 2,913,736

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Retiree Medical Plan**  
- At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to the Retiree Medical Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 76,199	\$(3,840,041)
Change in assumptions	1,475,073	(505,154)
Net difference between projected and actual earnings on OPEB plan investments	466,576	-
<b>Total</b>	<b>\$ 2,017,848</b>	<b>\$(4,345,195)</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in the OPEB expense in future reporting periods as follows:

**Year ended June 30:**

2023	\$ (635,439)
2024	(664,988)
2025	(728,815)
2026	(185,541)
2027	(155,296)
Thereafter	42,732
	<b>\$ (2,327,347)</b>

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

***Retiree Medical Program – Employer Recognition of the OPEB Plan***

**Employees Covered by Benefits Terms** - At June 30, 2021 (measurement date), the following employees were covered by the benefit terms of the Retiree Medical Plan:

Inactive members:	
Retirees	78
Active members	482
 Total covered members	 <hr/> <hr/> 560

**Contributions** - The County's actuarially determined contribution rate for the year ended June 30, 2021 was 2.5% of covered employee compensation. The total amount contributed was \$789,623. This rate was based on the actuarially determined rate from actuarial valuations as of June 30, 2021.

**Net OPEB Liability** - The Employer data for the Retiree Medical Plan was measured as of June 30, 2021. The total OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021. The actuarial valuation was performed for the County and its fiscal agents as a whole. The below information reflects the County portion only.

**Actuarial Methods and Assumptions** - The net OPEB liability was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions:

Discount rate .....	7.50%
Salary increases .....	3.50%, including a 2.50% inflation assumption and a 1.00% productivity component
Investment rate of return .....	7.50%
Healthcare cost trend rate – Medical .....	Initial rate of 7.50% decreasing down by 0.50% annually to an ultimate rate of 4.50%

**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

The plan does not have sufficient data to have credible experience. Therefore, mortality assumptions are set to reflect general population trends based upon Pub-2010 Mortality tables and the most recent generational projection scale MP-2021 released by the Society of Actuaries (SOA) for future mortality improvements.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**OPEB Liabilities and OPEB Expense**

	<b>Total OPEB Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
Balances at June 30, 2020	\$ 11,318,312	\$ 7,207,862	\$ 4,110,450
Changes for the year:			
Service cost	211,406	-	211,406
Interest	840,194	-	840,194
Difference between expected and actual experience	(1,372,130)	-	(1,372,130)
Impact in change in proportion	(2,584)	(1,645)	(939)
Contribution - employer	-	781,615	(781,615)
Net investment income	-	2,168,279	(2,168,279)
Benefit payments including refunds of member contributions	(661,025)	(661,025)	-
Administrative expense	-	(8,642)	8,642
Net Changes	<u>(984,139)</u>	<u>2,278,582</u>	<u>(3,262,721)</u>
Balances at June 30, 2021	<u>\$ 10,334,173</u>	<u>\$ 9,486,444</u>	<u>\$ 847,729</u>

For the year ended June 30, 2022, the County recognized OPEB expense (benefit) of (\$580,227).

**Net OPEB Liability** - The net OPEB liability (NOL) is calculated separately; the OPEB Plan represents its total OPEB liability determined in accordance with GAAP, less the fiduciary net position. As of June 30, 2022, NOL amounts are as follows:

Total OPEB Liability	\$ 10,334,173
Plan Fiduciary Net Position	9,486,444
Net OPEB Liability	<u>\$ 847,729</u>

Fiduciary Net Position as a Percentage of Total OPEB Liability	91.80%
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The County of Roanoke has fiscal entities who participate in the Retiree Medical Program. The above information reflects only the County's portion of the total OPEB liability.

**Sensitivity to Changes in the Discount Rate** - The following presents the County's net OPEB liability using the discount rate of 7.50%, as well as what it would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	<b>1.00% Decrease (6.50%)</b>	<b>Current Rate (7.50%)</b>	<b>1.00% Increase (8.50%)</b>
Net OPEB Liability	\$ 1,576,772	\$ 847,729	\$ 179,941

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Sensitivity to the Changes in the Healthcare Cost Rate** - The following presents the County's net OPEB liability using the health care cost rate of 7.50% grading to 4.50% over six years, as well as what it would be if it were calculated using a healthcare cost rate that is one percentage point lower (6.50% grading to 3.50% over six years) or one percentage point higher (8.50% grading to 5.50% over six years) than the current rate:

<b>1.00% Decrease</b> (6.50% decreasing to 3.50% over 6 years)	<b>Current Rate</b> (7.50% decreasing to 4.50% over 6 years)	<b>1.00% Increase</b> (8.50% decreasing to 5.50% over 6 years)
Net OPEB Liability (Benefit) \$ (35,399)	\$ 847,729	\$ 1,861,302

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Retiree Medical Plan**  
- At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to the Retiree Medical Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 4,882,777
Change in assumptions	1,718,467	625,182
Net difference between projected and actual earnings on OPEB plan investments	-	1,057,727
Change in proportionate share	-	16,771
Employer contributions subsequent to the measurement date	902,204	-
 Total	 <hr style="border: 1px solid black; margin-bottom: 5px;"/>	 <hr style="border: 1px solid black; margin-bottom: 5px;"/>
	<b>\$ 2,620,671</b>	<b>\$ 6,582,457</b>

Deferred outflows of resources resulting from the contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023 in addition to other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2023	\$ (1,022,505)
2024	(998,130)
2025	(1,020,122)
2026	(1,083,080)
2027	(544,135)
Thereafter	<hr style="border: 1px solid black; margin-bottom: 5px;"/> <hr style="border: 1px solid black; margin-bottom: 5px;"/>
	<b>(196,018)</b>
	<b>\$ (4,863,990)</b>

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

***VRS Health Insurance Credit and Group Life Insurance Programs***

**Plan Description** - All full-time, salaried permanent employees of the County are automatically covered by the VRS Political Subdivision Health Insurance Credit Program (HIC) upon employment. All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program upon employment.

These plans are administered by the Virginia Retirement System (System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS.

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

The specific information about the Health Insurance Credit Program and the Group Life Program, including eligibility, coverage, and benefits is set out in the table below:

**OPEB PLAN PROVISIONS BY PLAN STRUCTURE**

<b>HEALTH INSURANCE CREDIT</b>	<b>GROUP LIFE INSURANCE</b>
<b>Eligible Members</b>  The County's Retiree Health Insurance Credit Program was established July 1, 1993 for retired County employees who retire with at least 15 years of service credit.  Eligible employees are enrolled automatically upon employment. They include full-time, permanent, salaried employees of the County who are covered under the VRS pension plan.	 The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program.  Basic group life insurance coverage is automatic upon employment. Coverage end for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.
<b>Benefit Amounts</b>  The County's Retiree Health Insurance Credit Program provides the following benefits for eligible employees:  <b>At Retirement</b> For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month.  <b>Disability Retirement</b> For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.	 The benefits payable under the Group Life Insurance Program have several components.  <b>Natural Death Benefit</b> The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.  <b>Accidental Death Benefit</b> The accidental death benefit is double the natural death benefit.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

<b>HEALTH INSURANCE CREDIT</b>	<b>GROUP LIFE INSURANCE</b>
	<p><b><u>Other Benefit Provisions</u></b>  In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:</p> <ul style="list-style-type: none"> <li>• Accidental dismemberment benefit</li> <li>• Safety belt benefit</li> <li>• Repatriation benefit</li> <li>• Felonious assault benefit</li> <li>• Accelerated death benefit option</li> </ul>
<b>Program Notes</b>	
<p>The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.</p> <p>No Health Insurance Credit for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans.</p> <p>Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the health insurance credit as a retiree.</p>	<p><b><u>Reduction in Benefit Amounts</u></b>  The benefit amounts provided to members covered under the Group Life Insurance Program 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.</p> <p><b><u>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</u></b>  For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$8,722.</p>

Detailed information about the VRS Political Subdivision Health Insurance Credit Program's Fiduciary Net Position and the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2021 ACFR. A copy of the 2021 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Employees Covered by Benefit Terms** - As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

Inactive members or their beneficiaries currently receiving benefits	228
Active members	784
Total covered members	1,012

**Contributions** - Under the Health Insurance Credit Program, the contribution requirement for active employees is governed by §51.1-1402(E) 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. Under the Group Life Program, the contribution requirements 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 the funding provided to state agencies and school divisions by the Virginia General Assembly.

The County's contractually required employer contribution rate for the year ended June 30, 2022 was 0.30% of covered employee compensation for employees in the Health Insurance Credit Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The actuarially determined

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

rate 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 from the County to the Political Subdivision Health Insurance Credit Program were \$152,737 and \$140,406 for the years ended June 30, 2022 and June 30, 2021, respectively.

The total rate for the Group Life Insurance Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% 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, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 Group Life Insurance Program from the entity were \$274,492 and \$253,325 for the years ended June 30, 2022 and June 30, 2021, respectively.

**Net OPEB Liability** - The County's net Health Insurance Credit OPEB liability and Group Life Insurance OPEB liability were measured as of June 30, 2021. The total OPEB liability for each program was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

**Actuarial Assumptions** - The total OPEB liability for the Health Insurance Credit Program and Group Life Insurance Program was based on an actuarial valuation as of June 30, 2020, 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, 2021.

Inflation .....	2.50%
Salary increases, including inflation .....	3.50% – 5.35%
Investment rate of return .....	6.75% net of investment expenses, including inflation

**Mortality rates – General Employees**

Pre-Retirement.....	Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years
Post-Retirement .....	Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year
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 General Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
Mortality Improvement .....	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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020 except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS board action are as follows:

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

Mortality Rates .....Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 (pre-retirement, post-retirement healthy, and disabled)  
 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

**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:

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return</b>
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
Multi-asset Public Strategies	6.00%	3.29%	0.20%
Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	<u>7.39%</u>

\* The above allocation provides a one-year return of 7.39%. 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 6.94%, including expected inflation of 2.50%.

**Discount Rate** - The discount rate used to measure the total OPEB liability for the Health Insurance Credit Program and the Group Life Insurance Program 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 ending June 30, 2021, the rate contributed by the entity for the OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net positions were 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 OPEB liability.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Net OPEB Liability - Health Insurance Credit Program**

	<b>Total OPEB Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
Balances at June 30, 2020	\$ 1,771,760	\$ 679,265	\$ 1,092,495
Changes for the year:			
Service cost	36,903	-	36,903
Interest	114,770	-	114,770
Changes of assumptions	38,904	-	38,904
Difference between expected and actual experience	4,441	-	4,441
Contribution - employer	-	148,766	(148,766)
Net investment income	-	179,365	(179,365)
Benefit payments, including refunds of member contributions	(142,933)	(142,933)	-
Administrative expense	-	(2,151)	2,151
Net Changes	<u>52,085</u>	<u>183,047</u>	<u>(130,962)</u>
Balances at June 30, 2021	<u>\$ 1,823,845</u>	<u>\$ 862,312</u>	<u>\$ 961,533</u>

**Net OPEB Liability - Group Life Insurance Program** - The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GAAP, less the associated fiduciary net position. As of June 30, 2021, NOL amounts for the Group Life Insurance Program is as follows:

Total GLI OPEB Liability	\$ 8,617,395
Plan Fiduciary Net Position	5,812,433
<b>Net OPEB Liability</b>	<b><u>\$ 2,804,962</u></b>

Fiduciary Net Position as a Percentage of Total OPEB Liability	67.45%
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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 County's notes to the financial statements and required supplementary information.

**Sensitivity of the Health Insurance Credit Net OPEB Liability and the County's proportionate Share of the net GLI OPEB Liability to Changes in the Discount Rate** - The following presents the County's Health Insurance Credit Program net HIC OPEB liability and proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the County's net HIC OPEB liability and 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:

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

	<b>1.00% Decrease (5.75%)</b>	<b>Current Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
Net HIC OPEB Liability	\$ 1,167,417	\$ 961,533	\$ 787,416
Net GLI OPEB Liability	4,098,152	2,804,962	1,760,653

**Health Insurance Credit Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Health Insurance Credit Program OPEB** - For the year ended June 30, 2022, the County recognized Health Insurance Credit Program OPEB expense of \$98,986. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to the Health Insurance Credit Program from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 44,195	\$ 1,590
Change in assumptions	56,938	11,711
Net difference between projected and actual earnings on OPEB plan investments	-	87,317
Employer contributions subsequent to the measurement date	152,737	-
 Total	 <hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/>	 <hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/>
	<hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/>

\$152,737 reported as deferred outflows of resources related to the HIC OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the Fiscal Year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

**Year ended June 30:**

2023	\$ (4,829)
2024	(4,113)
2025	1,056
2026	(7,706)
2027	9,812
Thereafter	<hr style="border-top: 1px solid black;"/> 6,295
	<hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/>
	<hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/>
	<hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/>

**Group Life Insurance Program OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB** - At June 30, 2022, the entities reported a liability of \$2,804,962 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was 0.24092% as compared to 0.24455% at June 30, 2020.

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense of \$94,690. 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, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 319,916	\$ 21,372
Change in assumptions	154,637	383,779
Changes in Proportionate Share	12,894	111,758
Net difference between projected and actual earnings on OPEB plan investments	-	669,484
Employer contributions subsequent to the measurement date	274,492	-
 Total	 \$ 761,939	 \$ 1,186,393

\$274,492 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, 2023. 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:**

2023	\$ (158,407)
2024	(130,493)
2025	(132,891)
2026	(227,246)
2027	(49,909)
Thereafter	-
	 <u>\$ (698,946)</u>

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

***Other Postemployment Benefits – VRS – School System***

**Health Credit Program Plan Description** – All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee (Teacher Plan) Health Insurance Credit Program (Health Credit Program). All full-time, salaried permanent (professional) employees of participating political subdivisions are automatically covered by the VRS Political Subdivision (Non-Professional Plan) Health Insurance Credit Program (Health Credit Program). These plans are administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

Members of the Health Credit Program earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

**Group Life Program Plan Description** – All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program (Group Life Program) upon employment. These plans are administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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

The specific information for the Health Credit and the Group Life Programs, including eligibility, coverage, and benefits for each program are set out in the following table.

Health Credit Program		Group Life Program
Teacher Plan	Non-Professional Plan	Both
<b>Eligible Members</b>		
The Health Credit Program was established July 1, 1993, for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit.	The Health Credit Program was established July 1, 1993, for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit.	The Group Life Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

<b>Health Credit Program</b>		<b>Group Life Program</b>
<b>Teacher Plan</b>	<b>Non-Professional Plan</b>	<b>Both</b>
Eligible employees are enrolled automatically upon employment.  They include: <ul style="list-style-type: none"><li>• Full-time permanent (professional) salaried employees of public school divisions covered under VRS.</li></ul>	Eligible employees are enrolled automatically upon employment.  They include: <ul style="list-style-type: none"><li>• Full-time permanent salaried employees of the participating political subdivision who are covered under VRS.</li></ul>	Basic group life insurance 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.
<b>Benefit Amounts</b>		
The Health Credit Program provides the following benefits for eligible employees.  <b>At Retirement</b> For Teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.  <b>Disability Retirement</b> For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: <ul style="list-style-type: none"><li>• \$4.00 per month, multiplied by twice the amount of service credit, or</li><li>• \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.</li></ul>	The Health Credit Program provides the following benefits for eligible employees.  <b>At Retirement</b> For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month.  <b>Disability Retirement</b> For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.	The benefits payable under the Group Life Program have several components.  <b>Natural Death Benefit</b> The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.  <b>Accidental Death Benefit</b> The accidental death benefit is double the natural death benefit.  <b>Other Benefit Provisions</b> In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: <ul style="list-style-type: none"><li>• Accidental dismemberment benefit</li><li>• Safety belt benefit</li><li>• Repatriation benefit</li><li>• Felonious assault benefit</li><li>• Accelerated death benefit option</li></ul>

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

Health Credit Program		Group Life Program
Teacher Plan	Non-Professional Plan	Both
<b>Program Notes</b>		
<p>The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.</p> <p>Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the health insurance credit as a retiree.</p>	<p>The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.</p> <p>No Health Insurance Credit for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans.</p> <p>Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the Health Insurance Credit as a retiree.</p>	<p><b>Reduction in Benefit Amounts</b>  The benefit amounts provided to members covered under the Group Life Program 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.</p> <p><b>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</b> For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Program. The minimum benefit 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 COLA was \$8,722 effective June 30, 2022.</p>

**OPEB Plan Data** - The system issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information for the Health Care and Group Life programs administered by VRS. A copy of the 2021 VRS ACFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Employees Covered by Benefit Terms** – As of the June 30, 2020 actuarial valuation the following employees in the Health Credit Program Non-Professional Plan were covered by the benefit terms of the plan:

Inactive employees or beneficiaries currently receiving benefits	164
Active employees	79
Total covered employees	243

**VRS OPEB Contributions** – The contribution requirement for Health Credit Program active employees is governed by §51.1-1401(E) of the *Code of Virginia*, as amended. The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia*, as

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

amended. Contribution requirements for both plans but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly.

Each school division's contractually required employer contribution rate for the Health Credit Program for years ended June 30, 2022, was 1.44% and 1.44% of covered employee compensation for the Teacher and Non-Professional Plans, respectively. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The total rate for the Group Life Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Although not required, the School System elected to pay the employee component, which is separate from the contractually required employer component. Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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.

For the years ended June 30, 2021 and June 30, 2022, the actual contribution rates and total amount contributed were as follows:

	Teacher Plan		Non-Professional Plan		Total	
	Contractually Required Rate	Amount of Contribution	Contractually Required Rate	Amount of Contribution	Amount of Contribution	
Health Credit Program	1.21%	\$ 991,342	1.44%	\$ 42,267	\$ 1,033,609	
Group Life Program - Employee	0.80%	657,947	0.80%	23,481		681,428
Group Life Program - Employer	0.54%	444,099	0.54%	15,850		459,949
For the year ended June 30, 2021		<u>\$ 2,093,388</u>		<u>\$ 81,598</u>	<u>\$ 2,174,986</u>	
Health Credit Program	1.21%	\$ 1,053,639	1.44%	\$ 45,709	\$ 1,099,348	
Group Life Program - Employee	0.80%	697,495	0.80%	24,778		722,273
Group Life Program - Employer	0.54%	470,809	0.54%	17,900		488,709
For the year ended June 30, 2022		<u>\$ 2,221,943</u>		<u>\$ 88,387</u>	<u>\$ 2,310,330</u>	

### **VRS OPEB Expense**

Health Credit Program Expense – For the year ended June 30, 2022, the School System recognized Health Credit Program OPEB expense of \$917,773 and \$630,123 for the Teacher Plan and Non-Professional Plan, respectively. For the year ended June 30, 2022, the School System recognized Group Life Program OPEB expense (benefit) of \$175,712 and (\$467) for teachers and non-professional employees, respectively. Total VRS OPEB Expense for all plans combined was \$1,147,650 for the year ended June 30, 2022. Since there was a change in proportionate share between measurement dates a portion of the Health Credit Program and Group Life Program OPEB expense was related to deferred amounts from changes in proportion.

**Payable to the VRS OPEB Plan** – The Teacher Plan and Non-Professional Plan reported payables of \$16,769 and \$3,313, respectively, for the outstanding amount of contributions to the Health Care Programs of \$18,571 and \$3,082, respectively, for the outstanding amount of contributions to the Group Life Programs required for the year ended June 30, 2022. Of these payables, \$7,484 and \$1,242 for the Teacher Plan and Non-Professional Plan represent the required employer contribution. The difference is

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

the employee component the School System elected to pay on behalf of the employee. At June 30, 2022 the total combined total payable to the VRS OPEB was \$21,653.

**Net VRS OPEB Liabilities** – The net VRS OPEB liability is calculated separately for each school division and represents that particular division's total VRS OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. The net VRS 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.

The Teacher Plan Health Credit Program Net OPEB Liability was measured as of June 30, 2022 and the Teacher Plan Health Credit Program total OPEB liability used to calculate the Teacher Plan Health Credit Program Net OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2022.

At June 30, 2022, the School System reported \$630,123 and \$11,891,883 for its proportionate share of the Health Credit Program Net OPEB Liability for teachers and non-professional employees, respectively. At June 30, 2022, the School System reported \$4,630,890 and \$165,559 for its proportionate share of the Group Life Program Net OPEB Liability for teachers and non-professional employees, respectively. As of June 30, 2022, total combined Net VRS OPEB Liability of \$17,318,454.

	<b>Total VRS OPEB Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net VRS OPEB Liability (a) - (b)</b>
Health Credit Program Non-Professional Balances at June 30, 2021	\$ 610,084	\$ -	\$ 610,084
Changes for the year:			
Service cost	5,056	-	5,056
Interest	41,180	-	41,180
Difference between expected and actual experience	21,430	-	21,430
Contribution - employer	-	42,267	(42,267)
Net investment income	-	5,547	(5,547)
Administrative expense	-	(187)	187
<i>Net Changes</i>	<i>67,666</i>	<i>47,627</i>	<i>20,039</i>
Health Credit Program Non-Professional Balances at June 30, 2022	677,750	47,627	630,123
Health Credit Program Teacher Balances at June 30, 2022	13,692,053	1,800,170	11,891,883
Group Life Program Non-Professional Balances at June 30, 2022	508,698	343,140	165,558
Group Life Program Teacher Balances at June 30, 2022	14,228,891	9,598,001	4,630,890
Combined VRS OPEB Balances	<u>\$ 29,107,392</u>	<u>\$ 11,788,938</u>	<u>\$ 17,318,454</u>

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

The School System's proportion of the Teacher Plan Health Credit Program Net OPEB Liability was based on the School System's actuarially determined employer contributions to the Teacher Plan Health Credit Program OPEB plan for the year ended June 30, 2021, relative to the total of the actuarially determined employer contributions for all participating employers.

At June 30, 2022, the School System's proportion of the Health Credit Program was 0.92647% as compared to 0.91684% at June 30, 2021. At June 30, 2022, the participating employer's proportion was 0.39775% and 0.01422% for teachers and non-professional employees, respectively, as compared to 0.38934% and 0.01471% for teachers and non-professional employees, respectively, at June 30, 2021. Detailed information about the OPEB Plan's fiduciary net position is available in the separately issued VRS 2021 ACFR, which was previously referenced.

**VRS OPEB Deferred Outflows of Resources and Deferred Inflows of Resources** – At June 30, 2022, the School System reported deferred outflows of resources and deferred inflows from the following sources:

	Health Credit Program		Group Life Program		<b>Total</b>
	Teacher Plan	Non-Professional Plan	Teacher Plan	Non-Professional Plan	
<b>Deferred Outflows of Resources</b>					
Differences between expected and actual experience	\$ -	\$ -	\$ 528,169	\$ 18,883	\$ 547,052
Changes in assumptions	321,459	10,976	255,300	9,127	596,862
Changes in proportion and differences between employer contributions and proportionate share of contributions	215,679	-	159,270	-	374,949
Employer contributions subsequent to the measurement date	1,053,639	45,709	470,809	17,900	1,588,057
<b>Total</b>	<b>\$ 1,590,777</b>	<b>\$ 56,685</b>	<b>\$ 1,413,548</b>	<b>\$ 45,910</b>	<b>\$ 3,106,920</b>
<b>Deferred Inflows of Resources</b>					
Differences between expected and actual experience	\$ 207,512	\$ -	\$ 35,285	\$ 1,261	\$ 244,058
Changes in assumptions	47,793	-	633,604	22,652	704,049
Net difference between projected and actual earnings on plan investments	156,652	3,302	1,105,294	39,515	1,304,763
Changes in proportion and differences between employer contributions and proportionate share of contributions	410,654	-	221,100	24,942	656,696
<b>Total</b>	<b>\$ 822,611</b>	<b>\$ 3,302</b>	<b>\$ 1,995,283</b>	<b>\$ 88,370</b>	<b>\$ 2,909,566</b>

In the Health Credit Program, \$1,053,639 and \$45,709 of deferred outflows of resources resulting from the School System's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023, for the Teacher Plan and Non-Professional Plan, respectively. In the Group Life Program, \$470,809, and \$17,900 of deferred outflows of resources resulting from the School System's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023 for Teacher Plan and Non-Professional Plan, respectively.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB programs will be recognized in OPEB expense as follows:

**Year ended June 30:**

	Health Credit Program		Group Life Program			<b>Total</b>
	<b>Teacher</b>	<b>Non-Professional</b>	<b>Teacher</b>	<b>Non-Professional</b>		
		<b>Plan</b>		<b>Plan</b>	<b>Plan</b>	
2023	\$ (65,275)	\$ 9,629	\$ (242,143)	\$ (15,406)	\$ (313,195)	
2024	(67,054)	(303)	(211,885)	(12,829)	(292,071)	
2025	(77,320)	(825)	(207,646)	(12,139)	(297,930)	
2026	(85,429)	(827)	(343,541)	(16,089)	(445,886)	
2027	(8,629)	-	(47,329)	(3,897)	(59,855)	
Thereafter	18,234	-	-	-	18,234	
	<b>\$ (285,473)</b>	<b>\$ 7,674</b>	<b>\$ (1,052,544)</b>	<b>\$ (60,360)</b>	<b>\$ (1,390,703)</b>	
Deferred Outflows of Resources	\$ 1,590,777	\$ 56,685	\$ 1,413,548	\$ 45,910	\$ 3,106,920	
Employer contributions subsequent to the measurement date	(1,053,639)	(45,709)	(470,809)	(17,900)	(1,588,057)	
Deferred Inflows of resources	(822,611)	(3,302)	(1,995,283)	(88,370)	(2,909,566)	
	<b>\$ (285,473)</b>	<b>\$ 7,674</b>	<b>\$ (1,052,544)</b>	<b>\$ (60,360)</b>	<b>\$ (1,390,703)</b>	

**Discount Rate** – The discount rate used to measure the total Health Credit Program and Group Life Program liabilities was 6.75%. The projection of cash flows used to determine the discount rate assumed that 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. Through the fiscal year ending June 30, 2021, the rate contributed by the school divisions for the Teacher Plans will be subject to the portion of the VRS Board-certified rates that are funding by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, school divisions are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Health Credit Program's and Group Life Program'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 Health Credit Program and Group Life Program liabilities.

**Long-Term Expected Rate of Return** – The long-term expected rate of return on VRS 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 VRS 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:

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return</b>
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
Multi-asset Public Strategies	6.00%	3.29%	0.20%
Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	<u>7.39%</u>

\*The above allocation provides a one-year return of 7.39%. 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 6.94% including expected inflation of 2.50%.

\* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

**Sensitivity of the School System's Proportionate Share of the Net VRS OPEB Liability to Changes in the Discount Rate** – The following presents the School System's proportionate share of the Net VRS OPEB liability using the discount rate of 6.75%, as well as what the School System's proportionate share of the net 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:

	<b>1.00% Decrease (5.75%)</b>	<b>Current Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
Health Credit Program Non-Professional	\$ 683,884	\$ 630,123	\$ 583,115
Health Credit Program Teacher	13,386,964	11,891,883	10,626,688
Group Life Program Non-Professional	241,888	165,558	103,920
Group Life Program Teacher	<u>6,765,898</u>	<u>4,630,890</u>	<u>2,906,774</u>
Combined VRS OPEB Balances	<u>\$ 21,078,634</u>	<u>\$ 17,318,454</u>	<u>\$ 14,220,497</u>

**Actuarial Assumptions** – The total OPEB liability for the Health Credit Program and Group Life Program was based on an actuarial valuation as of June 30, 2020, 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, 2021.

Inflation.....	2.50%
Salary increases, including inflation.....	3.50% to 5.95% for Teacher Plan 3.50% to 5.35% for Non-Professional Plan
Investment rate of return.....	6.75%, net of pension plan investment expense, including inflation

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Mortality rates for Teacher Plan**

Pre-Retirement .....Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-Retirement .....Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement .....Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors .....Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

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

**Mortality rates for Non-Professional Retirement Plan** – 20% 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 Improvement .....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, 2020 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates .....Update to PUB2010 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

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

Withdrawal Rates .....Adjusted rates to better fit experience at each year age and service through 9 years of service  
Disability Rates .....No change  
Salary Scale .....No change  
Discount Rate.....No change

***Other Postemployment Benefits – Employer Recognition of the OPEB Plan – School System***

**Plan Description** – The School System administers and sponsors a single-employer defined benefit healthcare plan (Retiree Medical Plan). Employees are eligible for this benefit if they retire after age 55 with at least 10 years of service and 12 months enrollment in the School System's self-insured health insurance program. Information for the June 30, 2022 School System Retiree Medical Plan balances are based on the June 30, 2021 actuarial valuation with a measurement date of June 30, 2021.

The School System participates in the OPEB Trust Fund, an irrevocable trust established for the purpose of accumulating assets to fund postemployment benefits other than pensions. The OPEB Trust Fund issues a separate report, which can be obtained by requesting a copy from the plan administrator, Virginia Municipal League (VML) at P.O. Box 12164, Richmond, VA 23241.

**Benefits Provided** – The School System contributes up to \$2,500 per year towards the total medical premium for each eligible retiree for up to five years after retiring under the Employee Extended Work Plan. In addition, the total retiree medical premium is calculated as a blended rate based on the medical claims of all active and retired participants resulting in an implicit subsidy that benefits the retiree with a lower cost medical premium.

All health care benefits are provided through the School System's self-insured health insurance program. The benefit levels are the same as those provided to active employees. Benefits include general inpatient and outpatient medical services, mental, nervous and substance abuse care, vision care, and prescriptions. Once a retiree reaches age 65, retirees are removed from the plan.

The benefits, employee contributions, and employer contributions are governed by School Board policy and can be amended through School Board action.

**Employees Covered by Benefit Terms** – As of the Valuation Date of June 30, 2022, the following employees were covered by the benefit terms in the Retiree Medical Plan:

Inactive employees or beneficiaries currently receiving benefits	41
Active employees	1,492
<hr style="width: 20%; margin-left: 0; border: 0.5px solid black;"/> Total covered employees	<hr style="width: 20%; margin-left: 0; border: 0.5px solid black;"/> 1,533

**Contributions** – The Retiree Medical Plan is funded through member and employer contributions. Plan members receiving benefits contribute monthly premiums towards the cost of the health insurance depending on the coverage selected (single, single plus dependent, single plus spouse, or family).

For the fiscal year ended June 30, 2022, the School System's average contribution rate was 0.79% of covered employee payroll. The total amount contributed was \$613,411. This rate was based on the actuarially determined rate from the actuarial valuation performed as of June 30, 2022.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**OPEB Expense** – For the year ended June 30, 2022, the School System recognized OPEB expense of \$695,536.

**Net OPEB Liability** – The net OPEB liability (NOL) for the Retiree Medical Plan represents its total OPEB liability calculated by the actuary in accordance with GASB Statement No. 74 less the fiduciary net position. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2022. At June 30, 2022, the Retiree Medical Plan reported a net OPEB liability of \$5,163,187.

	<b>Total OPEB Liability (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
Balances at June 30, 2020	\$ 6,874,753	\$ 1,083,783	\$ 5,790,970
Changes for the year:			
Service cost	298,947	-	298,947
Interest	516,619	-	516,619
Difference between expected and actual experience	(444,524)	-	(444,524)
Contribution - employer	-	673,705	(673,705)
Net investment income	-	326,848	(326,848)
Benefit payments, including refunds of member contributions	(581,415)	(581,415)	-
Administrative expense	-	(1,728)	1,728
Net Changes	<u>(210,373)</u>	<u>417,410</u>	<u>(627,783)</u>
Balances at June 30, 2021	<u>\$ 6,664,380</u>	<u>\$ 1,501,193</u>	<u>\$ 5,163,187</u>

Fiduciary Net Position as a Percentage of Total OPEB Liability 22.53%

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** – At June 30, 2022, the School System reported deferred outflows of resources and deferred inflows of resources related to the Retiree Medical Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 2,338,400
Net difference between projected and actual earnings on OPEB plan investments	-	156,525
Change in assumptions	-	4,316,889
Employer contributions subsequent to the measurement date	613,411	-
<b>Total</b>	<b>\$ 613,411</b>	<b>\$ 6,811,814</b>

\$613,411 of deferred outflows of resources resulting from the School System's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Retiree Medical Plan will be recognized in OPEB expense as follows:

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Year ended June 30:**

2022	\$ (1,421,790)
2023	(1,419,644)
2024	(1,425,790)
2025	(642,172)
2026	(593,726)
Thereafter	<u>(1,308,692)</u>
	<u><u>\$ (6,811,814)</u></u>

**Actuarial Assumptions** – The total OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age normal actuarial fair value method and the following assumptions:

Inflation.....	2.50% per annum
Discount rate .....	7.50% as of June 30, 2022 per annum
Salary increases.....	3.50% per annum plus a step-rate/promotional component based on the VRS actuarial valuation as of June 30, 2022
Investment rate of return.....	7.50% per annum
Medical cost trend rate.....	8.00% graded down to 5.00% over 8 years beginning in 2022

**Mortality rates**

Professionals..... SOA Pub-2010 Teacher Headcount Weighted Mortality Table fully generational using Scale MP-2021

Non-Professionals..... 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 following changes were made to the actuarial assumptions and methods effective June 30, 2022:

- The percentage of health care coverage election rate was updated from 42.50% to 60.00%.
- The mortality assumptions were updated from the SOA Pub-2010 to the MP-2021.
- The payroll growth was updated from a flat 2.00% annually to follow the most recent tables provided in the VRS actuarial report as of June 30, 2022.
- Retirement rates have been updated to follow the most recent tables provided in the VRS actuarial valuation as of June 30, 2020, including a distinction between Plan 1 and Plan 2/Hybrid members following the VRS tables.
- Termination rates and disability rates have been updated to follow the most recent tables provided in the VRS actuarial valuation as of June 30, 2020.
- Health care trend rates have been updated from an initial rate of 7.50% decreasing by 0.50% annually to an ultimate rate of 4.50%.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

- Spousal coverage election rate has been updated from 8.80% to 15.00%.
- The discount rate has been updated as of June 30, 2022 (measurement date) based on the long-term rate of return information for the Trust's target investment policy provided by the Virginia Pooled OPEB Trust Fund ACFR as of June 30, 2022. The discount rate is 2.21% as of July 1, 2020 and 7.50% as of June 30, 2022 for accounting disclosure purposes.

**Long-Term Expected Rate of Return** – The long-term expected rate of return on Retiree Medical Plan 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 OPEB Plan 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:

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return</b>
Large Cap Equity (Domestic)	26.00%	7.15%	1.86%
Small Cap Equity (Domestic)	10.00%	8.44%	0.84%
International Equity (Developed)	13.00%	7.94%	1.03%
Emerging Markets	5.00%	9.09%	0.45%
Private Equity	5.00%	10.40%	0.52%
Core Bonds	7.00%	2.58%	0.18%
Core Plus	14.00%	2.86%	0.40%
Diversified Hedge Funds	6.00%	5.72%	0.34%
Private Core Real Estate	10.00%	6.66%	0.67%
Private Value Add Real Estate	4.00%	3.26%	0.13%
<b>Total</b>	<b>100.00%</b>		6.43%
		Inflation	2.75%
		Expected arithmetic nominal return	9.18%

Benefits will be financed through a combination of accumulated trust funds and on a pay as you go basis until sufficient funds are accumulated in the OPEB trust. Therefore, the discount rate of 7.50% used to measure the total OPEB liability is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2022.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** – The following presents the Retiree Medical Plan's net OPEB liability using the discount rate of 7.50%, as well as what it would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	<b>1.00% Decrease (6.50%)</b>	<b>Current Rate (7.50%)</b>	<b>1.00% Increase (8.50%)</b>
Net OPEB Liability	\$ 5,597,805	\$ 5,163,187	\$ 4,754,166

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate** – The following presents the Retiree Medical Plan's net OPEB liability using the health care cost rate of 8.00% decreasing to 4.50% over 10 years, as well as what it would be if it were calculated using a healthcare cost rate that is one percentage point lower (7.00% decreasing to 3.50% over 10 years) or one percentage point higher (9.00% decreasing to 5.50% over 10 years) than the current rate:

	<b>1.00% Decrease</b> (7.00% decreasing to 3.50% over 10 years)	<b>Current Rate</b> (8.00% decreasing to 4.50% over 10 years)	<b>1.00% Increase</b> (9.00% decreasing to 5.50% over 10 years)
Net OPEB Liability	\$ 4,604,203	\$ 5,163,187	\$ 5,815,324

**Other Postemployment Benefits – Retiree Medical Plan Disclosures – School System**

The GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, in June 2015. This GASB Statement requires the School System to report extensive note disclosures and required supplementary information (RSI) about the Retiree Medical Plan since the plan does not issue a separate financial report. Information for these required disclosures and RSI are based on the June 30, 2022 actuarial valuation with measurement date of June 30, 2022. Given this, the information for the Retiree Medical Plan below is one year subsequent to the required Employer Disclosures of the Plan as recognized in the Statement of Net Position and discussed in the previous pages.

**Employees Covered by Benefit Terms** – As of the valuation of June 30, 2022 and measurement date of June 30, 2022, the following employees were covered by the benefit terms in the Retiree Medical Plan:

Inactive employees or beneficiaries currently receiving benefits	41
Active employees	1,492
Total covered employees	1,533

**Contributions** – As of the valuation of June 30, 2022 and measurement date of June 30, 2022, the School System's average contribution rate was 0.84% of covered employee payroll. The total amount contributed was \$613,411.

**Net OPEB Expense** – For the valuation date of June 30, 2022 and measurement date ended June 30, 2022, the School System recognized OPEB expense of \$663,220.

**Net OPEB Liability** – The net OPEB liability (NOL) for the Retiree Medical Plan represents its total OPEB liability calculated by the actuary in accordance with GASB Statement No. 74 less the fiduciary net position. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2022. At June 30, 2022, the Retiree Medical Plan reported a net OPEB liability of \$5,680,634.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2021	\$ 6,664,380	\$ 1,501,193	\$ 5,163,187
Changes for the year:			
Service cost	300,875	-	300,875
Interest	503,205	-	503,205
Changes of assumptions	454,609	-	454,609
Difference between expected and actual experience	(272,944)	-	(272,944)
Contribution - employer	-	613,411	(613,411)
Net investment income	-	(143,013)	143,013
Benefit payments, including refunds of member contributions	(521,121)	(521,121)	-
Administrative expense	-	(2,100)	2,100
Net Changes	464,624	(52,823)	517,447
Balances at June 30, 2022	\$ 7,129,004	\$ 1,448,370	\$ 5,680,634

Fiduciary Net Position as a Percentage of Total OPEB Liability 20.32%

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** – As of the valuation of June 30, 2022 and measurement date of June 30, 2022, the School System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 2,064,615
Net difference between projected and actual earnings on OPEB plan investments	86,020	-
Change in assumptions	413,281	3,452,422
<b>Total</b>	<b>\$ 499,301</b>	<b>\$ 5,517,037</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Year ended June 30:**

2023	\$ (1,351,344)
2024	(1,357,490)
2025	(573,872)
2026	(525,428)
2027	(577,211)
Thereafter	<u>(632,391)</u>
	<u><u>\$ (5,017,736)</u></u>

**Actuarial Assumptions** – The total OPEB liability was based on an actuarial valuation date of June 30, 2022, using the Entry Age normal actuarial fair value method and the following assumptions:

Inflation.....	2.50% per annum
Discount rate .....	7.50% as of June 30, 2022 per annum
Salary increases.....	3.50% per annum plus a step-rate/promotional component based on the VRS actuarial valuation as of June 30, 2022
Investment rate of return.....	7.50% per annum
Medical.....	7.50% graded down to 4.50% over 7 years beginning in 2022

**Mortality rates**

Professionals.....SOA Pub-2010 Teacher Headcount Weighted Mortality Table fully generational using Scale MP-2021

Non-Professionals.....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 following changes were made to the actuarial assumptions and methods effective June 30, 2022:

- Health care trend rates have been updated from 8.00% graded down to 5.00% over 8 years beginning in 2021 to 7.50% graded down to 4.50% over 7 years beginning in 2022.

**Long-Term Expected Rate of Return** – The long-term expected rate of return on Retiree Medical Plan 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 OPEB Plan 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:

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return</b>
Large Cap Equity (Domestic)	21.00%	7.13%	1.50%
Small Cap Equity (Domestic)	10.00%	8.53%	0.85%
International Equity (Developed)	13.00%	7.99%	1.04%
Emerging Markets	5.00%	9.23%	0.46%
Private Equity	10.00%	10.47%	1.05%
Core Bonds	5.00%	2.58%	0.13%
Core Plus	11.00%	2.88%	0.32%
Liquid Absolute Return	4.00%	3.25%	0.13%
Core Real Estate	10.00%	6.60%	0.66%
Opportunistic Real Estate	5.00%	9.60%	0.48%
Long/Short Equity	6.00%	10.47%	0.33%
Total	<u>100.00%</u>		6.95%
		Inflation	2.75%
		Expected arithmetic nominal return	9.70%

Benefits will be financed through a combination of accumulated trust funds and on a pay as you go basis until sufficient funds are accumulated in the OPEB trust. Therefore, the discount rate of 7.50% used to measure the total OPEB liability is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2022.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** – The following presents the Retiree Medical Plan's net OPEB liability using the discount rate of 7.50%, as well as what it would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate:

	<b>1.00% Decrease (6.50%)</b>	<b>Current Rate (7.50%)</b>	<b>1.00% Increase (8.50%)</b>
Net OPEB Liability	\$ 6,156,979	\$ 5,680,634	\$ 5,227,151

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate** – The following presents the Retiree Medical Plan's net OPEB liability using the health care cost rate of 7.50% decreasing to 4.50% over 10 years, as well as what it would be if it were calculated using a healthcare cost rate that is one percentage point lower (6.50% decreasing to 3.50% over 10 years) or one percentage point higher (8.50% decreasing to 5.50% over 10 years) than the current rate:

	<b>1.00% Decrease (6.50% grading to 3.50% over 10 years)</b>	<b>Current Rate (7.50% grading to 4.50% over 10 years)</b>	<b>1.00% Increase (8.50% decreasing to 5.50% over 10 years)</b>
Net OPEB Liability	\$ 5,070,097	\$ 5,680,634	\$ 6,384,976

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**(14) Fire and Rescue Pension Trust Length of Service Awards Program**

**Plan Description**

The County established a Length of Service Awards Program (LOSAP) on January 1, 1989, to recognize the service the volunteers for the County Fire and Rescue provide to the County. LOSAP is a single employer, noncontributory defined benefit plan. It is owned by the County and governed by the Volunteer Fireman's Insurance Services, Inc. (VFIS). The plan's fiscal year follows the calendar year January 1 through December 31. It was active until December 31, 2005, at which time the County Board froze all member benefits in the program. LOSAP was open to any volunteer member over 18 years of age who met specific eligibility and service requirements. No assets are accumulated in a trust that meets the reporting and disclosure criteria of GAAP. Plan assets are accumulated in a revocable trust reported in the General Fund.

*Benefits provided.* The Plan provides a benefit of \$12 for each year of credited fire or rescue service completed after January 1, 1989, plus \$12 for each year of credited fire or rescue service completed between January 1, 1979 and January 1, 1989. No participant receives credit for more than a total of 20 years of fire or rescue service. The maximum per month benefit under this plan is \$240. The plan does not provide for post-retirement increases.

Members vested over a ten-year period in accordance with the following vesting schedule:

<b>Years of Service</b>	<b>Vested Percentage</b>
Less than 5 years	0%
5 years	50%
6 years	60%
7 years	70%
8 years	80%
9 years	90%
10 years	100%

**Volunteers Covered by Benefit Terms** - As of the most recent actuarial report, the program membership consisted of the following:

Vested-Terminated Members	187
Retired and Beneficiaries	243
Total	<u>430</u>

The program is closed to new entrants.

**Total Pension Liability**

The County's total LOSAP pension liability of \$12,533,736 was measured as of July 31, 2021 and was determined by an actuarial valuation as of that date.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of August 1, 2020 rolled forward to July 31, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation.....	0.00%
Salary increases.....	Not applicable
Investment rate of return.....	1.84%, net of pension plan investment expense, including inflation
Mortality.....	No pre-retirement mortality; Post retirement RP2000 projected to 2030
Retirement.....	First eligible
Turnover.....	None
Disability .....	None

The discount rate was based on the 20-year, AA general obligation bond rate of 1.84% as of July 31, 2021 (the disclosure date).

**Changes in the Total Pension Liability**

	<u>Total Pension Liability</u>
Balance at August 1, 2020	\$ 12,156,472
Charges for the year:	
Service cost	6,800
Interest	219,678
Differences between expected and actual experience	59,171
Changes of assumptions	533,301
Benefit payments	<u>(441,686)</u>
Net changes	<u>377,264</u>
Balance at July 31, 2021	<u>\$ 12,533,736</u>

Changes in assumptions reflect change in the discount rate from 2.39% to 1.84%.

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

The following presents the total pension liability of the County as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (0.84 percent) or 1-percentage point higher (2.84 percent) than the current discount rate:

	Current	1% Decrease	Discount Rate	1% Increase
		(0.84%)	(1.84%)	(2.84%)
Total Pension Liability	\$ 13,436,147	\$ 12,533,736	\$ 11,610,943	

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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

For the year ended July 31, 2021, the LOSAP recognized pension expense of \$818,950. At July 31, 2021, there were no deferred outflows of resources nor deferred inflows of resources related to LOSAP pensions.

**(15) Unearned and Unavailable Revenues**

Unearned revenues, representing amounts for which asset recognition criteria have been met but for which revenue recognition criteria have not been met, was comprised of the following as of June 30, 2022:

	County	Component Units
Grant Revenue	\$ 18,499,075	\$ 679,219
Prepaid Adult and Student Food	-	172,026
Registration and Other Fees	506,839	14,050
Contractor Escrows	1,154,443	-
Rental Income & STARS Revenue	81,833	-
<b>Total</b>	<b>\$ 20,242,190</b>	<b>\$ 865,295</b>

Unavailable revenues in the fund financial statements at June 30, 2022 were comprised of the following:

	General Fund
Sales Tax	\$ 1,203,593
Other local tax	220,487
<b>Total</b>	<b>\$ 1,424,080</b>

**(16) Commitments, Contingencies, and Other Information**

*Encumbrances* – The County had \$4,491,462 of encumbrances reported as restricted and committed under the general governmental funds and \$14,071,988 for capital projects.

*Litigation* – Various claims are pending against the County. In the opinion of County management, after consulting with legal counsel, the potential loss on all claims will not materially affect the County's financial position or activities.

*Grant Programs* – Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement of the grantor agencies. County management believes disallowances, if any, would not be material to the financial position of the County at June 30, 2022.

*Other Commitments* –

- In August 1999, the Board adopted a resolution to enter into a Local Participation Agreement with Virginia's First Regional Industrial Facility Authority, and to purchase 10,000 shares of a 150,000 share pool for the financing of the initial phase of the New River Valley Commerce Park Project. The County's annual required payment for the shares and the administrative costs are currently \$34,255 per year.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

- In November 2007, the Board approved a three party agreement between the Western Virginia Water Authority (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 the County to the Wirtz Plateau in Franklin County. The WVWA will design, construct, and issue revenue bonds for this \$5.5 million project. The County's contribution to this project is approximately \$2.3 million payable over 20 years, beginning in FY 2009. The County's contribution to the WVWA for the year ended June 30, 2022 totaled \$176,054.
- The Economic Development Authority of Roanoke County, Virginia (Authority) has issued various revenue bonds which are secured by lease proceeds and the underlying properties of the entities involved. Although the Authority retains no liability on pass through leases, the Authority and the County may choose at their option to assume responsibility for the bonds in the event of default by lessees to preserve the credit rating of the Authority for future issues.
- The Roanoke Valley Broadband Authority (RVBA), formed by the County, City of Roanoke, City of Salem, and Botetourt County, has constructed a core fiber network of approximately 25 miles to service Roanoke County. The County's contribution to this project is expected to be approximately \$3.85 million payable over 10 years. The County's contribution to the RVBA for the year ended June 30, 2022 totaled \$697,701, which included contributions for debt related principal and interest payments of \$386,863 and operating support of \$310,838.
- The Western Virginia Regional Industrial Facility Authority (WVRIFA) was formed in 2014 and includes the County, Franklin County, Botetourt County, Town of Vinton, City of Salem and City of Roanoke. The purpose of the WVRIFA was to provide a mechanism for local jurisdictions to engage in partnerships that would facilitate economic growth and development in the Roanoke Valley. The County, City of Salem and Roanoke City entered into a partnership agreement for the acquisition of the Wood Haven Property. The County's contribution to this project is approximately \$4.4 million payable over 20 years, beginning in FY 2018. The County's debt related payments for the year ended June 30, 2022 totaled \$117,935.
- On September 13, 2022, the Board of Supervisors authorized the issuance of not to exceed \$13,000,000 of Lease Revenue Bonds through the Virginia Resources Authority and appropriation of funds for the construction of a new fire station in the Bonsack area, construction of office space on Hollins Road for Parks, Recreation and Tourism administrative offices and shops as well as an outdoor storage space, and telecommunication conduit at Explore Park to improve cell phone and data service.

**(17) Jointly Governed Organizations**

The following entities are considered to be jointly governed. The County has no ongoing financial responsibility or interest in jointly governed organizations.

**Roanoke Valley Resource Authority**

The Roanoke Valley Resource Authority (RVRA) was established on October 23, 1991 under a user agreement between the County, City of Roanoke, Virginia (City), and the Town of Vinton, Virginia (Town) to develop a regional solid waste disposal facility. The old regional sanitary landfill operated by the Roanoke Valley Regional Solid Waste Management Board was closed on September 30, 1993. The City of Salem became a member of the RVRA, effective November 1, 2016.

RVRA is presently governed by a nine-member board appointed by the governing bodies of the Charter Members. The County has control over the budget and financing of the RVRA only to the extent of representation by the board members appointed. For the fiscal year ended June 30, 2022, the County remitted \$2,075,077 to RVRA for services. Participating localities are responsible for their pro-rata share, based on population, of any year-end deficit. RVRA is currently self-supporting and is expected to remain as such in the future. The County is the fiscal agent for RVRA and reports its assets and liabilities in a custodial fund.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

Roanoke Regional Airport Commission

The Roanoke Regional Airport Commission (Commission) was established on July 1, 1987 by legislative act of the Commonwealth of Virginia to own and operate the Roanoke Regional Airport. The Commission is composed of seven members.

Two members are appointed by the County Board, four by the Roanoke City Council, and one by the Salem City Council. The County and Cities are each responsible for their pro-rata share, based on population, of any year-end operating deficit or capital expenditures if any additional funding is required. The Commission is responsible for paying all outstanding debt. No subsidy has been required since inception.

Roanoke Valley Detention Commission

The Counties of Botetourt, Craig, and Roanoke, and the Cities of Roanoke and Salem formed the Roanoke Valley Detention Commission (RVDC) to renovate, expand, and operate a detention facility for juveniles. RVDC is governed by a six-member board. Each locality's financial obligation is based on the number of juveniles housed at the facility. The County's contribution for the year ended June 30, 2022 was \$493,324. RVDC has the authority to issue debt and such debt is the responsibility of RVDC.

Blue Ridge Behavioral Healthcare

The Counties of Botetourt, Craig, and Roanoke, and the Cities of Roanoke and Salem formed Blue Ridge Behavioral Healthcare (Blue Ridge) to provide a system of comprehensive community mental health, mental retardation, and substance abuse services. Blue Ridge is governed by a sixteen-member board. Each locality's financial obligation is based on the type and amount of services performed for individuals in the locality. The annual contribution for the year ended June 30, 2022 was \$300,000.

Fifth Planning District Disability Services Board

The Counties of Allegheny, Botetourt, Craig, and Roanoke, the Town, and the Cities of Roanoke, Salem, Covington, and Clifton Forge jointly participate in the Fifth Planning District Disability Services Board, which provides input to state and local agencies on service needs and priorities with physical and sensory disabilities.

Regional Center for Animal Care and Protection

The Regional Center for Animal Care and Protection (RCACP) was created by an intergovernmental agreement dated December 11, 2012 between the charter members of the County, the City, the Town, 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 as the fiscal agent effective July 1, 2013. Participating localities are responsible for their pro-rata share of the operating budget, which is billed on a monthly basis. Effective July 1, 2019, the County of Roanoke was responsible for payment of the Town of Vinton's pro-rata share of operating, debt, and capital expenses due to the equitable ending of the Vinton Gainsharing Agreement. For the year ended June 30, 2022, the County's share was \$424,087.

In addition, the City issued \$1,829,500 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, 2022, the County's share of principal and interest was \$59,150.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

Western Virginia Water Authority

The Western Virginia Water Authority (WVWA) was created by the County and the City 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 three are appointed by the County Board. The County has no financial responsibility for the debt issued by the WVWA.

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. For the year ended June 30, 2022, the County's share was approximately \$2,583,054.

Roanoke Valley Broadband Authority

In 2011, the regional business community initiated a work group to examine the region's broadband infrastructure. Based on the findings of the work group, the County of Roanoke, City of Roanoke, City of Salem, and Botetourt County concurrently took action to form the Roanoke Valley Broadband Authority (RVBA) for the purpose of bringing enhanced broadband services to the Roanoke Valley. In 2015, the City of Salem and the City of Roanoke, through the RVBA, initiated construction of approximately 47 miles of fiber network in their respective jurisdictions, which became operational in early 2016.

In May 2016, the Roanoke County Board of Supervisors authorized an expansion of the RVBA fiber network to include construction of approximately 25 miles of broadband infrastructure in Roanoke County. As a result, RVBA issued a revenue bond on June 17, 2016 in the amount of \$3,000,000 (plus amounts for a required Local Debt Service Reserve Fund, administrative costs, and costs of issuance) to design, construct, and operate the expanded network. The County is responsible for the amount of debt service on the Series 2016 Local Bond. Additionally, the County of Roanoke, City of Roanoke, and City of Salem will each be responsible for one-third of the operation and maintenance expenses related to the expansion. The County's contribution to the RVBA for the year ended June 30, 2022 totaled \$542,282, which included contributions for debt-related payments of \$386,863 and operating support of \$155,419.

Western Virginia Regional Industrial Facility Authority

The Western Virginia Regional Industrial Facility Authority (WVRIFA) was formed in 2014, and includes the Counties of Roanoke, Franklin, and Botetourt, the Town of Vinton, and the Cities of Roanoke and Salem. The purpose of the WVRIFA is to provide a mechanism for local jurisdictions to engage in partnerships that would facilitate economic growth and development in the Roanoke Valley.

Through the WVRIFA, the County entered into a partnership agreement with the Cities of Salem and Roanoke for the acquisition of the Wood Haven Property, which consists of several tracts of land comprising over 100 acres of developable land situated at the intersection of Interstate 81 and 581. According to the terms of the Partnership Agreement, the costs of acquisition and site development will be shared by the County (44.2%), City of Roanoke (44.2%), and the City of Salem (11.6%). The County's contribution to this project is expected to be approximately \$4.4 million payable over 20 years, beginning in FY 2018. For the year ended June 30, 2022, the County share of principal and interest was \$117,935.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**(18) Incentive Agreements and Tax Abatements**

The County, along with the Economic Development Authority of Roanoke County, which is reported as a discretely presented component unit, provides economic development incentive grants as permitted by *Code of Virginia* section 15.2-4905, Powers of authorities. During the fiscal year ended June 30, 2022, the County abated taxes and fees totaling \$300,830 through such agreements. The Authority also released \$700,000 of Commonwealth Development Opportunity Funding (COF Grant). A summary of the key provisions of each agreement follows.

On August 11, 2015, the Authority, in conjunction with the County and Town of Vinton, approved an agreement with Old School Partners, LLC, whereby the Company has acquired from the County and redeveloped the old Roland E. Cook Elementary School building for the Company's use. The complete restoration contains twenty-one (21) apartments, while maintaining the historic character of the building and incorporating modern conveniences. This agreement provides for the Authority, with funds provided by the County and the Town of Vinton, to grant funds not to exceed \$150,000 for the Economic Development Incentive Grant, based on new local tax revenues collected in calendar years 2017 through 2026. The agreement also calls for reimbursement by the Authority of certain permitting and other fees imposed by the County and of utility connection fees imposed by the Town of Vinton. In accordance with the terms of this agreement, Roanoke County local tax revenues in the amount of \$20,981 and Town of Vinton local tax revenues in the amount of \$1,348 were reimbursed to the Company in the form of an Economic Development Incentive Grant during the year ended June 30, 2022.

On April 7, 2016, the Authority, in conjunction with the County, approved an agreement with Waukeshaw Development, Inc., whereby the Company has acquired from the County the Old William Byrd High School building and associated acreage for the Company's use. The Company has converted the building to market rate apartments, at a density and unit mix to be determined by the Town of Vinton's zoning requirements and the Company's sole discretion. In accordance with the agreement, the Company was required to deposit \$200,000 in escrow payable to the County or the Authority prior to commencing any renovation or construction. The agreement provides for the Authority, with funds provided by the County and Town of Vinton, to provide an Economic Development Incentive Grant not to exceed \$1 million based on new real estate tax revenues collected in calendar years 2018 through 2027. In accordance with the terms of this agreement, Roanoke County local tax revenues in the amount of \$48,590 and Town of Vinton local tax revenues in the amount of \$3,120 were reimbursed to the Company in the form of an Economic Development Incentive Grant during the year ended June 30, 2022.

On June 26, 2016, the Authority, in conjunction with the County, approved an agreement with Vindos, LLC, whereby the Company has acquired from the County the old Vinton Library for \$700,000. The Company has converted the building into a restaurant. The agreement provides for the Authority, with funds provided by the Town of Vinton, to provide an Economic Development Incentive Grant not to exceed \$500,000 based on new meals tax revenues collected in calendar years 2018 through 2027. In accordance with the terms of this agreement, Town of Vinton meals tax revenues in the amount of \$50,000 were reimbursed to the Company in the form of an Economic Development Incentive Grant during the year ended June 30, 2022.

On November 6, 2019, the Authority, in conjunction with the County and Town of Vinton, approved an agreement with Vinyard Station, LLC, whereby the Company shall redevelop a group of real estate located at the intersection of Washington Avenue and South Pollard Street in the Town of Vinton. The agreement calls for the Authority, with funds provided by the Town of Vinton, to provide an Economic Development Incentive Grant of \$750,000 over a ten-year term. In accordance with the terms of this agreement, Town of Vinton tax revenues in the amount of \$50,000 were reimbursed to the Company in the form of an Economic Development Incentive Grant during the year ended June 30, 2022.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

On February 11, 2020, the Authority, in conjunction with the County and the Virginia Economic Development Partnership Authority (VEDP), approved an agreement with Mack Trucks, Inc., whereby the Company shall lease, equip, improve, and operate a medium-duty truck manufacturing facility in Roanoke County. The agreement calls for the Authority to provide an Economic Development Incentive Grant of \$700,000 based on new tax revenues over a ten-year term. The agreement also authorized the County to accept and provide the proceeds of the VEDP's Commonwealth Development Opportunity Fund (COF Grant) to the Company totaling \$700,000, upon satisfaction of certain criteria relating to capital investment and new jobs. In accordance with the terms of this agreement, the COF Grant funding was paid to the Company in Fiscal Year 2022 for \$700,000. Further, tax revenues in the amount of \$111,836 were reimbursed to the Company in the form of an Economic Development Incentive Grant during the year ended June 30, 2022.

**(19) Special Assessment – Component Unit**

On February 8, 2012, the CDA approved the issuance of the Series 2012 bonds by resolution to finance the infrastructure improvements and facilities for approximately 62.5 acres of land within the County as mixed-use commercial and residential development. The Series 2012 bonds were issued in December 2012 in the amount of \$7,000,000 with maturation in 20 years. Neither the faith nor credit of the Commonwealth of Virginia nor the County is pledged to the payment of the principal or interest of the Series 2012 bonds. By memorandum of understanding dated February 1, 2011, the County will collect and pay to the CDA or Trustee the incremental tax revenues generated by the District. In addition, the County will levy a special assessment on property owners in the district as approved annually by the CDA. A special assessment of \$15,380 was levied for tax year 2021. The County collected \$7,690, the first half of the special assessment, in June 2021. The second half of the assessment in the amount of \$7,690 was collected in December 2021.



# REQUIRED SUPPLEMENTARY INFORMATION

**COUNTY OF ROANOKE, VIRGINIA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

	<b>Original Budget</b>	<b>Final Budget, as Amended</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
				<b>Positive (Negative)</b>
<b>Revenues:</b>				
General property taxes	\$ 140,004,564	\$ 127,774,707	\$ 135,083,947	\$ 7,309,240
Other local taxes	35,983,270	35,983,270	41,950,778	5,967,508
Permits, fees, and licenses	800,000	800,000	1,015,324	215,324
Fines and forfeitures	360,500	353,500	527,158	173,658
Use of money and property	311,300	312,572	264,184	(48,388)
Charges for services	8,973,091	9,327,843	9,060,187	(267,656)
Intergovernmental revenues	24,219,706	73,377,834	39,443,668	(33,934,166)
Miscellaneous	3,488,245	3,891,731	3,906,402	14,671
<b>Total revenues</b>	<b>214,140,676</b>	<b>251,821,457</b>	<b>231,251,648</b>	<b>(20,569,809)</b>
<b>Expenditures:</b>				
General government:				
Board of Supervisors	330,283	387,046	405,939	(18,893)
County Administrator	348,318	446,790	472,397	(25,607)
Community Relations	204,917	225,177	225,356	(179)
Internal Auditor	119,433	126,510	110,730	15,780
Human resources	960,184	1,098,708	1,023,088	75,620
County Attorney	620,929	675,267	690,637	(15,370)
Commissioner of Revenue	881,136	970,751	941,045	29,706
Assessor	858,850	987,471	968,192	19,279
Treasurer	970,636	1,123,046	1,121,803	1,243
Assistant County Administrator -				
Management services	226,724	241,188	234,260	6,928
Finance	1,593,723	1,813,874	1,764,920	48,954
Management and budget	314,472	334,254	246,931	87,323
Procurement	487,200	534,230	539,808	(5,578)
Electoral Board and officials	464,067	544,148	682,688	(138,540)
Judicial administration:				
Circuit Court	307,068	307,068	326,000	(18,932)
General District Court	103,440	103,440	65,950	37,490
Special magistrates	1,590	1,590	1,592	(2)
Juvenile and Domestic Relations Court	39,086	42,832	37,134	5,698
Clerk of the Circuit Court	1,183,586	1,255,918	1,194,218	61,700
Commonwealth's Attorney	1,420,270	1,623,520	1,676,821	(53,301)
Public safety:				
Sheriff and police	15,290,768	19,878,592	18,673,910	1,204,682
E911 maintenance	3,339,378	3,339,378	3,309,327	30,051
Fire and rescue services	18,228,423	25,465,486	21,464,478	4,001,008
Confinement and care of prisoners	9,170,278	9,246,473	8,625,965	620,508
Court service unit	445,500	448,677	499,343	(50,666)
VJCCA grant	313,009	313,009	223,193	89,816
Animal control	837,240	826,745	835,582	(8,837)

See accompanying notes to required supplementary information.

See accompanying independent auditors' report.

(continued)

**COUNTY OF ROANOKE, VIRGINIA**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

	<b>Original Budget</b>	<b>Final Budget, as Amended</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
				<b>Positive (Negative)</b>
Public works:				
General services administration	\$ 781,935	\$ 8,489,687	\$ 1,228,496	\$ 7,261,191
Refuse disposal	5,219,580	5,448,849	5,641,777	(192,928)
Maintenance of general buildings and grounds	5,373,975	5,440,373	5,554,303	(113,930)
Engineering	1,656,534	4,528,082	2,218,791	2,309,291
Inspections	1,558,913	1,547,655	1,210,322	337,333
Health and welfare:				
Public health	515,902	515,902	551,601	(35,699)
Social services administration	8,006,243	9,039,971	8,571,881	468,090
Comprehensive Services Act	7,900,007	7,900,007	9,512,855	(1,612,848)
Public assistance	4,918,666	4,918,666	4,540,089	378,577
Parks, recreation and cultural:				
Assistant County Administrator - Human Services	208,899	224,936	233,461	(8,525)
Parks and recreation	6,832,029	19,819,719	6,936,612	12,883,107
Library	4,315,151	5,594,574	5,116,325	478,249
Community development:				
Planning and zoning	1,297,602	6,165,977	3,351,877	2,814,100
Cooperative extension program	87,097	87,097	62,979	24,118
Economic development	472,690	3,121,456	523,290	2,598,166
Public transportation	724,738	745,146	639,644	105,502
Nondepartmental:	<u>15,300,401</u>	<u>10,146,005</u>	<u>7,961,741</u>	<u>2,184,264</u>
Total Expenditures	<u>124,230,870</u>	<u>166,095,290</u>	<u>130,217,351</u>	<u>35,877,939</u>
Excess of revenues over expenditures	89,909,806	85,726,167	101,034,297	15,308,130
Other Financing Sources (Uses):				
Transfers in	-	10,014	10,014	-
Transfers out	<u>(93,934,350)</u>	<u>(98,260,179)</u>	<u>(98,260,179)</u>	<u>-</u>
Total other financing uses, net	<u>(93,934,350)</u>	<u>(98,250,165)</u>	<u>(98,250,165)</u>	<u>-</u>
Net change in fund balances	(4,024,544)	(12,523,998)	2,784,132	15,308,130
Fund balances at beginning of the year	36,128,599	17,285,189	47,192,272	(29,907,083)
Fund balances at end of year	<u>\$ 32,104,055</u>	<u>\$ 4,761,191</u>	<u>\$ 49,976,404</u>	<u>\$ (14,598,953)</u>

See accompanying notes to required supplementary information.  
See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability (Asset) and Related Ratios**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

<b>Virginia Retirement System</b> Measurement Date:	<b>County of Roanoke Employees</b>							
	<b>2022</b> 6/30/2021	<b>2021</b> 6/30/2020	<b>2020</b> 6/30/2019	<b>2019</b> 6/30/2018	<b>2018</b> 6/30/2017	<b>2017</b> 6/30/2016	<b>2016</b> 6/30/2015	<b>2015</b> 6/30/2014
<i>Total pension liability:</i>								
Service Cost	\$ 5,870,132	\$ 5,788,075	\$ 5,345,891	\$ 5,269,835	\$ 5,358,767	\$ 5,283,828	\$ 5,207,280	\$ 5,273,706
Interest	17,608,681	16,748,382	16,178,857	15,786,598	15,156,698	14,606,824	14,176,909	13,590,501
Changes in assumptions between expected and actual experience	10,798,347	-	7,368,804	-	(504,631)	-	-	-
Differences between expected and actual experience	(1,551,230)	3,198,412	1,203,647	(2,793,363)	283,025	156,418	(3,178,877)	-
Impact in change on proportion	202,032	(516,831)	(703,792)	(86,209)	(1,732,097)	(182,776)	(1,384,013)	-
Benefit payments, including refunds of employee contributions	(13,535,234)	(12,848,272)	(12,317,141)	(11,593,993)	(10,824,191)	(10,095,057)	(9,666,752)	(8,539,110)
Net change in total pension liability	19,392,728	12,369,766	17,076,266	6,582,868	7,737,571	9,769,236	5,154,547	10,325,097
Total pension liability - beginning	267,434,918	255,065,152	237,988,886	231,406,018	223,668,447	213,899,211	208,744,662	198,419,565
Total pension liability - ending (a)	<u>\$ 286,827,646</u>	<u>\$ 267,434,918</u>	<u>\$ 255,065,152</u>	<u>\$ 237,988,886</u>	<u>\$ 231,406,018</u>	<u>\$ 223,668,447</u>	<u>\$ 213,899,209</u>	<u>\$ 208,744,662</u>
<i>Plan fiduciary net position:</i>								
Impact in change on proportion	160,715	(433,938)	(609,022)	(73,075)	(1,393,043)	(154,093)	(1,171,025)	-
Contributions - employer	6,496,924	5,628,312	5,491,969	4,943,269	4,812,332	4,697,194	4,589,017	4,090,698
Contributions - employee	2,243,247	2,281,124	2,215,083	2,214,542	2,219,705	2,136,523	2,064,188	2,061,935
Net investment income	57,948,883	4,103,304	13,577,327	14,440,097	21,594,685	3,083,905	8,008,131	24,311,664
Benefit payments, including refunds of employee contributions	(13,535,234)	(12,848,272)	(12,317,141)	(11,593,993)	(10,824,191)	(10,095,057)	(9,666,752)	(8,539,110)
Administrative expense	(144,991)	(139,386)	(135,811)	(126,070)	(125,909)	(112,789)	(110,989)	(131,901)
Other	5,236	(4,797)	(8,548)	(12,782)	(19,169)	(1,320)	(1,682)	1,281
Net change in plan fiduciary net position	53,174,780	(1,413,653)	8,213,857	9,791,988	16,264,410	(445,637)	3,710,888	21,794,567
Plan fiduciary net position - beginning	212,742,511	214,156,164	205,942,307	196,150,319	179,885,909	180,331,546	176,620,656	154,826,089
Plan fiduciary net position - ending (b)	<u>\$ 265,917,291</u>	<u>\$ 212,742,511</u>	<u>\$ 214,156,164</u>	<u>\$ 205,942,307</u>	<u>\$ 196,150,319</u>	<u>\$ 179,885,909</u>	<u>\$ 180,331,544</u>	<u>\$ 176,620,656</u>
Total net pension liability - beginning	54,692,407	40,908,988	32,046,579	35,255,699	43,782,538	33,567,665	32,124,006	43,593,476
Total net pension liability - ending (a - b)	<u>\$ 20,910,355</u>	<u>\$ 54,692,407</u>	<u>\$ 40,908,988</u>	<u>\$ 32,046,579</u>	<u>\$ 35,255,699</u>	<u>\$ 43,782,538</u>	<u>\$ 33,567,665</u>	<u>\$ 32,124,006</u>
Plan fiduciary net position as a percentage of total pension liability	92.71%	79.55%	83.96%	86.53%	84.76%	80.43%	84.31%	84.61%
Covered payroll	\$ 46,381,208	\$ 47,123,041	\$ 45,853,501	\$ 45,263,004	\$ 43,733,860	\$ 42,627,702	\$ 41,432,034	\$ 40,544,179
Net pension liability as a percentage of covered payroll	45.08%	116.06%	89.22%	70.80%	80.61%	102.71%	81.02%	79.23%

**Note:**

Schedule is intended to show information for 10 years. Since 2022 is the eighth year for this presentation, only seven additional years of data are available. However, additional years will be included as they become available.

**COUNTY OF ROANOKE, VIRGINIA**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability (Asset) and Related Ratios**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

<b>Virginia Retirement System</b> Measurement Date:	<b>School System Non-Professional Employees</b>							
	<b>2022</b> 6/30/2021	<b>2021</b> 6/30/2020	<b>2020</b> 6/30/2019	<b>2019</b> 6/30/2018	<b>2018</b> 6/30/2017	<b>2017</b> 6/30/2016	<b>2016</b> 6/30/2015	<b>2015</b> 6/30/2014
<i>Total pension liability:</i>								
Service Cost	\$ 272,235	\$ 295,894	\$ 300,766	\$ 298,984	\$ 318,248	\$ 326,990	\$ 590,031	\$ 642,968
Interest	2,115,819	2,163,509	2,172,731	2,167,570	2,177,707	2,219,068	2,164,578	2,114,246
Changes in assumptions between expected and actual experience	1,526,735	-	743,564	-	(66,597)	-	-	-
Differences between expected and actual experience	(241,202)	(471,339)	190,670	(282,722)	(496,773)	(1,113,216)	76,137	-
Benefit payments, including refunds of employee contributions	(2,719,321)	(2,669,867)	(2,119,648)	(2,100,554)	(2,054,245)	(1,993,180)	(2,111,460)	(1,964,916)
Net change in total pension liability	954,266	(681,803)	1,288,083	83,278	(121,660)	(560,338)	719,286	792,298
Total pension liability - beginning	32,705,122	33,386,925	32,098,842	32,015,564	32,137,224	32,697,562	31,978,276	31,185,978
Total pension liability - ending (a)	\$ 33,659,388	\$ 32,705,122	\$ 33,386,925	\$ 32,098,842	\$ 32,015,564	\$ 32,137,224	\$ 32,697,562	\$ 31,978,276
<i>Plan fiduciary net position:</i>								
Contributions - employer	45,833	47,759	50,964	147,119	144,668	209,100	206,447	306,710
Contributions - employee	136,658	145,004	144,753	153,729	150,511	152,767	152,195	293,796
Net investment income	8,474,537	635,055	2,185,110	2,419,142	3,725,620	525,814	1,454,882	4,569,047
Benefit payments, including refunds of employee contributions	(2,719,321)	(2,669,867)	(2,119,648)	(2,100,554)	(2,054,245)	(1,993,180)	(2,111,460)	(1,964,916)
Administrative expense	(22,930)	(23,385)	(23,221)	(21,956)	(22,797)	(20,892)	(21,377)	(25,570)
Other	784	(729)	(1,365)	(2,107)	(3,259)	(231)	(305)	241
Net change in plan fiduciary net position	5,915,561	(1,866,163)	236,593	595,373	1,940,498	(1,126,622)	(319,618)	3,179,308
Plan fiduciary net position - beginning	32,314,134	34,180,297	33,943,704	33,348,331	31,407,833	32,534,455	32,854,073	29,674,765
Plan fiduciary net position - ending (b)	\$ 38,229,695	\$ 32,314,134	\$ 34,180,297	\$ 33,943,704	\$ 33,348,331	\$ 31,407,833	\$ 32,534,455	\$ 32,854,073
Total net pension liability - beginning	390,988	(793,372)	(1,844,862)	(1,332,767)	729,391	163,107	(875,797)	1,511,213
Total net pension liability (asset) - ending (a - b)	\$ (4,570,307)	\$ 390,988	\$ (793,372)	\$ (1,844,862)	\$ (1,332,767)	\$ 729,391	\$ 163,107	\$ (875,797)
Plan fiduciary net position as a percentage of total pension liability (asset)	113.58%	98.80%	102.38%	105.75%	104.16%	97.73%	99.50%	102.74%
Covered payroll	\$ 2,914,661	\$ 3,051,242	\$ 3,039,400	\$ 3,112,471	\$ 3,068,829	\$ 3,081,526	\$ 3,027,639	\$ 5,875,694
Net pension liability (asset) as a percentage of covered payroll	-156.80%	12.81%	-26.10%	-59.27%	-43.43%	23.67%	5.39%	-14.91%

**Note:**

Schedule is intended to show information for 10 years. Since 2022 is the eighth year for this presentation, only seven additional years of data are available. However, additional years will be included as they become available.

**COUNTY OF ROANOKE, VIRGINIA**  
**Required Supplemental Information**  
**Schedule of Employer's Proportionate Share of Net Pension Liability**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

<b>Virginia Retirement System</b>	<b>School System Teacher Retirement Plan</b>							
	<b>2022</b> 6/30/2021	<b>2021</b> 6/30/2020	<b>2020</b> 6/30/2019	<b>2019</b> 6/30/2018	<b>2018</b> 6/30/2017	<b>2017</b> 6/30/2016	<b>2016</b> 6/30/2015	<b>2015</b> 6/30/2014
Measurement Date:								
Schools System's proportion of the net pension liability	0.93501%	0.92573%	0.93221%	0.95745%	0.97725%	0.94772%	0.94973%	0.97506%
Schools System's proportionate share of the net pension liability	\$ 72,585,738	\$ 134,718,026	\$ 122,684,122	\$ 112,596,000	\$ 120,182,000	\$ 132,815,000	\$ 119,536,000	\$ 117,833,000
Schools System's covered payroll	\$ 81,351,646	\$ 80,389,368	\$ 77,499,484	\$ 77,053,264	\$ 76,745,715	\$ 72,258,672	\$ 70,615,294	\$ 71,286,776
Schools System's proportionate share of the net pension liability as a percentage of its covered payroll	89.22%	167.58%	158.30%	146.13%	156.60%	183.80%	169.28%	165.29%
Plan fiduciary net position as a percentage of the total pension liability	85.46%	71.47%	73.51%	74.81%	72.92%	68.28%	70.68%	70.88%

**Note:**

Schedule is intended to show information for 10 years. Since 2022 is the eighth year for this presentation, only seven additional years of data are available. However, additional years will be included as they become available.

**COUNTY OF ROANOKE, VIRGINIA**  
**Required Supplemental Information**  
**Schedule of Contributions**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

<b>Year Ended</b>	<b>Actuarial Valuation Date</b>	<b>Contributions in Relation to Actuarially Determined Contribution</b>			<b>Contribution (Deficiency) Excess</b>	<b>Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
		<b>Contractually Required Contribution</b>	<b>Determined Contribution</b>	<b>Contribution (Deficiency) Excess</b>			
<b><i>County of Roanoke Retirement Plan:</i></b>							
June 30, 2022	June 30, 2019	\$ 7,268,195	\$ 7,268,195	\$ -	\$ 50,034,238		14.53%
June 30, 2021	June 30, 2019	6,730,418	6,730,418	-	46,381,208		14.51%
June 30, 2020	June 30, 2018	5,846,191	5,846,191	-	47,123,041		12.41%
June 30, 2019	June 30, 2017	5,664,637	5,664,637	-	45,853,501		12.35%
June 30, 2018	June 30, 2016	5,081,170	5,081,170	-	45,263,004		11.23%
June 30, 2017	June 30, 2016	4,893,436	4,893,436	-	43,733,860		11.19%
June 30, 2016	June 30, 2014	4,638,384	4,638,384	-	42,627,702		10.88%
June 30, 2015	June 30, 2014	4,090,698	4,090,698	-	41,432,034		9.87%
<b><i>School System Teacher Retirement Plan:</i></b>							
June 30, 2022	June 30, 2019	\$ 14,463,435	\$ 13,999,677	\$ (463,758)	\$ 87,024,278		16.09%
June 30, 2021	June 30, 2019	13,520,644	13,245,307	(275,337)	81,351,646		16.28%
June 30, 2020	June 30, 2018	12,605,053	12,283,727	(321,326)	80,389,368		15.28%
June 30, 2019	June 30, 2017	12,647,916	11,968,521	(679,395)	77,499,484		15.44%
June 30, 2018	June 30, 2016	12,575,093	12,566,803	(8,290)	77,053,264		16.31%
June 30, 2017	June 30, 2016	11,097,430	11,251,117	153,687	76,745,715		14.66%
June 30, 2016	June 30, 2014	10,159,569	10,159,568	(1)	72,258,672		14.06%
June 30, 2015	June 30, 2014	10,239,218	10,238,755	(463)	70,615,294		14.50%
<b><i>School System Non-Professional Retirement Plan:</i></b>							
June 30, 2022	June 30, 2019	\$ 66,267	\$ 47,011	\$ (19,256)	\$ 3,170,647		1.48%
June 30, 2021	June 30, 2019	60,916	45,833	(15,083)	2,914,661		1.57%
June 30, 2020	June 30, 2018	58,584	56,224	(2,360)	3,051,242		1.84%
June 30, 2019	June 30, 2017	58,356	50,964	(7,392)	3,039,400		1.68%
June 30, 2018	June 30, 2016	150,332	153,066	2,734	3,112,471		4.92%
June 30, 2017	June 30, 2016	148,224	148,080	(144)	3,068,829		4.83%
June 30, 2016	June 30, 2014	210,776	210,558	(218)	3,081,526		6.83%
June 30, 2015	June 30, 2014	207,091	207,090	(1)	3,027,639		6.84%

**Actuarial Assumptions:*****County of Roanoke and School System Non-Professional Retirement Plans:***

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age Normal
Amortization method	Level percentage of payroll, closed
Payroll growth	3.00%
Remaining amortization period	30 years
Asset valuation method	5-year smoothed fair value
Salary increases	3.50 - 5.35%
Investment rate of return	6.75%
Inflation	2.50%
Cost of living adjustments	2.25 - 2.50%

***School System Teacher Retirement Plan:***

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age Normal
Amortization method	Level percentage of payroll, closed
Payroll growth	3.00%
Remaining amortization period	30 years
Asset valuation method	5-year smoothed fair value
Salary increases	3.50 - 5.35%
Investment rate of return	6.75%
Inflation	2.50%
Cost of living adjustments	2.25 - 2.50%

**Note:**

Schedule is intended to show information for 10 years. Since 2022 is the eighth year for this presentation, only seven additional years of data are available. However, additional years will be included as they become available.

**COUNTY OF ROANOKE, VIRGINIA**  
**Required Supplementary Information**  
**Schedules of Changes in Total Pension Liability and Related Ratios**  
**Fire and Rescue Pension Trust Length of Service Awards Program**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

	<b>2022</b> 6/30/2021	<b>2021</b> 6/30/2020	<b>2020</b> 6/30/2019	<b>2019</b> 6/30/2018	<b>2018</b> 6/30/2017	<b>2017</b> 6/30/2016
Measurement Date:						
Actuarial Valuation Date:	7/31/2021	7/31/2020	7/31/2019	7/31/2019	7/31/2018	7/31/2017
<i>Total pension liability:</i>						
Service cost	\$ 6,800	\$ 6,370	\$ 6,440	\$ 6,440	\$ 6,050	\$ 5,613
Interest on total pension liability	219,678	252,591	300,425	343,290	354,080	295,965
Changes of assumptions ①	533,301	1,671,210	912,720	455,355	1,562,137	(574,306)
Differences between expected and actual experience	59,171	(124,425)	44,042	19,496	-	-
Benefit payments	<u>(441,686)</u>	<u>(429,471)</u>	<u>(405,360)</u>	<u>(405,360)</u>	<u>(422,801)</u>	<u>(347,975)</u>
Net change in total pension liability	377,264	1,376,275	858,267	419,221	1,499,466	(620,703)
Total pension liability - beginning	\$ 12,156,472	\$ 10,780,197	\$ 9,921,930	\$ 9,502,709	\$ 8,003,243	\$ 8,623,946
Total pension liability - ending	<u>\$ 12,533,736</u>	<u>\$ 12,156,472</u>	<u>\$ 10,780,197</u>	<u>\$ 9,921,930</u>	<u>\$ 9,502,709</u>	<u>\$ 8,003,243</u>
Covered Payroll ②	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A

① Changes of assumptions reflect change in the discount rate from 2.39% to 1.84% and changes in the mortality tables used.

② There is no covered employee payroll since this plan provides benefits for volunteers.

**Note:**

Schedule is intended to show information for 10 years. Since 2022 is the sixth year for this presentation, only five additional years of data are available. However, additional years will be included as they become available.

See accompanying notes to required supplementary information.

See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Required Supplementary Information**  
**Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

**Exhibit XVII**

	<b>County of Roanoke Members</b>					
	<b>2023</b> 6/30/2022	<b>2022</b> 6/30/2021	<b>2021</b> 6/30/2020	<b>2020</b> 6/30/2019	<b>2019</b> 6/30/2018	<b>2018</b> 6/30/2017
Measurement Date:						
<i>Total OPEB liability:</i>						
Service Cost	\$ 209,532	\$ 213,572	\$ 237,164	\$ 497,351	\$ 891,598	\$ 849,141
Interest	765,723	848,803	998,382	940,257	1,024,059	943,357
Differences between expected and actual experience	88,899	(1,386,189)	(1,577,201)	-	(5,174,702)	(56,957)
Changes of assumptions	210,219	-	(884,021)	-	3,453,025	-
Contributions - employee	-	-	-	-	502,321	470,020
Benefit payments, including refunds of employee contributions	(896,096)	(667,798)	(819,674)	(917,093)	(1,204,285)	(1,493,500)
Net change in total OPEB liability	378,277	(991,612)	(2,045,350)	520,515	(507,984)	712,061
Total OPEB liability - beginning	10,440,056	11,431,668	13,477,018	12,956,503	13,464,487	12,752,426
Total OPEB liability - ending (a)	<u>\$ 10,818,333</u>	<u>\$ 10,440,056</u>	<u>\$ 11,431,668</u>	<u>\$ 13,477,018</u>	<u>\$ 12,956,503</u>	<u>\$ 13,464,487</u>
<i>Plan fiduciary net position:</i>						
Contributions - employer	1,017,921	789,623	941,499	1,038,918	823,789	1,219,282
Contributions - employee	-	-	-	-	502,321	470,020
Net investment income	(883,928)	2,190,495	214,926	305,644	560,627	661,110
Benefit payments, including refunds of employee contributions	(896,096)	(667,798)	(819,674)	(917,093)	(1,204,285)	(1,493,500)
Administrative expense	(10,760)	(8,731)	(8,209)	(7,567)	(7,071)	(6,596)
Net change in plan fiduciary net position	(772,863)	2,303,589	328,542	419,902	675,381	850,316
Plan fiduciary net position - beginning	9,583,641	7,280,052	6,951,510	6,531,608	5,856,227	5,005,911
Plan fiduciary net position - ending (b)	<u>\$ 8,810,778</u>	<u>\$ 9,583,641</u>	<u>\$ 7,280,052</u>	<u>\$ 6,951,510</u>	<u>\$ 6,531,608</u>	<u>\$ 5,856,227</u>
Total net OPEB liability - beginning	856,415	4,151,616	6,525,508	6,424,895	7,608,260	7,746,515
Total net OPEB liability - ending (a - b)	<u>\$ 2,007,555</u>	<u>\$ 856,415</u>	<u>\$ 4,151,616</u>	<u>\$ 6,525,508</u>	<u>\$ 6,424,895</u>	<u>\$ 7,608,260</u>
Plan fiduciary net position as a percentage of total OPEB liability	81.44%	91.80%	63.68%	51.58%	50.41%	43.49%
Covered payroll	\$ 34,203,900	\$ 32,083,550	\$ 34,512,829	\$ 34,634,840	\$ 33,955,725	\$ 39,941,319
Net OPEB liability as a percentage of covered payroll	5.87%	2.67%	12.03%	18.84%	18.92%	19.05%

*The County of Roanoke has fiscal entities who participate in the Retiree Medical OPEB plan. The above information reflects the total plan liability and related ratios. However, the "Retiree Medical Program - Employer Recognition of the OPEB Plan" section of footnote 13 only reflects the County employer portion.*

**Note:**

Schedule is intended to show information for 10 years. Since 2022 is the sixth year for this presentation, only five additional years of data are available. However, additional years will be included as they become available.

(continued)

**COUNTY OF ROANOKE, VIRGINIA**  
**Required Supplementary Information**  
**Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

**Exhibit XVII**  
**(continued)**

Measurement Date:	<b>School System Members</b>					
	<b>2023</b> 6/30/2022	<b>2022</b> 6/30/2021	<b>2021</b> 6/30/2020	<b>2020</b> 6/30/2019	<b>2019</b> 6/30/2018	<b>2018</b> 6/30/2017
<b>Total OPEB liability:</b>						
Service Cost	\$ 300,875	\$ 298,947	\$ 889,124	\$ 593,436	\$ 977,606	\$ 931,053
Interest	503,205	516,619	351,384	323,704	471,102	476,676
Differences between expected and actual experience	(272,944)	(444,524)	(1,101,996)	-	(2,488,407)	(28,590)
Changes of assumptions	454,609	-	(3,877,843)	-	(3,035,172)	-
Contributions - employee	-	-	-	-	939,187	94,298
Benefit payments, including refunds of employee contributions	(521,121)	(581,415)	(572,183)	(487,194)	(1,785,359)	(684,162)
Net change in total OPEB liability	464,624	(210,373)	(4,311,514)	429,946	(4,921,043)	789,275
Total OPEB liability - beginning	6,664,380	6,874,753	11,186,267	10,756,321	15,677,364	14,888,089
Total OPEB liability - ending (a)	<b><u>\$ 7,129,004</u></b>	<b><u>\$ 6,664,380</u></b>	<b><u>\$ 6,874,753</u></b>	<b><u>\$ 11,186,267</u></b>	<b><u>\$ 10,756,321</u></b>	<b><u>\$ 15,677,364</u></b>
<b>Plan fiduciary net position:</b>						
Contributions - employer	613,411	673,705	664,473	671,774	846,172	682,154
Contributions - employee	-	-	-	-	939,187	94,298
Net investment income	(143,013)	326,848	30,365	35,334	65,111	74,106
Benefit payments, including refunds of employee contributions	(521,121)	(581,415)	(572,183)	(487,194)	(1,785,359)	(684,162)
Administrative expense	(2,100)	(1,728)	(1,592)	(1,370)	(1,263)	(1,169)
Net change in plan fiduciary net position	(52,823)	417,410	121,063	218,544	63,848	165,227
Plan fiduciary net position - beginning	1,501,193	1,083,783	962,720	744,176	680,328	515,101
Plan fiduciary net position - ending (b)	<b><u>\$ 1,448,370</u></b>	<b><u>\$ 1,501,193</u></b>	<b><u>\$ 1,083,783</u></b>	<b><u>\$ 962,720</u></b>	<b><u>\$ 744,176</u></b>	<b><u>\$ 680,328</u></b>
Total net OPEB liability - beginning	5,163,187	5,790,970	10,223,547	10,012,145	14,997,036	14,372,988
Total net OPEB liability - ending (a - b)	<b><u>\$ 5,680,634</u></b>	<b><u>\$ 5,163,187</u></b>	<b><u>\$ 5,790,970</u></b>	<b><u>\$ 10,223,547</u></b>	<b><u>\$ 10,012,145</u></b>	<b><u>\$ 14,997,036</u></b>
Plan fiduciary net position as a percentage of total OPEB liability	20.32%	22.53%	15.76%	8.61%	6.92%	4.34%
Covered payroll	\$ 72,668,998	\$ 85,040,042	\$ 82,164,292	\$ 53,150,640	\$ 53,150,640	\$ 65,279,124
Net OPEB liability as a percentage of covered payroll	7.82%	6.07%	7.05%	19.24%	18.84%	22.97%

**Note:**

Schedule is intended to show information for 10 years. Since 2022 is the sixth year for this presentation, only five additional years of data are available. However, additional years will be included as they become available.

See accompanying independent auditor's report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Required Supplemental Information**  
**Schedule of Employer Contributions**  
**Other Postemployment Benefits Plan**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

Year Ended	Actuarial Valuation Date	Contributions in Relation to Actuarially Determined Contribution			Percentage Contributed	Employer's Covered Payroll	Contributions as a % of Covered Payroll
		Actuarially Determined Contribution	Actuarially Determined Contribution	Contribution (Deficiency) Excess			
<b><u>County of Roanoke Members:</u></b>							
June 30, 2022	June 30, 2022	\$ 318,931	\$ 1,017,921	\$ 698,990	319.17%	\$ 34,203,900	2.98%
June 30, 2021	June 30, 2020	669,662	789,623	119,961	117.91%	32,083,550	2.46%
June 30, 2020	June 30, 2020	927,268	941,499	14,231	101.53%	34,512,829	2.73%
June 30, 2019	June 30, 2018	1,137,882	1,038,918	(98,964)	91.30%	34,634,840	3.00%
June 30, 2018	June 30, 2018	1,644,235	823,789	(820,446)	50.10%	33,955,725	2.43%
June 30, 2017	June 30, 2016	1,219,282	1,415,084	195,802	116.06%	39,941,319	3.54%
<b><u>School System Members:</u></b>							
June 30, 2022	June 30, 2022	\$ 888,248	\$ 613,411	\$ (274,837)	69.06%	\$ 72,668,998	0.84%
June 30, 2021	June 30, 2020	935,211	673,705	(261,506)	72.04%	85,040,042	0.79%
June 30, 2020	June 30, 2020	2,009,130	664,473	(1,344,657)	33.07%	82,164,292	0.81%
June 30, 2019	June 30, 2018	1,289,794	671,774	(618,020)	52.08%	53,150,640	1.26%
June 30, 2018	June 30, 2018	1,997,378	846,172	(1,151,206)	42.36%	53,150,640	1.59%
June 30, 2017	June 30, 2016	682,154	682,154	-	100.00%	65,279,124	1.04%

**Actuarial Assumptions:****County of Roanoke Plan:**

## Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Remaining amortization period	16 years
Asset valuation method	Fair Value
Inflation	Included in the investment rate of return and healthcare cost trend rates
Salary increases	3.50%, including a 2.50% inflation assumption and a 1.00% productivity component
Investment rate of return	7.50%
Healthcare cost trend rate	7.50% graded down to 4.50%
Retirement age	In the 2022 actuarial valuation, expected retirement ages of employees were updated to the assumptions
Mortality	In the 2022 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the SOA

**School System Plan:**

## Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Remaining amortization period	16 years
Asset valuation method	Fair Value
Inflation	Included in the investment rate of return and healthcare cost trend rates
Salary increases	3.50%
Investment rate of return	7.50%
Healthcare cost trend rate	7.50% graded down to 4.50%
Retirement age	In the 2022 actuarial valuation, expected retirement ages of employees were updated to the assumptions
Mortality	In the 2022 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the SOA

**Note:**

Schedule is intended to show information for 10 years. Since 2022 is the sixth year for this presentation, only five additional years of data are available. However, additional years will be included as they become available.

**COUNTY OF ROANOKE, VIRGINIA**  
**Required Supplementary Information**  
**Schedule of Investment Returns**  
**Other Postemployment Benefits Plan**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

Annual money-weighted rate of return, net of investment expense:

<b>County of Roanoke</b>					
<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
TBD	6.95%	6.43%	6.31%	9.52%	13.04%

Annual money-weighted rate of return, net of investment expense:

<b>School System</b>					
<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
TBD	6.95%	6.43%	6.31%	9.52%	13.04%

**Note:**

Schedule is intended to show information for 10 years. Since 2022 is the sixth year for this presentation, only five additional years of data are available. However, additional years will be included as they become available.

See accompanying notes to required supplementary information.

See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Required Supplementary Information**  
**Virginia Retirement System Health Insurance Credit Program**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

Measurement Date:	<b>County of Roanoke</b>				
	<b>2022</b> 6/30/2021	<b>2021</b> 6/30/2020	<b>2020</b> 6/30/2019	<b>2019</b> 6/30/2018	<b>2018</b> 6/30/2017
<b>Total OPEB liability:</b>					
Service Cost	\$ 36,903	\$ 36,822	\$ 33,450	\$ 33,005	\$ 32,415
Interest	114,770	111,918	110,052	108,211	107,974
Differences between expected and actual experience	4,441	35,707	27,799	(3,870)	-
Changes of assumptions	38,904	-	42,641	-	(42,521)
Benefit payments, including refunds of employee contributions	(142,933)	(141,476)	(114,650)	(107,448)	(81,531)
Net change in total OPEB liability	52,085	42,971	99,292	29,898	16,337
Total OPEB liability - beginning	1,771,760	1,728,789	1,629,497	1,599,599	1,583,262
Total OPEB liability - ending (a)	<u>\$ 1,823,845</u>	<u>\$ 1,771,760</u>	<u>\$ 1,728,789</u>	<u>\$ 1,629,497</u>	<u>\$ 1,599,599</u>
<i>Plan fiduciary net position:</i>					
Contributions -- employer	148,766	155,620	142,727	142,874	135,458
Net investment income	179,365	13,657	39,488	37,774	50,806
Benefit payments, including refunds of employee contributions	(142,933)	(141,476)	(114,650)	(107,448)	(81,531)
Administrative expense	(2,151)	(1,290)	(862)	(941)	(905)
Other changes	-	(6)	(47)	(2,370)	2,370
Net change in plan fiduciary net position	183,047	26,505	66,656	69,889	106,198
Plan fiduciary net position -- beginning	679,265	652,760	586,104	516,215	410,017
Plan fiduciary net position -- ending (b)	<u>\$ 862,312</u>	<u>\$ 679,265</u>	<u>\$ 652,760</u>	<u>\$ 586,104</u>	<u>\$ 516,215</u>
Total net OPEB liability -- beginning	1,092,495	1,076,029	1,043,393	1,083,384	1,173,245
Total net OPEB liability -- ending (a - b)	<u>\$ 961,533</u>	<u>\$ 1,092,495</u>	<u>\$ 1,076,029</u>	<u>\$ 1,043,393</u>	<u>\$ 1,083,384</u>
Plan fiduciary net position as a percentage of total OPEB liability	47.28%	38.34%	37.76%	35.97%	32.27%
Covered payroll	\$ 50,034,238	\$ 47,123,041	\$ 45,253,004	\$ 43,733,860	\$ 42,627,702
Net OPEB liability as a percentage of covered payroll	1.92%	2.32%	2.38%	2.39%	2.54%
 <b>School System</b>					
Measurement Date:	<b>2022</b> 6/30/2021	<b>2021</b> 6/30/2020			
<b>Total OPEB liability:</b>					
Benefit changes	\$ 20,039	\$ 610,084			
Net change in total OPEB liability	20,039	610,084			
Total OPEB liability - beginning	610,084	-			
Total OPEB liability - ending (a)	<u>\$ 630,123</u>	<u>\$ 610,084</u>			
<i>Plan fiduciary net position:</i>					
Net change in plan fiduciary net position	-	-			
Plan fiduciary net position -- beginning	-	-			
Plan fiduciary net position -- ending (b)	<u>\$ -</u>	<u>\$ -</u>			
Total net OPEB liability -- beginning	610,084	-			
Total net OPEB liability -- ending (a - b)	<u>\$ 630,123</u>	<u>\$ 610,084</u>			
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%			
Covered payroll	\$ 2,914,661	\$ 3,051,242			
Net OPEB liability as a percentage of covered payroll	21.62%	19.99%			

**Note:**

Schedule is intended to show information for 10 years. Since 2022 is the fifth year for this presentation for the County, only four additional years of data are available. Since 2022 is the second year for this presentation for the School System, only one additional year of data is available. However, additional years will be included as they become available.

**COUNTY OF ROANOKE, VIRGINIA**  
**Required Supplementary Information**  
**Virginia Retirement System Health Insurance Credit Program**  
**Schedule of Employer Contributions**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

<b>Year Ended</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution (Deficiency) Excess</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
<b><u>County of Roanoke Employees:</u></b>					
June 30, 2022	\$ 152,737	\$ 152,737	\$ -	\$ 50,034,238	0.31 %
June 30, 2021	140,406	140,406	-	46,381,208	0.30
June 30, 2020	144,688	144,688	-	47,123,041	0.31
June 30, 2019	104,564	104,564	-	45,853,501	0.23
June 30, 2018	135,906	135,906	-	45,263,004	0.30
June 30, 2017	106,244	106,244	-	43,733,860	0.24
June 30, 2016	95,257	95,257	-	42,627,702	0.22
June 30, 2015	80,354	80,354	-	41,432,034	0.19
June 30, 2014	103,865	103,865	-	40,544,179	0.26
June 30, 2013	92,999	92,999	-	41,545,798	0.22
<b><u>School System Employees - Teacher Plan:</u></b>					
June 30, 2022	\$ 1,052,994	\$ 1,053,639	\$ 645	\$ 87,024,278	1.21 %
June 30, 2021	984,355	991,342	6,987	81,351,646	1.22
June 30, 2020	964,672	963,455	(1,217)	80,389,368	1.20
June 30, 2019	929,994	930,288	294	77,499,484	1.20
June 30, 2018	947,755	947,188	(567)	77,053,264	1.23
June 30, 2017	851,877	851,887	10	76,745,715	1.11
June 30, 2016	765,942	765,995	53	72,258,672	1.06
June 30, 2015	748,522	748,490	(32)	70,615,294	1.06
June 30, 2014	791,283	791,284	1	71,286,776	1.11
June 30, 2013	801,954	801,962	8	72,248,134	1.11
<b><u>School System Employees - Non-Professional Plan:</u></b>					
June 30, 2022	\$ 45,657	\$ 45,709	\$ 52	\$ 3,170,647	1.44 %
June 30, 2021	41,971	42,267	296	2,914,661	1.45

**Note:**

Schedule is intended to show information for 10 years. Since 2022 is the second year for this presentation for the Non-Professional Plan, only two years of data is available. However, additional years will be included as they become available.

See accompanying notes to required supplementary information.  
 See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Required Supplemental Information**  
**Virginia Retirement System Group Life Insurance Program**  
**Schedule of Employer's Proportionate Share of Net OPEB Liability**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

Measurement Date:	2022 6/30/2021	2021 6/30/2020	2020 6/30/2019	2019 6/30/2018	2018 6/30/2017
Employer's proportion of the Net GLI OPEB Liability		0.24092%	0.24455%	0.24848%	0.25166%
Employer's proportionate share of the Net GLI OPEB Liability	\$ 2,804,962	\$ 4,081,139	\$ 4,043,431	\$ 3,822,000	\$ 3,776,000
Employer's covered payroll	\$ 49,741,151	\$ 48,710,165	\$ 47,852,850	\$ 46,284,675	\$ 44,698,860
Employer's proportionate share of the Net GLI OPEB Liability as a percentage of its covered payroll	5.64%	8.38%	8.45%	8.26%	8.45%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability	67.45%	52.64%	52.00%	51.22%	48.86%

**Note:**

Schedule is intended to show information for 10 years. Since 2022 is the fifth year for this presentation, only four additional years of data are available. However, additional years will be included as they become available.

See accompanying notes to required supplementary information.

See accompanying independent auditor's report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Required Supplementary Information**  
**Virginia Retirement System Group Life Insurance Program**  
**Schedule of Employer Contributions**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

<b>Year Ended</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution (Deficiency) Excess</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a % of Covered Payroll</b>
<b><i>County of Roanoke Employees:</i></b>					
June 30, 2022	\$ 274,492	\$ 274,492	\$ -	\$ 41,475,756	0.66 %
June 30, 2021	253,325	253,325	-	49,741,151	0.51
June 30, 2020	247,275	247,275	-	48,710,165	0.51
June 30, 2019	240,118	240,118	-	47,852,850	0.50
June 30, 2018	237,653	237,653	-	46,284,675	0.51
June 30, 2017	230,974	230,974	-	44,698,860	0.52
June 30, 2016	229,672	208,005	(21,667)	43,334,385	0.48
June 30, 2015	225,194	203,949	(21,245)	42,489,422	0.48
June 30, 2014	221,837	200,909	(20,928)	41,855,983	0.48
June 30, 2013	171,259	108,983	(62,276)	38,922,453	0.28
<b><i>School System Employees:</i></b>					
June 30, 2022	\$ 487,053	\$ 488,709	\$ 1,656	\$ 90,194,925	0.54 %
June 30, 2021	455,038	459,949	4,911	84,266,307	0.55
June 30, 2020	433,891	431,938	(1,953)	83,440,610	0.52
June 30, 2019	418,802	419,260	458	80,538,884	0.52
June 30, 2018	416,862	420,490	3,628	80,165,735	0.52
June 30, 2017	415,036	419,387	4,351	79,814,544	0.53
June 30, 2016	361,633	359,464	(2,169)	75,340,198	0.48
June 30, 2015	353,486	351,815	(1,671)	73,642,933	0.48
June 30, 2014	370,380	367,834	(2,546)	77,162,470	0.48
June 30, 2013	377,134	374,671	(2,463)	78,569,574	0.48

See accompanying notes to required supplementary information.

See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Required Supplemental Information**  
**Roanoke County Public Schools**  
**Schedule of Employer's Proportionate Share of Net OPEB Liability**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

Measurement Date:	2022	2021	2020	2019	2018
	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<b><u>VRS Health Insurance Credit Program - Teacher Plan</u></b>					
Employer's proportion of the Net GLI OPEB Liability		0.92647%	0.91684%	0.92539%	0.95240%
Employer's proportionate share of the Net GLI OPEB Liability	\$ 11,891,883	\$ 11,960,329	\$ 12,114,255	\$ 12,093,000	\$ 12,337,000
Employer's covered payroll	\$ 81,351,646	\$ 80,389,368	\$ 77,499,484	\$ 77,053,264	\$ 76,745,715
Employer's proportionate share of the Net GLI OPEB Liability as a percentage of its covered payroll		14.62%	14.88%	15.63%	15.69%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability		13.15%	9.95%	8.97%	8.08%
<b><u>VRS Group Life Insurance Program - Teacher Plan</u></b>					
Employer's proportion of the Net GLI OPEB Liability		0.39775%	0.38934%	0.39603%	0.40541%
Employer's proportionate share of the Net GLI OPEB Liability	\$ 4,630,890	\$ 6,497,448	\$ 6,444,462	\$ 6,157,000	\$ 6,279,000
Employer's covered payroll	\$ 81,351,646	\$ 80,389,368	\$ 77,499,484	\$ 77,053,264	\$ 76,745,715
Employer's proportionate share of the Net GLI OPEB Liability as a percentage of its covered payroll		5.69%	8.08%	8.32%	7.99%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability		52.64%	52.64%	52.00%	51.22%
<b><u>VRS Group Life Insurance Program - Non-Professional Plan</u></b>					
Employer's proportion of the Net GLI OPEB Liability		0.01422%	0.01471%	0.01544%	0.01657%
Employer's proportionate share of the Net GLI OPEB Liability	\$ 165,558	\$ 245,485	\$ 251,250	\$ 252,000	\$ 250,000
Employer's covered payroll	\$ 2,914,661	\$ 3,051,242	\$ 3,039,400	\$ 3,112,471	\$ 3,068,829
Employer's proportionate share of the Net GLI OPEB Liability as a percentage of its covered payroll		5.68%	8.05%	8.27%	8.10%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability		67.45%	52.64%	52.00%	51.22%
<b>Note:</b>					
Schedule is intended to show information for 10 years. Since 2022 is the fifth year for this presentation, only four additional years of data are available. However, additional years will be included as they become available.					

See accompanying notes to required supplementary information.

See accompanying independent auditor's report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Required Supplementary Information**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

**1. Budgetary Accounting and Control**

*Annual Budget Adoption* - Annual budgets are legally adopted for the General, Debt Service, and School Board Component Unit Operating Funds. The Debt Service Fund is budgeted for principal and interest payments to be paid. Capital Projects Fund is budgeted on a project basis. The County follows these procedures in establishing the budgetary data reflected in the required supplementary information. The Code of Virginia requires adoption of a balanced budget by June 30 of each year. The County Board of Supervisors formally adopted the fiscal year 2021-2022 budget appropriation on May 11, 2021.

*Budgetary Basis of Accounting* - The General and Debt Service Fund budgets are adopted on the modified accrual basis of accounting, a basis of accounting consistent with accounting principles generally accepted in the United States of America.

*Budgetary Process* - At least sixty days prior to June 30, the County Administrator submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain citizen comments. Prior to June 30, the budget is legally enacted through an ordinance passed by the County Board of Supervisors.

*Budgetary Controls* - Legal budgetary control is maintained at the fund level. However, for management purposes, the budget is segregated into three categories: personnel, operating, and capital expenditures by department. The Department Head may use discretion to transfer from one category to another as long as the departmental total does not change. County debt is segregated into a separate fund for budgetary purposes. The County Administrator may authorize or delegate the authorization of a transfer of any unencumbered balance or portion thereof from one department to another within a fund. All other transfers require approval of the Board of Supervisors.

Formal budgetary integration into the financial accounting system is employed as a management control device during the year for the governmental type funds. Management control is maintained at the category level (i.e. personnel, operating, capital) and supplemental appropriations during the year-end cannot exceed the undesignated fund balance. Actual expenditures and operating transfers out may not legally exceed budget appropriations at the fund level. Unspent appropriations lapse at year-end for legally adopted budgets. The Board of Supervisors must approve any budget amendments increasing or decreasing appropriations. Major amendments are budget amendments that exceed one percent of the original budget, which is \$2.3 million for fiscal year 2021-2022. These major amendments must go through the same public hearing requirements as the original budget.

**2. Other Postemployment Benefits Plan - VRS Health Insurance Credit (HIC) and Group Life Insurance (GLI) Programs**

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

*Changes of assumptions* – The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020 except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS board action are as follows:

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Required Supplementary Information**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

Mortality Rates .....Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020 (pre-retirement, post-retirement healthy, and disabled)  
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

**3. Other Postemployment Benefits Plan - Retiree Medical**

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

*Changes of assumptions* – The following changes in actuarial assumptions and methods were made effective for measurement date June 30, 2022:

Coverage Election.....No change  
Mortality Rates .....Updated from MP-2019 to MP-2021  
Retirement Rates .....Updated to follow the most recent tables provided in the VRS actuarial valuation as of June 30, 2021  
Termination Rates.....Updated to follow the most recent tables provided in the VRS actuarial valuation as of June 30, 2021  
Disability Rates .....Updated to follow the most recent tables provided in the VRS actuarial valuation as of June 30, 2021  
Salary Scale .....Updated to follow the most recent tables provided in the VRS actuarial valuation as of June 30, 2021  
Health care Trend Rate. Updated to an initial rate of 7.50% decreasing by 0.50% annually down to an ultimate rate of 4.50%

**4. Pension Plan – Virginia Retirement System**

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

*Changes of assumptions – General Employees* – The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on the VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates .....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

**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Required Supplementary Information**  
**For the Year Ended June 30, 2022**  
**(Unaudited)**

Withdrawal Rates .....Adjusted rates to better fit experience at each year age and service through 9 years of service  
Disability Rates .....No change  
Salary Scale .....No change  
Line of Duty Disability....No change  
Discount Rate.....No change

**Mortality rates – Non-Hazardous Duty:** 15% of deaths are assumed to be service related

Pre-Retirement.....Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years  
  
Post-Retirement .....Pub-2010 Amount Weighted General Employee Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year  
  
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

*Changes of assumptions – Public Safety Employees with Hazardous Duty Benefits* – The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on the VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates .....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 year age and service through 9 years of service  
Disability Rates .....No change  
Salary Scale .....No change  
Line of Duty Disability....No change  
Discount Rate.....No change

**Mortality rates – Hazardous Duty:** 45% 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

# SUPPLEMENTARY INFORMATION



## GOVERNMENTAL FUNDS

The **General Fund** is the general operating fund of the County which is used to account for all of the financial resources, except those required to be accounted for in another fund.

The **Debt Service Fund** is the fund used to account for the financial resources for, and the payment of, general long-term debt principal, interest, and related costs.

The **Capital Projects Fund** is the fund used to account for the financial resources to be used for the acquisition or construction of capital activities.



**COUNTY OF ROANOKE, VIRGINIA**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Year Ended June 30, 2022**

	Original Budget	Final Budget as Amended	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Locality Compensation Payment	\$ 124,438	\$ 124,438	\$ 124,438	\$ -
Interest Income	-	-	9	9
Miscellaneous	376,967	376,967	376,967	-
<b>Total Revenues</b>	<b>501,405</b>	<b>501,405</b>	<b>501,414</b>	<b>9</b>
<b>Expenditures</b>				
Principal Payments				
General Obligation Bonds				
Schools Virginia Public Schools Authority Bonds	8,552,438	8,552,438	8,552,438	-
<b>Total General Obligation Bonds</b>	<b>8,552,438</b>	<b>8,552,438</b>	<b>8,552,438</b>	<b>-</b>
Lease Revenue Bonds				
General Government				
Total Lease Revenue Bonds	3,630,000	3,630,000	3,630,000	-
Total Lease Revenue Bonds	3,630,000	3,630,000	3,630,000	-
<b>Total Principal Payments</b>	<b>12,182,438</b>	<b>12,182,438</b>	<b>12,182,438</b>	<b>-</b>
Interest Payments				
General Obligation Bonds				
Schools Virginia Public Schools Authority Bonds	3,226,864	3,226,864	3,226,863	1
<b>Total General Obligation Bonds</b>	<b>3,226,864</b>	<b>3,226,864</b>	<b>3,226,863</b>	<b>1</b>
Lease Revenue Bonds				
General Government				
Total Lease Revenue Bonds	3,092,588	3,092,588	3,092,588	-
Total Lease Revenue Bonds	3,092,588	3,092,588	3,092,588	-
<b>Total Interest Payments</b>	<b>6,319,452</b>	<b>6,319,452</b>	<b>6,319,451</b>	<b>1</b>
Miscellaneous Costs				
Total Expenditures	21,620	34,802	8,825	25,977
Total Expenditures	18,523,510	18,536,692	18,510,714	25,978
<b>Excess (deficit) of revenues over (under) expenditures</b>	<b>(18,022,105)</b>	<b>(18,035,287)</b>	<b>(18,009,300)</b>	<b>25,987</b>
Other financing sources (uses):				
Transfers				
Transfer from County General Fund	14,252,105	14,252,105	14,252,105	-
Transfer from School General Fund	4,125,345	4,125,345	4,125,345	-
Transfer (to) County Capital Fund	(180,000)	(180,000)	(180,000)	-
Transfer (to) School Capital Fund	-	(167,477)	(167,477)	-
<b>Total other financing sources, net</b>	<b>18,197,450</b>	<b>18,029,973</b>	<b>18,029,973</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>175,345</b>	<b>(5,314)</b>	<b>20,673</b>	<b>25,987</b>
<b>Fund balance at beginning of year</b>	<b>418,520</b>	<b>240,332</b>	<b>240,333</b>	<b>1</b>
<b>Fund balance at end of year</b>	<b>\$ 593,865</b>	<b>\$ 235,018</b>	<b>\$ 261,006</b>	<b>\$ 25,988</b>

See accompanying independent auditors' report

**COUNTY OF ROANOKE, VIRGINIA**  
**Budgetary Comparison Schedule**  
**Capital Projects Fund**  
**For the Year Ended June 30, 2022**

	Original Budget	Final Budget as Amended	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 129,582	\$ 129,582
Charges for services	- -	- -	27,426	27,426
Intergovernmental revenue	1,929,308	8,176,431	3,599,857	(4,576,574)
Miscellaneous	486,875	486,875	524,225	37,350
<b>Total revenues</b>	<b>2,416,183</b>	<b>8,663,306</b>	<b>4,281,090</b>	<b>(4,382,216)</b>
<b>EXPENDITURES</b>				
Interest and other charges	- -	27,490	27,490	- -
Capital outlay	6,976,907	67,944,245	27,287,865	40,656,380
<b>Total expenditures</b>	<b>6,976,907</b>	<b>67,971,735</b>	<b>27,315,355</b>	<b>40,656,380</b>
Excess (deficiency) of revenues over (under) expenditures	(4,560,724)	(59,308,429)	(23,034,265)	(36,274,164)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of bonds	- -	19,910,000	19,910,000	- -
Premium on bonds	- -	2,543,232	2,543,232	- -
Proceeds from sale of land, buildings, and equipment	- -	- -	130,978	130,978
Transfers in	5,433,702	16,733,282	16,733,282	- -
Transfers out	(2,643,159)	(3,977,592)	(3,977,592)	- -
<b>Total other financing sources, net</b>	<b>2,790,543</b>	<b>35,208,922</b>	<b>35,339,900</b>	<b>130,978</b>
Net change in fund balance	(1,770,181)	(24,099,507)	12,305,635	(36,405,142)
Fund balance at beginning of year	1,770,181	22,525,247	22,525,247	- -
Fund balance at end of year	<b>\$ -</b>	<b>\$ (1,574,260)</b>	<b>\$ 34,830,882</b>	<b>\$ (36,405,142)</b>

See accompanying independent auditors' report

**COUNTY OF ROANOKE, VIRGINIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2022**

Schedule 3

	<u>Final Budget as Amended</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
From local sources:			
General property taxes:			
Real property taxes	\$ 102,084,564	\$ 105,386,552	\$ 3,301,988
Real and personal public service			
corporation property taxes	3,710,928	3,858,489	147,561
Payments in lieu of taxes	180,000	210,171	30,171
Personal property taxes	21,270,143	24,558,464	3,288,321
Penalties and interest	529,072	1,070,271	541,199
Total general property taxes	<u>127,774,707</u>	<u>135,083,947</u>	<u>7,309,240</u>
Other local taxes:			
Local sales and use taxes	12,200,000	14,085,999	1,885,999
Business license taxes	6,364,000	7,755,534	1,391,534
Motor vehicle licenses	2,400,000	2,433,678	33,678
Bank franchise taxes	660,000	692,806	32,806
Taxes on recordation and wills	1,400,000	1,924,527	524,527
Utility license tax	725,000	454,795	(270,205)
Communications sales and use tax	2,900,000	2,810,863	(89,137)
Consumer utility tax	3,650,000	3,731,298	81,298
E911 tax	330,923	439,067	108,144
Hotel and motel tax	807,597	1,564,524	756,927
Tax on prepared food	4,270,750	5,151,823	881,073
Admissions tax	25,000	71,551	46,551
Cigarette tax	250,000	834,313	584,313
Total other local taxes	<u>35,983,270</u>	<u>41,950,778</u>	<u>5,967,508</u>
Permits, fees, and licenses:			
Animal licenses	42,500	45,016	2,516
Permits and other licenses	<u>757,500</u>	<u>970,308</u>	<u>212,808</u>
Total permits, fees, and licenses	<u>800,000</u>	<u>1,015,324</u>	<u>215,324</u>
Fines and forfeitures	353,500	527,158	173,658
Use of money and property	<u>312,572</u>	<u>264,184</u>	<u>(48,388)</u>
Charges for services:			
Refuse costs	17,200	12,054	(5,146)
Court costs	88,500	139,891	51,391
Charges for correction and detention	237,627	238,240	613
Charges for parks and recreation	4,764,474	4,445,034	(319,440)
Rescue fees	3,300,000	3,413,091	113,091
Other charges	920,042	811,877	(108,165)
Total charges for services	<u>9,327,843</u>	<u>9,060,187</u>	<u>(267,656)</u>
Miscellaneous:			
Reimbursements - shared programs	1,429,423	1,659,040	229,617
Miscellaneous	1,194,401	1,075,754	(118,647)
Legal services	11,250	13,517	2,267
Jail	370,300	291,993	(78,307)
Welfare department	86,074	62,571	(23,503)
Resource Authority	59,985	60,010	25
WVVA	217,883	216,371	(1,512)
WVRJA	172,415	177,146	4,731
Host locality fee	350,000	350,000	-
Total miscellaneous	<u>3,891,731</u>	<u>3,906,402</u>	<u>14,671</u>
Total revenue from local sources	<u>178,443,623</u>	<u>191,807,980</u>	<u>13,364,357</u>

(continued)

See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2022**

**Schedule 3**  
**(continued)**

	<u>Final Budget as Amended</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>From the Commonwealth:</b>			
Non-categorical aid:			
Motor vehicles carriers tax	\$ 18,000	\$ 19,802	\$ 1,802
Trailer tax	384,000	282,716	(101,284)
Personal property tax relief	12,229,857	12,229,857	-
Games of Skill tax	-	32,400	32,400
Total non-categorical aid	<u>12,631,857</u>	<u>12,564,775</u>	<u>(67,082)</u>
Categorical aid:			
Shared expenditures:			
Commonwealth's Attorney	802,811	821,784	18,973
Sheriff	3,505,425	3,557,753	52,328
Commissioner of the Revenue	262,687	271,221	8,534
Treasurer	225,112	269,966	44,854
Registrar/Electoral Board	47,700	88,787	41,087
Clerk of Court	623,009	618,129	(4,880)
Total shared expenditures	<u>5,466,744</u>	<u>5,627,640</u>	<u>160,896</u>
Other categorical aid:			
EMS	321,147	129,437	(191,710)
Recovered costs - welfare	4,448,865	3,675,570	(773,295)
Confiscated goods	28,751	28,751	-
VJCCA grant	288,365	198,549	(89,816)
Library	157,095	184,062	26,967
Comprehensive Services Act	3,900,933	4,928,942	1,028,009
Police department grant	2,045,027	1,995,219	(49,808)
Other state grants	2,590,113	259,274	(2,330,839)
Total other categorical aid	<u>13,780,296</u>	<u>11,399,804</u>	<u>(2,380,492)</u>
Total categorical aid	<u>19,247,040</u>	<u>17,027,444</u>	<u>(2,219,596)</u>
Total from the Commonwealth	<u>31,878,897</u>	<u>29,592,219</u>	<u>(2,286,678)</u>
From the Federal government:			
Categorical aid:			
Greenways	9,255,376	85,264	(9,170,112)
Welfare reimbursement	5,545,953	6,075,173	529,220
Other federal grants	26,697,608	3,691,012	(23,006,596)
Total categorical aid	<u>41,498,937</u>	<u>9,851,449</u>	<u>(31,647,488)</u>
Total from the Federal government	<u>41,498,937</u>	<u>9,851,449</u>	<u>(31,647,488)</u>
Total Intergovernmental revenues	73,377,834	39,443,668	(33,934,166)
Total revenues	<u>251,821,457</u>	<u>231,251,648</u>	<u>(20,569,809)</u>

(continued)

See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2022**

**Schedule 3**  
**(continued)**

	<u>Final Budget as Amended</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures:</b>			
General government administration:			
Legislative:			
Board of Supervisors	\$ 387,046	\$ 405,939	\$ (18,893)
General and financial administration:			
County Administrator	446,790	472,397	(25,607)
Community Relations	225,177	225,356	(179)
Internal Auditor	126,510	110,730	15,780
Human Resources	1,098,708	1,023,088	75,620
County Attorney	675,267	690,637	(15,370)
Commissioner of Revenue	970,751	941,045	29,706
Assessor	987,471	968,192	19,279
Treasurer	1,123,046	1,121,803	1,243
Assistant County Administrator -			
Management Services	241,188	234,260	6,928
Finance	1,813,874	1,764,920	48,954
Management and Budget	334,254	246,931	87,323
Procurement	534,230	539,808	(5,578)
Total general and financial administration	<u>8,577,266</u>	<u>8,339,167</u>	<u>238,099</u>
Electoral Board and officials	<u>544,148</u>	<u>682,688</u>	<u>(138,540)</u>
Total general government administration	<u>9,508,460</u>	<u>9,427,794</u>	<u>80,666</u>
<b>Judicial administration</b>			
Courts:			
Circuit Court	307,068	326,000	(18,932)
General District Court	103,440	65,950	37,490
Special magistrates	1,590	1,592	(2)
Juvenile and Domestic Relations Court	42,832	37,134	5,698
Clerk of the Circuit Court	1,255,918	1,194,218	61,700
Total courts	<u>1,710,848</u>	<u>1,624,894</u>	<u>85,954</u>
Commonwealth's Attorney	<u>1,623,520</u>	<u>1,676,821</u>	<u>(53,301)</u>
Total judicial administration	<u>3,334,368</u>	<u>3,301,715</u>	<u>32,653</u>
<b>Public safety:</b>			
Law enforcement and traffic control:			
Sheriff and Police	19,878,592	18,673,910	1,204,682
E911 maintenance	<u>3,339,378</u>	<u>3,309,327</u>	<u>30,051</u>
Total law enforcement and traffic control	<u>23,217,970</u>	<u>21,983,237</u>	<u>1,234,733</u>
<b>Fire and rescue services:</b>			
Fire and rescue services	<u>25,465,486</u>	<u>21,464,478</u>	<u>4,001,008</u>
Total fire and rescue services	<u>25,465,486</u>	<u>21,464,478</u>	<u>4,001,008</u>

(continued)

See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2022**

**Schedule 3**  
**(continued)**

	<u>Final Budget as Amended</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Correction and detention:</b>			
Confinement and care of prisoners	\$ 9,246,473	\$ 8,625,965	\$ 620,508
Court service unit	448,677	499,343	(50,666)
VJCCA grant	313,009	223,193	89,816
Total correction and detention	<u>10,008,159</u>	<u>9,348,501</u>	<u>659,658</u>
<b>Animal control</b>			
Total public safety	<u>826,745</u>	<u>835,582</u>	<u>(8,837)</u>
<u>59,518,360</u>	<u>53,631,798</u>	<u>5,886,562</u>	
<b>Public Works:</b>			
General services administration	8,489,687	1,228,496	7,261,191
Refuse disposal	5,448,849	5,641,777	(192,928)
Maintenance of general buildings and grounds	5,440,373	5,554,303	(113,930)
Engineering	4,528,082	2,218,791	2,309,291
Inspections	1,547,655	1,210,322	337,333
Total public works	<u>25,454,646</u>	<u>15,853,689</u>	<u>9,600,957</u>
<b>Health and welfare:</b>			
Public health	515,902	551,601	(35,699)
Social services administration	9,039,971	8,571,881	468,090
Comprehensive Services Act	7,900,007	9,512,855	(1,612,848)
Public assistance	4,918,666	4,540,089	378,577
Total health and welfare	<u>22,374,546</u>	<u>23,176,426</u>	<u>(801,880)</u>
<b>Parks, recreation and cultural:</b>			
Assistant County Administrator -			
Human Services	224,936	233,461	(8,525)
Parks and recreation	19,819,719	6,936,612	12,883,107
Library	5,594,574	5,116,325	478,249
Total parks, recreation and cultural	<u>25,639,229</u>	<u>12,286,398</u>	<u>13,352,831</u>

(continued)

See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2022**

**Schedule 3**  
**(continued)**

	<u>Final Budget as Amended</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Community development:</b>			
Planning and zoning	\$ 6,165,977	\$ 3,351,877	\$ 2,814,100
Cooperative extension program	87,097	62,979	24,118
Economic development	3,121,456	523,290	2,598,166
Public transportation	745,146	639,644	105,502
<b>Total community development</b>	<b><u>10,119,676</u></b>	<b><u>4,577,790</u></b>	<b><u>5,541,886</u></b>
<b>Nondepartmental:</b>			
Employee benefits	889,098	785,264	103,834
Dixie Caverns landfill cleanup	52,000	34,709	17,291
Miscellaneous	7,432,310	5,538,002	1,894,308
Tax relief for the elderly and handicapped	1,110,000	1,493,766	(383,766)
Refuse credit - Town of Vinton	110,000	110,000	-
Board contingency	552,597	-	552,597
<b>Total nondepartmental</b>	<b><u>10,146,005</u></b>	<b><u>7,961,741</u></b>	<b><u>2,184,264</u></b>
<b>Total expenditures</b>	<b><u>166,095,290</u></b>	<b><u>130,217,351</u></b>	<b><u>35,877,939</u></b>
<b>Excess of revenues over expenditures</b>	<b><u>85,726,167</u></b>	<b><u>101,034,297</u></b>	<b><u>15,308,130</u></b>
<b>Other financing uses:</b>			
Transfer to internal service fund	(1,158,528)	(1,158,528)	-
Transfer to debt service fund	(6,598,149)	(6,598,149)	-
Payment to school board	(77,917,798)	(77,917,798)	-
Transfer to capital projects fund	(12,575,690)	(12,575,690)	-
<b>Total other financing uses</b>	<b><u>(98,250,165)</u></b>	<b><u>(98,250,165)</u></b>	<b><u>-</u></b>
<b>Net change in fund balance</b>	<b><u>(12,523,998)</u></b>	<b><u>2,784,132</u></b>	<b><u>15,308,130</u></b>
<b>Fund balance at beginning of year</b>	<b><u>17,285,190</u></b>	<b><u>47,192,272</u></b>	<b><u>29,907,082</u></b>
<b>Fund balance at end of year</b>	<b><u>\$ 4,761,192</u></b>	<b><u>\$ 49,976,404</u></b>	<b><u>\$ 45,215,212</u></b>

See accompanying independent auditors' report.

## INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of services, provided by one department to other departments of the County, on a cost reimbursement basis.

The **Health Insurance Fund** is a self-insured fund used to account for health care costs and other postemployment benefits.

The **Dental Insurance Fund** is a fully insured fund used to account for dental care costs.

The **Risk Management Fund** is a self-insured fund used to account for workers' compensation costs for employees injured on the job.



**COUNTY OF ROANOKE, VIRGINIA**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2022**

	<b>Internal Service Funds</b>			<b>Total Internal Service Funds</b>
	<b>Health Insurance</b>	<b>Dental Insurance</b>	<b>Risk Management</b>	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,574,153	\$ 42,993	\$ 1,868,873	\$ 3,486,019
Investments	1,467,895	40,091	1,742,720	3,250,706
Accounts receivable	258,020	196	1,104	259,320
Total current assets	<u>3,300,068</u>	<u>83,280</u>	<u>3,612,697</u>	<u>6,996,045</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	742,292	-	68,185	810,477
Claims payable	816,072	-	787,240	1,603,312
Total current liabilities	<u>1,558,364</u>	<u>-</u>	<u>855,425</u>	<u>2,413,789</u>
Noncurrent liabilities:				
Claims payable	-	-	1,389,260	1,389,260
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1,389,260</u>	<u>1,389,260</u>
Total liabilities	<u>1,558,364</u>	<u>-</u>	<u>2,244,685</u>	<u>3,803,049</u>
<b>NET POSITION</b>				
Unrestricted	1,741,704	83,280	1,368,012	3,192,996
Total net position	<u>\$ 1,741,704</u>	<u>\$ 83,280</u>	<u>\$ 1,368,012</u>	<u>\$ 3,192,996</u>

See accompanying independent auditors' report.

**Schedule 5**

**COUNTY OF ROANOKE, VIRGINIA**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2022**

	<b>Internal Service Funds</b>			
	<b>Health Insurance</b>	<b>Dental Insurance</b>	<b>Risk Management</b>	<b>Total Internal Service Funds</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 10,663,377	\$ 773,148	\$ 1,604,003	\$ 13,040,528
Total operating revenues	<u>10,663,377</u>	<u>773,148</u>	<u>1,604,003</u>	<u>13,040,528</u>
<b>OPERATING EXPENSES</b>				
Purchased services	1,368,240	-	767,507	2,135,747
Claims	<u>11,233,532</u>	<u>790,012</u>	<u>810,657</u>	<u>12,834,201</u>
Total operating expenses	<u>12,601,772</u>	<u>790,012</u>	<u>1,578,164</u>	<u>14,969,948</u>
Operating income/(loss)	(1,938,395)	(16,864)	25,839	(1,929,420)
<b>NONOPERATING REVENUES</b>				
Investment income	-	107	9,341	9,448
Total nonoperating revenues	<u>-</u>	<u>107</u>	<u>9,341</u>	<u>9,448</u>
Net income/(loss) before transfers	<u>(1,938,395)</u>	<u>(16,757)</u>	<u>35,180</u>	<u>(1,919,972)</u>
<b>TRANSFERS</b>				
Transfers in	1,144,298	20,872	-	1,165,170
Transfers out	<u>(6,173)</u>	<u>(469)</u>	<u>-</u>	<u>(6,642)</u>
Net transfers	<u>1,138,125</u>	<u>20,403</u>	<u>-</u>	<u>1,158,528</u>
Change in net position	(800,270)	3,646	35,180	(761,444)
Total net position at beginning of year	2,541,974	79,634	1,332,832	3,954,440
Total net position at end of year	<u>\$ 1,741,704</u>	<u>\$ 83,280</u>	<u>\$ 1,368,012</u>	<u>\$ 3,192,996</u>

See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2022**

	<b>Internal Service Funds</b>			
	<b>Health Insurance</b>	<b>Dental Insurance</b>	<b>Risk Management</b>	<b>Total Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from interfund services provided	\$ 10,663,377	\$ 773,148	\$ 1,604,003	\$ 13,040,528
Payments to suppliers	(1,382,701)	-	(922,333)	(2,305,034)
Payments to employees	-	-	(2,755)	(2,755)
Claims paid	(11,186,752)	(790,012)	(764,457)	(12,741,221)
Other payments, net	(58,197)	924	5,937	(51,336)
Net cash used in operating activities	<u>(1,964,273)</u>	<u>(15,940)</u>	<u>(79,605)</u>	<u>(2,059,818)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in from other funds	1,144,298	20,872	-	1,165,170
Transfers to other funds	(6,173)	(469)	-	(6,642)
Net cash provided by noncapital financing activities	<u>1,138,125</u>	<u>20,403</u>	<u>-</u>	<u>1,158,528</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of pooled investments	(16,418)	(10,630)	(361,164)	(388,212)
Interest and dividends received	-	107	9,341	9,448
Net cash used in investing activities	<u>(16,418)</u>	<u>(10,523)</u>	<u>(351,823)</u>	<u>(378,764)</u>
Net decrease in cash and cash equivalents	(842,566)	(6,060)	(431,428)	(1,280,054)
Cash and cash equivalents at beginning of the year	2,416,719	49,053	2,300,301	4,766,073
Cash and cash equivalents at end of the year	<u>\$ 1,574,153</u>	<u>\$ 42,993</u>	<u>\$ 1,868,873</u>	<u>\$ 3,486,019</u>

**Reconciliation of operating income/(loss) to net cash used in operating activities:**

Operating income/(loss)	\$ (1,938,395)	\$ (16,864)	\$ 25,839	\$ (1,929,420)
<i>Adjustments to reconcile operating income/(loss) to net cash used in operating activities</i>				
Change in assets and liabilities:				
Accounts receivable	(58,197)	924	5,937	(51,336)
Accounts payable	(14,461)	-	(157,581)	(172,042)
Claims payable	46,780	-	46,200	92,980
Net cash used in operating activities	<u>\$ (1,964,273)</u>	<u>\$ (15,940)</u>	<u>\$ (79,605)</u>	<u>\$ (2,059,818)</u>

## CUSTODIAL FUNDS

The **Roanoke Valley Resource Authority Fund** reflects cash held by the County as fiscal agent for the Roanoke Valley Resource Authority.

The **Commonwealth Fund** reflects activity related to monies collected in the County for the Commonwealth of Virginia.

The **Special Welfare Fund** reflects the receipt and disbursement of monies maintained in individual custodial accounts for certain County welfare recipients.

The **Cable TV Fund** reflects cash held by the County as fiscal agent for the Cable TV Committee.

The **Roanoke Valley Greenway Commission Fund** reflects cash held by the County as fiscal agent for Roanoke Valley Greenway Commission.

The **Regional Fire Training Center Fund** reflects the receipts and disbursements to fund the operating costs of the Regional Fire Training Center.

The **Virginia Recreational Facilities Authority Fund** reflects cash held by the County as fiscal agent for the Virginia Recreation Facilities Authority.

The **Western Virginia Regional Jail Authority Fund** reflects cash held by the County as fiscal agent for the Western Virginia Regional Jail Authority.

The **Regional Center for Animal Care and Protection Fund** reflects cash held by the County as fiscal agent for the Regional Center for Animal Care and Protection.



**COUNTY OF ROANOKE, VIRGINIA**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2022**

	<b>Roanoke Valley Resource Authority</b>	<b>Common-wealth Fund</b>	<b>Special Welfare Fund</b>	<b>Cable TV</b>	<b>Roanoke Valley Greenway Commission</b>	<b>Regional Fire Training Center</b>	<b>Virginia Recreational Facilities Authority</b>	<b>Western Virginia Regional Jail Authority</b>	<b>Regional Center For Animal Care and Protection</b>	<b>Total</b>
<b>ASSETS</b>										
Cash and cash equivalents	\$ 11,010,275	\$ 33,769	\$ 57,913	\$ 835,343	\$ 96,969	\$ 5,945	\$ 15,379	\$ 17,444,085	\$ 760,174	\$ 30,259,852
Equity in investments	3,188,816	-	-	-	-	-	-	-	-	3,188,816
Accounts receivable	1,343,370	31	-	-	-	-	-	66,157	8,010	1,417,568
Interest receivable	2,440	-	-	144	17	-	3	2,947	131	5,682
Due from other governments	-	-	-	-	-	-	-	1,792,762	-	1,792,762
Prepaid items	994	-	-	-	-	1,870	-	-	386	3,250
Inventory	338,153	-	-	-	-	-	95,971	45,389	479,513	
<b>Total assets</b>	<b>\$ 15,884,048</b>	<b>\$ 33,800</b>	<b>\$ 57,913</b>	<b>\$ 835,487</b>	<b>\$ 96,986</b>	<b>\$ 7,815</b>	<b>\$ 15,382</b>	<b>\$ 19,401,922</b>	<b>\$ 814,090</b>	<b>\$ 37,147,443</b>
<b>LIABILITIES</b>										
Accounts payable	\$ 568,049	\$ 20,533	\$ -	\$ 304	\$ -	\$ 2,568	\$ -	\$ 890	\$ 25,082	\$ 617,426
Accrued payroll	308,477	-	-	33,471	4,571	-	-	1,582,471	27,293	1,956,283
Due to other governments	385,416	-	-	-	-	-	-	-	-	385,416
<b>Total liabilities</b>	<b>\$ 1,261,942</b>	<b>\$ 20,533</b>	<b>\$ -</b>	<b>\$ 33,775</b>	<b>\$ 4,571</b>	<b>\$ 2,568</b>	<b>\$ -</b>	<b>\$ 1,583,361</b>	<b>\$ 52,375</b>	<b>\$ 2,959,125</b>
<b>NET POSITION</b>										
Restricted for: Individuals, organizations, and other governments	\$ 14,622,106	\$ 13,267	\$ 57,913	\$ 801,712	\$ 92,415	\$ 5,247	\$ 15,382	\$ 17,818,561	\$ 761,715	\$ 34,188,318

See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2022**

	<b>Roanoke Valley Resource Authority</b>	<b>Common- wealth Fund</b>	<b>Special Welfare Fund</b>	<b>Cable TV</b>	<b>Roanoke Valley Greenway Commission</b>	<b>Regional Fire Training Center</b>	<b>Virginia Recreational Facilities Authority</b>	<b>Western Virginia Regional Jail Authority</b>	<b>Regional Center For Animal Care and Protection</b>	<b>Total</b>
<b>ADDITIONS</b>										
Custodial fund additions	\$ 80,489,440	\$ 8,391,350	\$ 117,182	\$ 620,540	\$ 137,074	\$ 142,677	\$ 17,293	\$ 58,447,164	\$ 6,302,169	\$ 154,664,889
Total additions	<u>80,489,440</u>	<u>8,391,350</u>	<u>117,182</u>	<u>620,540</u>	<u>137,074</u>	<u>142,677</u>	<u>17,293</u>	<u>58,447,164</u>	<u>6,302,169</u>	<u>154,664,889</u>
<b>DEDUCTIONS</b>										
Custodial fund payments and withdrawals	76,057,992	8,391,350	103,389	682,861	134,475	136,229	14,552	59,281,337	6,200,320	151,002,505
Total deductions	<u>76,057,992</u>	<u>8,391,350</u>	<u>103,389</u>	<u>682,861</u>	<u>134,475</u>	<u>136,229</u>	<u>14,552</u>	<u>59,281,337</u>	<u>6,200,320</u>	<u>151,002,505</u>
Change in fiduciary net position	4,431,448	-	13,793	(62,321)	2,599	6,448	2,741	(834,173)	101,849	3,662,384
Total net position - beginning	10,190,658	13,267	44,120	864,033	89,816	(1,201)	12,641	18,652,734	659,866	30,525,934
Total net position - ending	<u>\$ 14,622,106</u>	<u>\$ 13,267</u>	<u>\$ 57,913</u>	<u>\$ 801,712</u>	<u>\$ 92,415</u>	<u>\$ 5,247</u>	<u>\$ 15,382</u>	<u>\$ 17,818,561</u>	<u>\$ 761,715</u>	<u>\$ 34,188,318</u>

See accompanying independent auditors' report.



## Component Units

Component units are organizations for which the primary government is financially accountable. The component units represent the financial data for the Roanoke County Public School System, the Economic Development Authority of Roanoke County, Virginia, and the South Peak Community Development Authority.



**COUNTY OF ROANOKE, VIRGINIA**  
**Component Unit**  
**Roanoke County Public Schools**  
**Statement of Net Position**  
**June 30, 2022**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 27,407,012
Investments	14,443,594
Accounts receivable	323,529
Due from other governments	6,763,152
Inventory	642,422
Prepaid and other assets	186,362
Net asset from pension	4,570,307
<i>Capital assets:</i>	
Land and construction in progress	10,290,164
Other capital assets, net	<u>68,412,454</u>
Capital assets, net	<u>78,702,618</u>
Total assets	<u>133,038,996</u>
<b>Deferred outflows of resources</b>	
Pension	28,177,784
Other postemployment benefit provided by Virginia Retirement System	3,106,920
Other postemployment benefit provided by Roanoke County Public Schools	<u>613,411</u>
Total deferred outflows of resources	<u>31,898,115</u>
<b>Liabilities</b>	
Accounts payable	1,485,309
Accrued liabilities	7,250,849
Unearned revenues	865,695
<i>Long-term liabilities due or payable within one year:</i>	
Lease obligations	2,940,560
Compensated absences	842,403
Claims payable	1,693,991
<i>Long-term liabilities due or payable after one year:</i>	
Lease obligations	3,592,799
Compensated absences	1,789,048
Claims payable	582,247
Net liability from pension	72,585,738
Net liability from other postemployment benefit provided by Virginia Retirement System	17,318,454
Net liability from other postemployment benefit provided by Roanoke County Public Schools	<u>5,163,187</u>
Total liabilities	<u>116,110,280</u>
<b>Deferred inflows of resources</b>	
Pension	58,772,293
Other postemployment benefit provided by Virginia Retirement System	2,909,566
Other postemployment benefit provided by Roanoke County Public Schools	<u>6,811,814</u>
Total deferred inflows of resources	<u>68,493,673</u>
<b>Net Position</b>	
Restricted for net asset from pension	4,570,307
Restricted for net investment in capital assets	72,169,259
Unrestricted deficit	<u>(96,406,408)</u>
Total net position	<u>\$ (19,666,842)</u>

See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Component Unit**  
**Roanoke County Public Schools**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position	
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	
			Grants and Contributions	Grants and Contributions		
Instruction	\$ 127,824,355	\$ 1,349,147	\$ 41,794,784	\$ 3,982,522	\$ (80,697,902)	
<i>Support services:</i>						
Administration	4,168,670	-	-	-	(4,168,670)	
Attendance and health	2,940,430	-	-	-	(2,940,430)	
Transportation	7,316,722	19,274	-	-	(7,297,448)	
Operations and maintenance	14,772,931	53,848	-	20,264,369	5,545,286	
Technology	12,705,957	-	-	-	(12,705,957)	
Nutrition	6,143,408	137,750	8,622,600	-	2,616,942	
Student activities	3,703,055	7,367	-	-	(3,695,688)	
Interest	1,158,958	-	-	-	(1,158,958)	
Payment for future capital	2,600,000	-	-	-	(2,600,000)	
Total governmental activities	<u>\$ 183,334,486</u>	<u>\$ 1,567,386</u>	<u>\$ 50,417,384</u>	<u>\$ 24,246,891</u>	<u>(107,102,825)</u>	
<i>General revenues:</i>						
Roanoke County					73,700,490	
Non-categorical State aid					60,663,011	
Gain on sale of assets					205,835	
Miscellaneous					4,124,966	
Total general revenues					<u>138,694,302</u>	
Change in net position					31,591,477	
Total net position, beginning					<u>(51,258,319)</u>	
Total net position, ending					<u>\$ (19,666,842)</u>	

See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Component Unit**  
**Roanoke County Public Schools**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

	<b>General</b>	<b>Grant</b>	<b>Nutrition</b>	<b>Student Activity</b>	<b>Capital Projects</b>	<b>Total</b>
						<b>Governmental Funds</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 4,141,072	\$ -	\$ 3,791,107	\$ 2,537,901	\$ 7,556,965	\$ 18,027,045
Investments	3,861,541	-	3,535,199	-	7,046,854	14,443,594
Accounts receivable	52,825	700	1,266	-	-	54,791
Due from other governments	3,598,404	3,035,171	45,348	-	-	6,678,923
Due from other fund	1,995,048	-	-	20,226	-	2,015,274
Inventory	314,424	-	327,998	-	-	642,422
Prepaid and other assets	-	186,362	-	-	-	186,362
<b>Total assets</b>	<b><u>\$ 13,963,314</u></b>	<b><u>\$ 3,222,233</u></b>	<b><u>\$ 7,700,918</u></b>	<b><u>\$ 2,558,127</u></b>	<b><u>\$ 14,603,819</u></b>	<b><u>\$ 42,048,411</u></b>
<b>Liabilities</b>						
Accounts payable	\$ 242,981	\$ 24,603	\$ 42,706	\$ -	\$ 1,146,898	\$ 1,457,188
Accrued liabilities	6,553,597	534,839	162,102	-	311	7,250,849
Unearned revenues	-	679,219	172,026	-	-	851,245
Due to other fund	10,217	1,983,572	-	21,485	-	2,015,274
<b>Total liabilities</b>	<b><u>6,806,795</u></b>	<b><u>3,222,233</u></b>	<b><u>376,834</u></b>	<b><u>21,485</u></b>	<b><u>1,147,209</u></b>	<b><u>11,574,556</u></b>
<b>Deferred inflows of resources</b>						
Unavailable revenue	1,643,597	-	-	-	-	1,643,597
<b>Total deferred inflows of resources</b>	<b><u>1,643,597</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,643,597</u></b>
<b>Fund balances</b>						
<i>Nonspendable:</i>						
Inventory	314,424	-	327,998	-	-	642,422
Prepaid expenses	-	186,362	-	-	-	186,362
<i>Restricted for:</i>						
Grants	-	(186,362)	-	-	-	(186,362)
<i>Committed to:</i>						
Emergency contingency	2,000,000	-	-	-	-	2,000,000
Instruction	51,297	-	-	-	-	51,297
Transportation	557,534	-	-	-	-	557,534
Operations and maintenance	34,943	-	-	-	-	34,943
Technology	900,313	-	-	-	-	900,313
Capital Outlay	1,654,411	-	-	-	13,456,610	15,111,021
<i>Assigned to:</i>						
Nutrition	-	-	6,996,086	-	-	6,996,086
Student activities	-	-	-	2,536,642	-	2,536,642
<b>Total fund balances</b>	<b><u>5,512,922</u></b>	<b><u>-</u></b>	<b><u>7,324,084</u></b>	<b><u>2,536,642</u></b>	<b><u>13,456,610</u></b>	<b><u>28,830,258</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>						
	<b><u>\$ 13,963,314</u></b>	<b><u>\$ 3,222,233</u></b>	<b><u>\$ 7,700,918</u></b>	<b><u>\$ 2,558,127</u></b>	<b><u>\$ 14,603,819</u></b>	<b><u>\$ 42,048,411</u></b>

**COUNTY OF ROANOKE, VIRGINIA**  
**Component Unit**  
**Roanoke County Public Schools**  
**Reconciliation of the Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2022**

Total fund balances - total governmental funds \$ 28,830,258

*Amounts reported for governmental activities in the Statement of Net Position are different because:*

Internal service funds are used to charge the cost of health, dental, and workers' compensation insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. 7,414,125

Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds. 78,702,618

Revenues earned but not considered available are not current financial resources and, therefore, are not reported in the governmental funds. 1,643,597

Long-term assets or liabilities are not due and payable in the current period and, therefore, are not reported as assets or liabilities in the governmental funds:

Net asset from pension	4,570,307
Lease obligations	(6,533,359)
Compensated absences	(2,631,451)
Net liability from pension	(72,585,738)
Net liability from other postemployment benefit provided by Virginia Retirement System	(17,318,454)
Net liability from other postemployment benefit provided by Roanoke County Public Schools	(5,163,187)

Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the governmental funds:

<i>Deferred outflows of resources:</i>	
Pension	28,177,784
Other postemployment benefit provided by Virginia Retirement System	3,106,920
Other postemployment benefit provided by Roanoke County Public Schools	613,411

<i>Deferred inflows of resources:</i>	
Pension	(58,772,293)
Other postemployment benefit provided by Virginia Retirement System	(2,909,566)
Other postemployment benefit provided by Roanoke County Public Schools	(6,811,814)

Net position of governmental activities	<u>\$ (19,666,842)</u>
---	------------------------

See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Component Unit**  
**Roanoke County Public Schools**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2022**

	<b>General</b>	<b>Grant</b>	<b>Nutrition</b>	<b>Student Activity</b>	<b>Capital Projects</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>						
<i>Intergovernmental:</i>						
Roanoke County	\$ 73,700,490	\$ -	\$ -	\$ -	\$ 1,610,528	\$ 75,311,018
Commonwealth of Virginia	88,068,836	1,815,777	128,833	-	248,439	90,261,885
Federal government	1,409,915	12,855,960	8,838,119	-	-	23,103,994
Charges for services	93,514	35,049	137,750	597,409	-	863,722
Investment income	19,919	-	9,506	-	-	29,425
Miscellaneous	349,284	24,363	32,150	3,690,396	-	4,096,193
<b>Total revenues</b>	<b>163,641,958</b>	<b>14,731,149</b>	<b>9,146,358</b>	<b>4,287,805</b>	<b>1,858,967</b>	<b>193,666,237</b>
<b>Expenditures</b>						
<i>Current:</i>						
Instruction	118,255,384	12,463,480	-	712,014	11,433	131,442,311
Administration	4,181,426	1,292	-	-	-	4,182,718
Attendance and health	2,743,085	353,408	-	-	-	3,096,493
Transportation	7,233,493	199,312	-	-	-	7,432,805
Operations and maintenance	13,996,782	352,088	-	-	1,395,884	15,744,754
Technology	11,901,601	1,123,721	19,972	6,926	322,639	13,374,859
Nutrition	35,065	24,115	6,193,144	-	-	6,252,324
Student activities	-	-	-	3,590,688	-	3,590,688
<i>Debt service:</i>						
Principal	2,995,234	-	-	-	-	2,995,234
Interest	1,130,111	-	-	-	-	1,130,111
Payment for future capital	2,600,000	-	-	-	-	2,600,000
Capital outlay	96,534	-	-	20,453	3,186,000	3,302,987
<b>Total expenditures</b>	<b>165,168,715</b>	<b>14,517,416</b>	<b>6,213,116</b>	<b>4,330,081</b>	<b>4,915,956</b>	<b>195,145,284</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,526,757)</b>	<b>213,733</b>	<b>2,933,242</b>	<b>(42,276)</b>	<b>(3,056,989)</b>	<b>(1,479,047)</b>
<b>Other financing sources (uses)</b>						
Proceeds from sale of property	189,782	-	265	-	15,788	205,835
Transfers in	1,068,491	4,888	-	1,183,411	5,679,903	7,936,693
Transfers out	(6,617,001)	(218,621)	(52,867)	(1,027,514)	(20,690)	(7,936,693)
<b>Total other financing sources (uses), net</b>	<b>(5,358,728)</b>	<b>(213,733)</b>	<b>(52,602)</b>	<b>155,897</b>	<b>5,675,001</b>	<b>205,835</b>
<b>Net change in fund balances</b>	<b>(6,885,485)</b>	<b>-</b>	<b>2,880,640</b>	<b>113,621</b>	<b>2,618,012</b>	<b>(1,273,212)</b>
<b>Total fund balances, beginning</b>	<b>12,398,407</b>	<b>-</b>	<b>4,443,444</b>	<b>2,423,021</b>	<b>10,838,598</b>	<b>30,103,470</b>
<b>Total fund balances, ending</b>	<b>\$ 5,512,922</b>	<b>\$ -</b>	<b>\$ 7,324,084</b>	<b>\$ 2,536,642</b>	<b>\$ 13,456,610</b>	<b>\$ 28,830,258</b>

See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Component Unit**  
**Roanoke County Public Schools**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2022**

Net change in fund balances - total governmental funds \$ (1,273,212)

*Amounts reported for governmental activities in the Statement of Activities are different because:*

Internal service funds are used to charge the costs of health, dental, and workers' compensation insurance to individual funds. The change in net position of internal service funds is reported with governmental activities.

(1,051,501)

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate the cost of those assets over the life of the assets.

Beginning balance of right to use leased equipment, net of amortization expense	7,432,605
Capital outlay and right to use leased equipment	4,705,249
Capital donated by County and Parent Organizations	20,264,369
Depreciation and amortization expense	(7,948,526)
Loss on disposal of assets	(142,846)

Revenues earned but not considered available in the Statement of Activities are not reported as revenues in governmental funds. This is the amount by which the current year amount exceeds the prior year available resources.

774,215

Expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Lease obligations	(6,533,359)
Compensated absences	89,199

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Deferred outflows of resources	(6,670,799)
Cost of benefits earned net of employee contributions	20,194,534

Governmental funds report other postemployment benefit provided by Virginia Retirement System contributions as expenditures. However, in the Statement of Activities, the cost of other postemployment benefit provided by Virginia Retirement System benefits earned net of employee contributions is reported as pension expense.

Deferred outflows of resources	108,063
Cost of benefits earned net of employee contributions	334,539

Governmental funds report other postemployment benefit provided by Roanoke County Public Schools contributions as expenditures. However, in the Statement of Activities, the cost of other postemployment benefit provided by Roanoke County Public Schools benefits earned net of employee contributions is reported as pension expense.

Deferred outflows of resources	(104,170)
Cost of benefits earned net of employee contributions	1,413,117

Change in net position of governmental activities	<u><u>\$ 31,591,477</u></u>
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See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Component Unit**  
**Economic Development Authority of Roanoke County, Virginia**  
**Balance Sheet**  
**Governmental Fund**  
**June 30, 2022**

**Assets**

Cash and cash equivalents	\$ 523,068
Restricted Cash	15,000
Accounts receivable	58,450
Interest receivable	93
Land held for resale	<u>4,817,324</u>
 Total assets	 <u>\$ 5,413,935</u>

**Liabilities and Fund Balances**

## Liabilities:

Deferred revenues	\$ 15,000
Total liabilities	<u>15,000</u>

## Fund balances:

Unassigned	5,398,935
Total fund balances	<u>5,398,935</u>

Total liabilities and fund balances	<u>\$ 5,413,935</u>
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See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Component Unit**  
**Economic Development Authority of Roanoke County, Virginia**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Fund**  
**For the Year Ended June 30, 2022**

**REVENUES**

Bondholders' assessments	\$ 66,641
Roanoke County contributions:	
Old Cave Spring Road	655,000
Roland E Cook Project	20,981
Waukeshaw/William Byrd	48,590
Mack Truck	111,836
Other projects	4,860
Town of Vinton contributions:	
Roland E. Cook Project	1,348
Waukeshaw/William Byrd	3,120
Vindos LLC-Macados	50,000
Vinyard Station	50,000
Investment income	1,400
Total revenues	<u>1,013,776</u>

**EXPENDITURES**

Professional fees	7,630
Miscellaneous	1,741
Project disbursements:	
Roland E Cook Project	22,329
Waukeshaw/William Byrd	51,710
Vindos LLC-Macados	50,000
Vinyard Station	50,000
Vinton Façade	14,955
Mack Truck	811,836
Other Projects	386,875
Total operating expenditures	<u>1,397,076</u>
Excess of expenditures over revenues	<u>(383,300)</u>
Net change in fund balance	(383,300)
Fund balance at beginning of year	<u>5,782,235</u>
Fund balance at end of year	<u>\$ 5,398,935</u>

See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Component Unit**  
**Economic Development Authority of Roanoke County, Virginia**  
**Schedule of Revenue Bonds and Notes Outstanding**  
**For the Year Ended June 30, 2022**

<b>Bondholders/Noteholders</b>	<b>Date Issued</b>	<b>Original Issue</b>	<b>Balance June 30, 2022</b>	<b>Type of Project</b>
Richfield Retirement Community	01/01/19	\$ 93,520,000	\$ 93,520,000	Richfield Residential Care Facility
		<b><u>\$ 93,520,000</u></b>	<b><u>\$ 93,520,000</u></b>	

See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Component Unit**  
**South Peak Community Development Authority**  
**Statement of Net Position**  
**June 30, 2022**

**ASSETS**

## Current assets:

Due from Primary Government	\$ 779,686
Total current assets	<u>779,686</u>
Noncurrent assets:	
Capital assets	5,330,063
Total noncurrent assets	<u>5,330,063</u>
Total assets	<u>6,109,749</u>

**LIABILITIES**

## Current liabilities:

Accrued interest payable	86,489
Current portion of long-term debt	310,000
Total current liabilities	<u>396,489</u>
Noncurrent liabilities:	
Bonds payable	5,421,000
Total noncurrent liabilities	<u>5,421,000</u>
Total liabilities	<u>5,817,489</u>

**NET POSITION**

Net investment in capital assets	(400,937)
Unrestricted	693,197
Total net position	<u>\$ 292,260</u>

See accompanying independent auditors' report.

**COUNTY OF ROANOKE, VIRGINIA**  
**Component Unit**  
**South Peak Community Development Authority**  
**Statement of Revenues, Expenses, and Changes in Net (Deficit) Position**  
**For the Year Ended June 30, 2022**

**OPERATING REVENUES**

Incremental tax revenues	\$ 632,280
Special assessment revenues	7,690
Total operating revenues	<u>639,970</u>

**OPERATING EXPENSES**

Administrative fees	11,988
Insurance expenses	1,459
Accounting and audit fees	4,500
Total operating expenses	<u>17,947</u>

Operating income 622,023

**NON-OPERATING EXPENSE**

Note Interest Expense	266,218
Total Non-Operating Expenses	<u>266,218</u>

Change in net position 355,805

Total net (deficit) position at beginning of year  
 Total net position at end of year (63,545) \$ 292,260

See accompanying independent auditors' report.

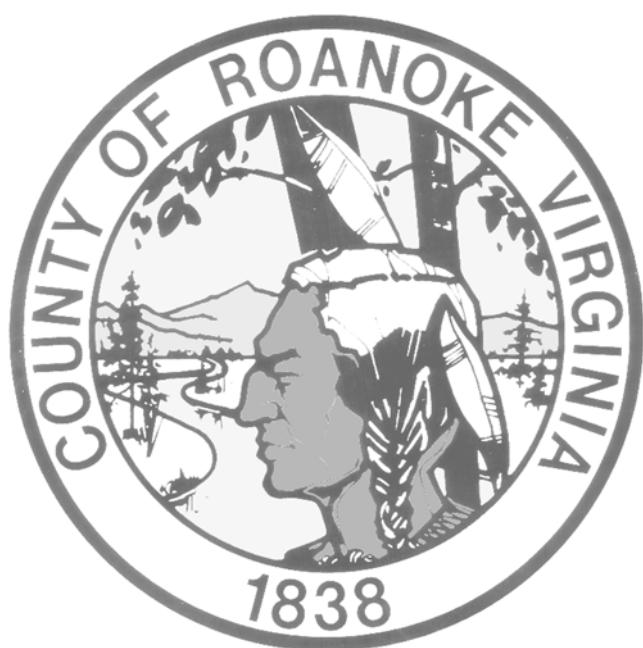
**COUNTY OF ROANOKE, VIRGINIA**  
**Component Unit**  
**South Peak Community Development Authority**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	\$ _____ -
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	_____ -
Net increase in cash and cash equivalents	- -
Cash and cash equivalents at beginning of year	- -
Cash and cash equivalents at end of year	\$ - -

**Reconciliation of operating income to net cash used in operating activities:**

Operating income	\$ 622,023
Adjustments to reconcile operating income to net cash used in operating activities:	
Change in assets and liabilities:	
Decrease in accrued revenues	(58,591)
Increase in accounts payable	(400)
Accrued revenues used for debt service	(563,032)
Net cash used in operating activities	\$ - -

See accompanying independent auditors' report.



# STATISTICAL SECTION

## Statistical Section (Unaudited)

This part of the County Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

### Contents

#### Financial Trends

	<u>Page</u>
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	180

#### Revenue Capacity Information

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	185
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#### Debt Capacity Information

These schedules contain information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	189
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#### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	192
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#### Operating Information

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	194
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**COUNTY OF ROANOKE, VIRGINIA**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(unaudited)**  
**(accrual basis of accounting)**

	<b>Fiscal Year</b>									
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 76,338,759	\$ 93,376,262	\$ 90,616,318	\$ 94,294,227	\$ 108,276,652	\$ 111,249,469	\$ 117,285,621	\$ 130,671,059	\$ 127,038,171	\$ 125,321,272
Restricted	4,880,666	3,428,187	3,568,610	3,396,762	4,018,119	3,558,562	5,228,778	6,302,613	7,106,651	9,514,571
Unrestricted	(13,168,607)	(17,525,145)	(25,633,275)	(23,228,047)	(30,574,414)	(11,844,228)	(1,370,979)	(4,712,743)	36,965,323	35,148,307
Total governmental activities net position	<u>\$ 68,050,818</u>	<u>\$ 79,279,304</u>	<u>\$ 68,551,653</u>	<u>\$ 74,462,942</u>	<u>\$ 81,720,357</u>	<u>\$ 102,963,803</u>	<u>\$ 121,143,420</u>	<u>\$ 132,260,929</u>	<u>\$ 171,110,145</u>	<u>\$ 169,984,150</u>

<sup>①</sup> Fiscal year 2017 net position was restated in fiscal year 2018 due to the implementation of GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."

<sup>②</sup> Fiscal year 2014 net position was restated in fiscal year 2015 due to the implementation of GASB Statement 68, "Accounting and Financial Reporting for Pensions" and GASB Statement 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date."

Table 2

**COUNTY OF ROANOKE, VIRGINIA**  
**Changes in Net Position, Last Ten Fiscal Years**  
**(unaudited)**  
**(accrual basis of accounting)**

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Governmental activities:</b>										
<b>Expenses</b>										
General government	\$ 22,638,931	\$ 20,559,622	\$ 14,959,070	\$ 16,846,002	\$ 16,027,976	\$ 14,712,459	\$ 12,313,823	\$ 12,397,721	\$ 16,914,828	\$ 12,834,641
Judicial administration	3,368,032	3,337,128	3,287,260	3,330,368	3,009,591	3,044,106	2,956,266	2,749,238	2,700,700	2,679,794
Public safety	55,285,436	55,886,260	58,816,946	48,393,359	50,771,951	48,191,825	48,014,484	48,719,989	47,455,056	44,950,933
Public works	17,611,763	19,878,694	18,565,362	19,401,962	16,438,048	17,411,621	20,913,459	18,065,834	15,520,933	14,996,985
Library	5,946,524	5,900,826	6,030,245	5,894,548	5,871,360	6,803,503	5,296,128	4,757,017	5,211,675	3,779,294
Health and welfare	23,620,592	24,320,257	21,564,398	19,288,522	19,625,816	19,624,895	19,481,808	15,240,781	15,716,422	15,369,139
Parks, recreation, and culture	8,566,756	9,799,032	9,863,100	10,318,020	9,533,021	8,487,614	9,673,809	9,782,293	6,640,738	9,320,763
Community development	5,672,342	5,504,813	3,653,856	2,436,934	8,378,672	3,796,642	3,030,851	2,793,445	3,011,776	2,368,102
Education	102,899,875	80,416,431	81,396,425	88,884,391	80,977,546	83,509,170	85,645,780	77,890,528	75,386,420	74,001,766
Interest and other charges	6,384,734	6,559,521	7,925,589	8,497,775	8,314,005	8,594,638	6,325,692	7,787,622	7,243,036	8,189,147
Total governmental activities' expenses	251,994,985	232,162,584	226,062,251	223,291,881	218,947,986	214,176,473	213,652,100	200,184,468	195,801,584	188,490,564
<b>Program Revenues</b>										
Charges for services:										
General government	1,574,899	1,280,835	1,400,415	1,437,214	1,136,666	844,265	675,994	569,654	439,139	491,777
Judicial administration	1,065,252	935,752	813,853	987,506	957,315	884,334	1,058,476	1,110,870	1,131,167	1,374,270
Public safety	4,327,104	4,348,734	4,245,721	4,528,571	4,449,517	4,862,372	4,321,703	5,066,198	4,729,349	4,517,466
Public works	362,564	365,251	368,915	368,628	367,506	367,076	328,883	316,412	325,220	315,511
Library	108,959	99,642	268,317	356,175	366,911	383,560	53,919	59,325	74,108	61,909
Health and welfare	1,158,972	1,190,877	1,010,080	953,319	1,601,167	673,735	854,523	717,266	801,325	746,537
Parks, recreation, and culture	4,445,034	2,654,275	4,245,587	4,782,249	4,778,218	4,915,280	4,942,739	4,976,079	4,730,172	4,731,114
Community development	745,828	698,617	597,158	754,811	445,432	468,198	474,818	509,108	454,035	468,892
Operating grants and contributions	35,351,978	48,846,350	31,976,337	29,868,781	30,095,411	27,434,634	27,784,548	27,090,413	30,515,001	24,218,404
Total governmental activities' revenues	49,140,590	60,420,333	44,926,383	44,037,254	44,198,143	40,833,454	40,495,603	40,415,325	43,199,516	36,925,880
<b>Net (Expense)/Revenue</b>	<b>(202,854,395)</b>	<b>(171,742,251)</b>	<b>(181,135,868)</b>	<b>(179,254,627)</b>	<b>(174,749,843)</b>	<b>(173,343,019)</b>	<b>(173,156,497)</b>	<b>(159,769,143)</b>	<b>(152,602,068)</b>	<b>(151,564,684)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Taxes										
Real estate and personal property	134,297,583	129,304,393	122,406,123	119,113,019	115,215,532	113,049,822	110,987,417	108,825,422	106,338,649	105,819,996
Local share of sales tax	14,032,192	13,052,496	12,151,618	11,011,106	10,273,373	10,708,955	10,060,910	9,900,197	9,869,029	9,410,322
Other local taxes	28,560,613	25,873,347	26,101,384	26,730,261	25,942,685	25,689,973	25,144,513	24,461,049	24,450,249	23,444,438
Non-categorical state aid	12,229,857	12,229,857	12,229,856	12,229,857	12,229,857	12,229,857	12,229,857	12,229,857	12,229,857	12,229,857
Gain on sale of capital assets	130,978	203,351	227,275	253,267	219,762	792,488	1,618,880	123,232	90,862	160,337
Investment earnings	1,387,867	1,258,439	1,417,470	1,832,127	1,189,032	1,121,537	1,664,589	1,582,887	1,355,822	1,547,328
Miscellaneous	986,819	548,019	690,853	827,575	280,514	194,716	332,822	79,381	115,337	208,168
<b>Total general revenues</b>	<b>191,625,909</b>	<b>182,469,902</b>	<b>175,224,579</b>	<b>171,997,212</b>	<b>165,350,755</b>	<b>163,787,348</b>	<b>162,038,988</b>	<b>157,202,025</b>	<b>154,449,805</b>	<b>152,820,446</b>
<b>and other changes in net position</b>	<b>\$ (11,228,486)</b>	<b>\$ 10,727,651</b>	<b>\$ (5,911,289)</b>	<b>\$ (7,257,415)</b>	<b>\$ (9,399,088)</b>	<b>\$ (9,555,671)</b>	<b>\$ (11,117,509)</b>	<b>\$ (2,567,118)</b>	<b>\$ 1,847,737</b>	<b>\$ 1,255,762</b>
<b>Change in Net Position</b>										

Table 3

**COUNTY OF ROANOKE, VIRGINIA**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(unaudited)**  
**(modified accrual basis of accounting)**

	<b>Fiscal Year</b>									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>General Fund:</b>										
Nonspendable	\$ 821,059	\$ 247,591	\$ 346,501	\$ 224,057	\$ 400,304	\$ 182,259	\$ 283,984	\$ 189,474	\$ 239,384	\$ 217,648
Restricted	4,100,980	2,707,492	2,787,514	2,581,342	3,205,947	2,773,044	4,521,364	5,907,985	6,961,640	9,514,571
Committed	20,013,423	19,835,293	8,705,280	7,299,040	6,583,134	7,976,704	8,818,598	10,876,727	12,243,948	10,646,747
Assigned	916,278	530,893	418,302	926,701	1,084,220	1,046,647	1,108,425	1,801,280	1,951,749	2,065,969
Unassigned	24,124,664	23,871,003	23,871,002	24,436,942	23,160,761	23,720,456	22,950,883	22,224,946	21,799,195	21,266,557
Total General Fund	\$ 49,976,404	\$ 47,192,272	\$ 36,128,599	\$ 35,468,082	\$ 34,434,366	\$ 35,699,110	\$ 37,683,254	\$ 41,000,412	\$ 43,195,916	\$ 43,711,492
<b>All Other Governmental Funds:</b>										
Nonspendable	\$ 26,417	\$ 200,549	\$ 31,255	\$ 181,422	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,000
Restricted	11,268,181	961,904	2,124,871	22,929,713	1,633,267	1,223,632	1,399,111	3,855,709	6,972,721	583,510
Committed	24,576,976	22,323,822	26,612,563	18,852,346	24,933,361	22,388,838	20,997,219	30,762,309	27,589,865	22,571,058
Total All Other Governmental Funds	\$ 35,871,574	\$ 23,486,275	\$ 28,768,689	\$ 41,963,481	\$ 26,566,628	\$ 23,612,470	\$ 22,396,330	\$ 34,618,018	\$ 34,562,586	\$ 23,190,568
Total fund balances - all governmental funds	\$ 85,847,978	\$ 70,678,547	\$ 64,897,288	\$ 77,431,563	\$ 61,000,994	\$ 59,311,580	\$ 60,079,584	\$ 75,618,430	\$ 77,758,502	\$ 66,902,060

**COUNTY OF ROANOKE, VIRGINIA**  
**Changes in Fund Balances**  
**Governmental Funds**  
**(unaudited)**  
**Last Ten Fiscal Years**

Table 4

	<b>Fiscal Year</b>									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>REVENUES</b>										
General property taxes	\$ 135,367,854	\$ 130,328,554	\$ 123,050,946	\$ 119,943,294	\$ 115,981,678	\$ 113,850,872	\$ 111,878,323	\$ 109,715,187	\$ 107,236,063	\$ 106,612,790
Other local taxes	42,306,841	38,340,138	37,692,790	37,204,213	35,815,717	35,978,018	34,806,191	34,248,528	33,777,424	32,867,664
Permits, fees, and licenses	1,015,324	935,262	837,800	1,005,537	722,265	710,051	796,474	743,224	713,047	706,560
Fines and forfeitures	527,158	407,824	364,007	512,634	478,764	452,348	497,757	549,582	567,686	803,636
Use of money and property	393,775	272,778	782,131	1,044,290	544,563	388,978	836,201	726,956	714,616	801,931
Charges for services	9,087,613	7,883,603	9,247,355	9,384,384	9,584,739	9,282,927	8,566,239	9,173,010	8,836,231	8,260,131
Intergovernmental revenue	47,168,870	60,234,083	43,420,108	42,062,047	42,103,481	39,900,415	40,121,358	39,375,596	42,167,620	36,630,966
Locality compensation payments	124,438	125,371	124,444	124,894	125,284	124,301	124,624	124,568	124,459	124,251
Miscellaneous	4,807,594	4,166,721	4,345,834	4,571,191	4,052,530	3,229,658	3,391,456	2,904,696	3,555,382	3,099,981
Total revenues	240,799,467	242,694,334	219,865,415	215,852,484	209,409,021	203,917,568	201,018,623	197,561,347	197,692,528	189,907,910
<b>EXPENDITURES</b>										
General government	17,389,535	20,685,109	14,631,086	15,644,724	14,401,607	13,564,460	12,405,928	12,680,566	11,377,635	11,951,092
Judicial administration	3,301,715	3,127,573	2,982,275	2,888,851	2,906,165	2,809,515	2,786,803	2,675,518	2,714,526	2,559,664
Public safety	53,631,798	49,983,802	49,882,643	46,470,016	47,266,283	44,876,375	43,753,458	44,001,157	44,006,263	43,147,408
Public works	15,853,689	17,716,616	14,991,285	15,188,632	14,104,319	14,622,163	16,639,108	16,526,594	14,058,502	13,420,416
Library	5,116,325	4,833,407	4,839,143	5,040,832	4,802,369	4,887,940	4,216,532	3,826,494	3,752,433	3,402,388
Health and welfare	23,176,426	23,282,780	20,500,549	19,114,976	18,913,665	18,244,195	18,623,203	17,272,394	15,352,905	14,979,463
Parks, recreation, and culture	7,170,073	8,303,893	7,654,122	7,767,986	7,492,934	7,484,888	8,070,880	8,151,576	8,161,222	7,564,437
Community development	4,595,737	4,930,055	2,381,491	2,667,160	4,691,220	2,373,565	2,146,072	2,142,359	2,033,821	2,091,085
Education	70,263,842	69,147,126	70,320,166	68,662,247	67,580,428	67,666,376	66,637,354	65,947,374	67,132,105	64,332,561
Debt service:										
Principal	12,460,438	13,213,398	13,086,287	12,151,043	12,161,384	11,906,869	13,104,653	11,389,614	10,593,023	13,129,978
Interest and other charges	6,808,275	7,501,067	8,165,298	6,983,180	7,574,249	7,736,239	7,891,500	8,090,015	8,168,073	8,952,723
Capital outlay	27,287,865	13,395,301	32,341,885	25,338,792	12,226,887	8,698,654	21,503,018	30,473,036	8,568,487	11,867,812
Total expenditures	247,055,718	236,120,127	241,776,230	227,918,439	214,121,510	204,871,239	217,778,509	223,176,697	195,918,995	197,399,027
(Deficiency) excess of revenues over/(under) expenditures	(6,256,251)	6,574,207	(21,910,815)	(12,065,955)	(4,712,489)	(953,671)	(16,759,886)	(25,615,350)	1,773,533	(7,491,117)

(continued)

Table 4  
(continued)

**COUNTY OF ROANOKE, VIRGINIA**  
**Changes in Fund Balances**  
**Governmental Funds**  
**(unaudited)**  
**Last Ten Fiscal Years**

	<b>Fiscal Year</b>									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of bonds	\$ 19,910,000	\$ -	\$ 9,025,000	\$ 27,875,000	\$ 6,440,000	\$ -	\$ 44,175,000	\$ 17,835,000	\$ 32,898,586	\$ -
Premium on bonds	2,543,232	-	1,245,358	2,201,943	857,521	-	2,331,690	2,204,864	1,888,404	-
Refunded escrow agent payment	-	-	-	-	-	-	(46,237,048)	-	(26,219,862)	-
Debt issuance costs	-	-	-	-	-	-	-	-	(227,809)	-
Proceeds from sale of land, machinery and equipment	130,978	203,351	227,275	253,267	219,762	792,488	1,618,880	123,232	90,862	160,337
Transfers in	30,995,401	26,703,254	21,268,022	20,665,441	23,080,070	22,345,552	24,408,165	21,161,659	24,684,884	22,493,225
Transfers out	(32,153,929)	(27,699,553)	(22,389,115)	(22,499,127)	(24,195,450)	(22,952,373)	(25,075,647)	(21,070,157)	(24,032,156)	(20,637,420)
Total other financing sources, net	21,425,682	(792,948)	9,376,540	28,496,524	6,401,903	185,667	1,221,040	20,254,598	9,082,909	2,016,142
Net change in fund balances	<u>\$ 15,169,431</u>	<u>\$ 5,781,259</u>	<u>\$ (12,534,275)</u>	<u>\$ 16,430,569</u>	<u>\$ 1,689,414</u>	<u>\$ (768,004)</u>	<u>\$ (15,538,846)</u>	<u>\$ (5,360,752)</u>	<u>\$ 10,856,442</u>	<u>\$ (5,474,975)</u>
Debt service as a percentage of noncapital expenditures	7.8%	9.4%	9.9%	9.6%	9.8%	10.2%	9.9%	11.7%	11.8%	11.7%

**COUNTY OF ROANOKE, VIRGINIA**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**(Unaudited)**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Public Service Corporation</b>	<b>Total Taxable Assessed Value</b>	<b>Real Property Total Direct Tax Rate</b>	<b>Personal Property Tax Rate</b>		<b>Estimated Actual Taxable Value</b>
						<b>Tangible</b>	<b>Machinery &amp; Tools</b>	
2022	\$ 9,970,489,000	\$ 1,434,678,329	\$ 352,643,100	\$ 11,757,810,429	\$1.09	\$3.50	\$2.85	\$ 12,780,228,727
2021	9,321,504,400	1,085,989,709	340,427,300	10,747,921,409	1.09	3.50	2.85	11,942,134,899
2020	8,993,754,200	998,431,217	329,478,800	10,321,664,217	1.09	3.50	2.85	11,219,200,236
2019	8,719,015,700	991,949,413	305,072,700	10,016,037,813	1.09	3.50	2.85	10,655,359,376
2018	8,448,729,500	927,786,840	293,523,830	9,670,040,170	1.09	3.50	2.90	10,397,892,656
2017	8,254,177,800	916,529,122	275,690,440	9,446,397,362	1.09	3.50	2.95	10,049,358,896
2016	8,098,986,500	899,232,061	277,724,570	9,275,943,131	1.09	3.50	3.00	9,868,024,607
2015	7,972,937,500	889,550,760	267,613,790	9,130,102,050	1.09	3.50	3.00	9,316,430,663
2014	7,850,267,000	855,450,240	257,490,630	8,963,207,870	1.09	3.50	3.00	9,146,130,480
2013	7,798,171,500	835,361,990	247,863,410	8,881,396,900	1.09	3.50	3.00	9,251,455,104

**Source:** Roanoke County Real Estate Land Books

**Note:** Property in Roanoke County is assessed annually and is assessed at approximately 88% of actual value for fiscal year 2022 and at approximately 94.3% for fiscal years 2013-2021. Estimated actual taxable value is calculated by dividing taxable assessed value by those percentages. Tax rates are per \$100 of assessed value. Personal Property Tax Rates = \$3.50 for Personal Property; \$2.85 for Machinery and Tools. Real Estate Tax Rate = \$1.09

**COUNTY OF ROANOKE, VIRGINIA**  
**Direct and Overlapping Property Tax Rates**  
**(Unaudited)**  
**Last Ten Fiscal Years**

Table 6

Fiscal Year	Direct Rates					Overlapping Rates		
	County of Roanoke					Town of Vinton		
	Real Property		Total	Personal Property		Real Property	Personal Property	
	First Half	Second Half		Tangible	Machinery & Tools		Tangible	Machinery & Tools
2022	\$0.545	\$0.545	\$1.09	\$3.50	\$2.85	\$0.07	\$1.00	\$1.00
2021	0.545	0.545	1.09	3.50	2.85	0.07	1.00	1.00
2020	0.545	0.545	1.09	3.50	2.85	0.07	1.00	1.00
2019	0.545	0.545	1.09	3.50	2.85	0.07	1.00	1.00
2018	0.545	0.545	1.09	3.50	2.85	0.07	1.00	1.00
2017	0.545	0.545	1.09	3.50	2.90	0.07	1.00	1.00
2016	0.545	0.545	1.09	3.50	2.95	0.07	1.00	1.00
2015	0.545	0.545	1.09	3.50	3.00	0.07	1.00	1.00
2014	0.545	0.545	1.09	3.50	3.00	0.03	1.00	1.00
2013	0.545	0.545	1.09	3.50	3.00	0.03	1.00	1.00

**Source:** Roanoke County Real Estate Land Books

**Notes:**

All tax rates per \$100 of assessed value.

The County's tax rates are determined each year by the Roanoke County Board of Supervisors.

Overlapping rates are those of the Town of Vinton, which is located in the County of Roanoke. Only those residents living in Vinton are subject to the Town of Vinton's tax, in addition to the County of Roanoke's tax.

Table 7

**COUNTY OF ROANOKE, VIRGINIA**  
**Principal Property Tax Payers**  
**(unaudited)**  
**Fiscal Years 2022 and 2013**

Taxpayer	2022			2013		
	Taxable Assessed Value (Millions)	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value (Millions)	Rank	Percentage of Total County Taxable Assessed Value
Appalachian Power Company	\$ 203	1	1.73 %	\$ 136	1	1.53 %
Kroger Limited Partnership	42	2	0.36	20	6	0.23
Roanoke Owner 1 LLC (Formerly Pebble Creek, LLC)	38	3	0.32	-	-	-
Roanoke Gas Company	36	4	0.31	19	8	0.21
Cellco Partnership dba Verizon Wireless	30	5	0.26	22	5	0.25
Edward Rose Development Company LLC	30	6	0.26	-	-	-
Walmart Real Estate Business Trust	27	7	0.23	29	3	0.33
Tanglewood Venture LLC (Formerly Roanoke Tanglewood LLC)	23	8	0.20	27	4	0.30
Norfolk and Western Railway Company	23	9	0.20	18	9	0.20
Mikeone EK Roanoke LLC	22	10	0.19	-	-	-
Verizon Virginia, Inc.	-	-	-	31	2	0.35
Integrity Windows, Inc.	-	-	-	19	7	0.21
Wells Fargo Operations Center	-	-	-	17	10	0.19
<b>Total</b>	<b>\$ 474</b>		<b>4.06 %</b>	<b>\$ 338</b>		<b>3.80 %</b>

**Source:** County Real Estate Assessment Department

**COUNTY OF ROANOKE, VIRGINIA**  
**Property Tax Levies and Collections**  
**(Unaudited)**  
**Last Ten Fiscal Years**

Table 8

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>			<b>Collections In Subsequent Years</b>		<b>Total Collections to Date</b>		
		<b>Amount</b>	<b>Percentage of Levy</b>	<b>%</b>	<b>\$</b>	<b>-</b>	<b>Amount</b>	<b>Percentage of Levy</b>	<b>%</b>
2022	\$ 145,560,336	\$ 139,498,315	95.84	%	\$ -		\$ 139,498,315	95.84	%
2021	140,632,799	134,677,508	95.77		5,246,671		139,924,179	99.50	
2020	136,412,657	129,752,896	95.12		5,501,106		135,254,002	99.15	
2019	131,728,504	126,869,715	96.31		4,858,789		131,728,504	100.00	
2018	127,309,673	123,195,790	96.77		4,113,883		127,309,673	100.00	
2017	125,133,385	120,899,417	96.62		4,233,968		125,133,385	100.00	
2016	123,023,949	118,615,971	96.42		4,071,205		122,687,176	99.73	
2015	120,224,376	116,398,283	96.82		3,051,736		119,450,019	99.36	
2014	118,192,461	113,964,831	96.42		3,132,117		117,096,948	99.07	
2013	118,489,124	113,917,134	96.14		3,779,178		117,696,312	99.33	

**Source:** Roanoke County Commissioner of Revenue and Treasurer's Department

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

Table 9

Fiscal Year	Governmental Activities						Total Primary Government	Component Unit		Percentage of Assessed Value of Taxable Property		Percentage Of Personal Income	Per Capita Personal Income
	General Obligation Debt	Lease Revenue Bonds	VPSA School Bonds	State Literary Bonds	Capital Leases	Bond Premiums		School Board Capital Lease	Capital Lease	①	②		
2022	\$ -	\$ 73,900,000	\$ 85,873,052	\$ -	\$ 12,384,805	\$ 172,157,857	\$ -			1.46 %	2.61 %	\$ 1,783	
2021	-	77,530,000	74,515,490	-	-	10,777,149	162,822,639	-		1.51	2.47	1,680	
2020	948,122	81,000,000	83,061,766	-	-	11,716,653	176,726,541	-		1.71	2.68	1,884	
2019	1,866,987	75,035,000	91,947,188	-	-	11,356,388	180,205,563	-		1.80	2.82	1,924	
2018	2,765,175	77,970,000	72,194,043	-	-	9,929,441	162,858,659	-		1.68	2.60	1,737	
2017	3,640,935	74,535,000	80,301,667	-	-	9,832,624	168,310,226	-		1.78	2.82	1,792	
2016	4,497,704	77,275,000	88,460,767	-	-	10,564,744	180,798,215	484,939		1.95	3.13	1,933	
2015	5,332,236	74,886,582	97,117,015	1,825,775	741,516	9,256,934	189,160,058	937,225		2.08	3.30	2,032	
2014	6,150,390	76,993,268	87,191,051	2,273,592	849,437	7,636,915	181,094,653	1,358,518		2.04	3.36	1,968	
2013	6,440,000	71,048,816	95,104,061	2,721,409	952,889	6,223,963	182,491,138	1,750,401		2.07	3.57	1,976	

① Assessed Property Value from Table 5 Assessed Value and Estimated Actual Value of Taxable Property.

② Population, per capita personal income and personal income from Table 12 Demographic Statistics.

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

Table 10

Fiscal Year	General Bonded Debt Outstanding - Governmental Activities ①						Percentage of Actual Value of Taxable Property ②	Per Capita Personal Income ③
	General Obligation Debt	Lease Revenue Bonds	VPSA School Bonds	State Literary Bonds	Bond Premiums	Total		
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
2014	6,150,390	76,993,268	87,191,051	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	6,223,963	181,538,249	2.04	1,947

① Details regarding the County's outstanding debt can be found in the notes to the financial statements. All debt listed above is to be repaid with general government resources.

② Assessed Property Value from Table 5 Assessed Value and Estimated Actual Value of Taxable Property.

③ Population and per capita personal income from Table 12 Demographic Statistics.

Table 11

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

	<b>Fiscal Year</b>									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>General bonded debt outstanding ①</b>										
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	80,301,667	88,460,767	97,117,015	87,191,051	95,104,061
State Literary Bonds	-	-	-	-	-	-	-	-	1,825,775	2,273,952
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	<u>\$172,157,857</u>	<u>\$162,822,639</u>	<u>\$ 176,726,541</u>	<u>\$180,205,563</u>	<u>\$162,858,659</u>	<u>\$168,310,226</u>	<u>\$180,798,215</u>	<u>\$188,418,542</u>	<u>\$180,245,576</u>	<u>\$181,538,249</u>
<b>Ratio of net debt to assessed taxable property value ②</b>										
Actual	1.46%	1.51%	1.71%	1.80%	1.68%	1.78%	1.95%	2.06%	2.01%	2.04%
Debt limit per policy	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
<b>Ratio of net debt per capita ③</b>										
Actual	\$ 1,783	\$ 1,680	\$ 1,884	\$ 1,924	\$ 1,737	\$ 1,792	\$ 1,928	\$ 2,014	\$ 1,944	\$ 1,947
Debt limit per policy	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
<b>Ratio of net debt to general fund governmental expenditures ④</b>										
Actual	5.60%	6.35%	6.76%	6.26%	6.57%	6.78%	7.57%	7.14%	7.20%	8.51%
Debt limit per policy	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

① Details regarding the County's outstanding debt can be found in the notes to the financial statements.

② Assessed Property Value from Table 5 Assessed Value and Estimated Actual Value of Taxable Property.

③ Population and per capita personal income from Table 12 Demographic Statistics.

④ General governmental expenditures include the Governmental Fund expenditures, the School Board component unit expenditures, and County and School transfer to Capital Projects and Proprietary funds.

**Note:**

The County does not have any Constitutional or Statutory Debt Limits.

**COUNTY OF ROANOKE, VIRGINIA**  
**Demographic Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Table 12

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>		<b>Per Capita Personal Income</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
		<b>(1)</b>	<b>(thousands of dollars)</b>			
2022	96,546	\$	6,588,916	\$ 54,977	13,236	2.60 %
2021	96,929		6,588,916	54,977	13,184	3.60
2020	93,805		6,588,916	54,977	13,576	6.80
2019	93,672		6,391,212	53,489	13,671	2.70
2018	93,735		6,254,966	52,248	13,779	3.10
2017	93,924		5,962,802	49,860	13,830	3.60
2016	93,775		5,785,780	48,384	13,982	3.50
2015	93,569		5,758,037	48,047	13,909	4.50
2014	92,703		5,435,865	45,577	13,929	5.20
2013	93,256		5,159,100	42,288	13,958	5.50

**Sources:**

- ① Weldon Cooper Center for Public Service, Demographics Research Group, [www.coopercenter.org/demographics](http://www.coopercenter.org/demographics)
- ② Personal Income & Per Capita Personal Income from the Bureau of Economic Analysis. Latest information available is for 2020. The figures for 2021 and 2022 have not been updated.
- ③ Roanoke County Public School's Administration Department
- ④ Virginia Employment Commission and the U.S. Bureau of Labor Statistics

**COUNTY OF ROANOKE, VIRGINIA**  
**Principal Employers**  
(b unaudited)  
**Fiscal Years 2022 and 2013**

**Table 13**

<b>Employer</b>	<b>2022</b>			<b>2013</b>		
	<b>Rank</b>	<b>Ownership</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Ownership</b>	<b>Number of Employees</b>
Roanoke County Schools	1	Local Govt.	2,000+	1	Local Govt.	1,000+
Wells Fargo Operations Center	2	Private	2,000+	3	Private	1,000+
County of Roanoke	3	Local Govt.	1,000+	4	Local Govt.	1,000+
Kroger	4	Private	500-999	8	Private	500-999
Friendship Retirement Community	5	Private	500-999	6	Private	500-999
Richfield Recovery & Care Center	6	Private	500-999	7	Private	500-999
Elbit Systems Ltd.	7	Private	500-999	-	-	-
Marvin Windows and Doors	8	Private	500-999	-	-	-
Allstate Insurance Company	9	Private	500-999	5	Private	500-999
Walmart	10	Private	250-499	9	Private	250-499
ITT Exelis	-	-	-	2	Private	1,000+
Berkshire Health Care Center	-	-	-	10	Private	250-499

**Source:** Roanoke County Economic Development Department

Table 14

**COUNTY OF ROANOKE, VIRGINIA**  
**Full-time Equivalent County Government Employees by Function/Program**  
**(unaudited)**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2022</b>	<b>2021*</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>General government</b>										
Legislative	6	6	6	6.5	6.5	6	7	7	7	7
General and financial administration	71	71	71	70.5	70.5	72	69	70	69	71
Other	63	63	63	63	62	61	61	61	57	53
<b>Judicial administration</b>										
Courts	16	16	16	16	16	16	16	16	16	16
Commonwealth attorney	15	15	14	14	14	14	14	14	14	14
<b>Public safety</b>										
Sheriff	89	87	87	87	87	86	86	85	84	84
Police	156	156	156	156	156	156	154	154	154	154
Emergency Communication Center	42	42	42	42	42	42	42	42	44	44
Fire & rescue	203	203	188	177	168	164	164	159	153	153
<b>Public works</b>										
General services administration	4	4	3	3	3	3	3	3	3	3
Refuse disposal	34	34	34	34	34	34	34	34	34	34
Maintenance of general buildings and grounds	19	19	19	19	19	19	18	18	21	21
Garage	13	13	12	12	12	12	11	11	11	11
Engineering and inspections	34	34	31	32	33	33	32	32	32	32
<b>Library</b>	43	43	43	43	43	43	42	39	41	40
<b>Health and welfare</b>	118	115	113	107	103	103	101	99	98	98
<b>Parks, recreation, and culture</b>	72	72	74	75	69	69	69	69	69	67
<b>Community development</b>	19	19	21	19	19	19	19	19	19	23
<b>Total</b>	<b>1017</b>	<b>1012</b>	<b>993</b>	<b>976</b>	<b>957</b>	<b>952</b>	<b>942</b>	<b>932</b>	<b>926</b>	<b>925</b>

**Source:** Roanoke County Budget Division

\* As Amended

Table 15

**COUNTY OF ROANOKE, VIRGINIA**  
**Operating Indicators by Function/Program**  
**(Unaudited)**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>General government</b>										
Number of sales	1,640	1,617	1,443	1,388	1,183	1,114	1,029	938	953	748
Median assessment/sales ratio	90.60%	92.70%	94.10%	94.10%	91.86%	92.23%	92.73%	92.87%	94.00%	98.00%
Coefficient of dispersion	7.26%	6.48%	5.67%	5.64%	7.20%	6.82%	6.62%	6.44%	7.18%	7.37%
<b>Judicial administration</b>										
Circuit Court civil cases concluded*	766	641	2,710	2,943	2,286	722	836	883	998	1,121
General District Court concluded	23,569	21,315	25,846	25,233	21,032	22,025	23,045	24,118	26,029	27,238
Juvenile and Domestic cases concluded	4,895	4,531	5,390	4,400	4,533	4,902	5,313	5,038	4,940	5,487
<b>Public safety</b>										
Physical arrests	3,261	3,995	4,376	4,736	3,818	3,710	3,633	3,403	3,611	4,676
Calls for service police	88,153	91,800	83,363	81,500	74,200	76,100	79,600	79,200	75,500	71,600
Calls for service fire	17,472	15,131	15,047	15,923	16,060	15,502	15,177	14,770	13,857	14,164
Fire inspections	1,853	1,875	1,432	1,516	1,137	1,194	1,109	1,218	1,158	1,293
<b>Public works</b>										
New business licenses	569	486	446	572	834	465	475	690	785	741
New prospect inquires Economic Development	61	62	45	43	44	77	56	54	40	40
Waste tonnage to RVRA	39,936	42,606	42,524	41,503	39,268	37,970	39,070	40,070	40,003	42,922
<b>Library</b>										
Patrons registered	89,337	95,124	93,387	90,082	90,917	84,374	75,067	76,847	70,670	65,069
Total circulation	812,902	497,948	740,205	968,246	1,088,190	1,250,670	1,349,997	1,352,031	1,330,625	1,298,834
<b>Health and welfare</b>										
Individuals enrolled in Medicaid**	28,826	18,488	17,560	15,231	14,783	14,699	14,167	12,795	11,158	12,453
Households receiving Supplemental Nutrition Assistance	3,873	3,327	2,957	2,892	3,113	3,199	3,503	3,736	4,087	4,001
Number of children in foster care	130	168	107	105	89	92	98	165	144	132
<b>Community development</b>										
Building permits issued	1,085	1,119	1,002	1,138	1,111	1,075	1,011	1,110	1,097	1,067

\*In 2018, the Virginia Court System reclassified many miscellaneous cases as civil cases. In 2021, this reclassification was reversed.

\*\*Fiscal Year 2022 increase due to public health crisis and favorable changes in Medicaid eligibility requirements.

**Source:** Various County departments

**County of Roanoke**  
**Capital Asset Statistics by Function/Program**  
**(unaudited)**  
**Last Ten Fiscal Years**

**Table 16**

<u>Function/Program</u>	<b>Fiscal Year</b>									
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>General Government</b>										
Administration Buildings	8	8	8	8	8	8	8	9	9	9
<b>Judicial Administration</b>										
Courthouses	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
Fire Stations	11	11	12	12	12	12	12	12	12	12
Rescue Stations	13	13	13	13	11	11	11	11	11	11
Fire Units	28	27	27	28	28	28	28	27	28	27
Ambulances	20	21	21	21	20	24	24	24	24	24
Jails	1	1	1	1	1	1	1	1	1	1
Law Enforcement Vehicles	156	155	159	158	156	153	145	145	143	137
<b>Public Works</b>										
Refuse Collection Trucks	23	20	23	26	28	26	25	24	23	23
<b>Libraries</b>	6	6	6	6	6	6	6	6	6	6
<b>Parks, Recreation, and Tourism</b>										
Parks	38	38	36	31	31	31	30	30	30	29
Park Acreage	2,679	2,662	2,346	2,090	2,090	2,090	2,160	2,160	2,160	1,092
Recreation Centers	2	2	2	3	3	3	3	3	3	3
Park District Maintenance Centers	4	4	3	3	3	3	3	3	3	3
<b>Education</b>										
Elementary Schools	16	16	16	16	16	16	16	16	16	16
Middle/Junior High Schools	5	5	5	5	5	5	5	5	5	5
High Schools	5	5	5	5	5	5	5	5	5	5
Vocational-Technical Schools	1	1	1	1	1	1	1	1	1	1

**Source:** Various County departments



# COMPLIANCE SECTION

**COUNTY OF ROANOKE, VIRGINIA**  
**Schedule of Expenditures of Federal Awards**  
**Fiscal Year Ended June 30, 2022**

<b>Federal Grantor/Pass-Through Entity/Program Title</b>	<b>Assistance Listing Number</b>	<b>Cluster Name</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Expenditures</b>	<b>Total Cluster</b>	<b>Total Program</b>	<b>Passed Through to Subrecipients</b>
<b>Department of Agriculture</b>							
Passed Through the Commonwealth of Virginia:							
<u>Department of Agriculture and Consumer Services</u>							
<i>Non-Cash Assistance:</i> National School Lunch Program - Commodities	10.555 <sup>1</sup>	Child Nutrition Cluster		\$ 477,607			
Pandemic EBT Administrative Costs	10.649			3,063			
<u>Department of Education</u>							
School Breakfast Program	10.553	Child Nutrition Cluster		1,755,637			
National School Lunch Program	10.555 <sup>1</sup>	Child Nutrition Cluster		7,003,653			
Summer Food Service Program for Children	10.559	Child Nutrition Cluster		75,766			
<u>Department of Social Services</u>							
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	SNAP Cluster		1,504,462			
<u>Forest Service</u>							
Schools and Roads - Grants to States	10.665			3,316			
Total for Child Nutrition Cluster (10.553, 10.555, 10.559)				\$ 9,312,663			
Total for SNAP Cluster (10.561)				1,504,462			
1 - Total for National School Lunch Program (10.555)						\$ 7,481,260	
<b>Department of Justice</b>							
Direct Awards:							
Coronavirus Emergency Supplemental Funding Program	16.034		2020-VD-BX-0280	8,704			
Bulletproof Vest Partnership Program	16.607			16,362			
Edward Byrne Memorial Justice Assistance Grant Program	16.738 <sup>2</sup>		2020-DJ-BX-0193	2,584			
STOP School Violence	16.839			49,164			
Equitable Sharing Program	16.922			248,932			
Passed Through the Commonwealth of Virginia:							
<u>Department of Criminal Justice Services</u>							
Crime Victim Assistance	16.575		20-Y8561VW18	140,199			
2 - Total for Edward Byrne Memorial JAG Program (16.738)							2,584
<b>Department of Transportation</b>							
Passed Through the Commonwealth of Virginia:							
<u>Department of Rail and Public Transportation</u>							
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513		44022-20	119,008			

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule. Totals by cluster and individual program may be found at the end of each federal grantor section.

**COUNTY OF ROANOKE, VIRGINIA**  
**Schedule of Expenditures of Federal Awards**  
**Fiscal Year Ended June 30, 2022**

<b>Federal Grantor/Pass-Through Entity/Program Title</b>	<b>Assistance Listing Number</b>	<b>Cluster Name</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Expenditures</b>	<b>Total Cluster</b>	<b>Total Program</b>	<b>Passed Through to Subrecipients</b>
<b><u>Department of Motor Vehicles</u></b>							
State and Community Highway Safety	20.600	Highway Safety Cluster	FSC-2020-50320-20320 FOP-2020-50147-20147 FSC-2021-51254-21254 FOP-2021-51245-21245	<b>61,944</b>			
<b><u>Alcohol Open Container Requirements</u></b>							
Alcohol Open Container Requirements	20.607		154AL-2020-50324-20324 154AL-2020-50418-20418 154AL-2021-51149-21149 154AL-2021-51195-21195	<b>39,086</b>			
<b><u>Department of Transportation</u></b>							
Highway Planning and Construction	20.205	Highway Planing and Construction Cluster	UPC 91191 UPC 97171 UPC 111356 UPC 111366	<b>1,846,767</b>			
Federal Lands Access Program	20.224		UPC 110155	<b>3,140</b>			
Total for Highway Safety Cluster (20.600)					<b>61,944</b>		
Total for Highway Planning and Construction Cluster (20.205)					<b>1,846,767</b>		
<b><u>United States Department of the Treasury</u></b>							
Direct Awards:							
Coronavirus Relief Fund (CARES)	21.019			<b>128,542</b>		\$	64,873
Coronavirus State and Local Fiscal Recovery Funds	21.027			<b>339,308</b>			46,386
<b><u>Library of Congress</u></b>							
Direct Awards:							
Teaching with Primary Sources	42.010			<b>2,000</b>			
<b><u>Institute of Museum and Library Services</u></b>							
Passed Through the Commonwealth of Virginia:							
<b><u>Library of Virginia</u></b>							
State Library Program	45.310			<b>23,207</b>			
<b><u>Department of Education</u></b>							
Passed Through the Commonwealth of Virginia:							
<b><u>Department of Education</u></b>							
Title I Grants to Local Educational Agencies	84.010		S010A180046 S010A190046 S010A200046 S010A210046	<b>1,523,457</b>			
Special Education_Grants to States	84.027	Special Education Cluster	H027A190107 H027A200107	<b>3,650,787</b>			

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule. Totals by cluster and individual program may be found at the end of each federal grantor section.

**COUNTY OF ROANOKE, VIRGINIA**  
**Schedule of Expenditures of Federal Awards**  
**Fiscal Year Ended June 30, 2022**

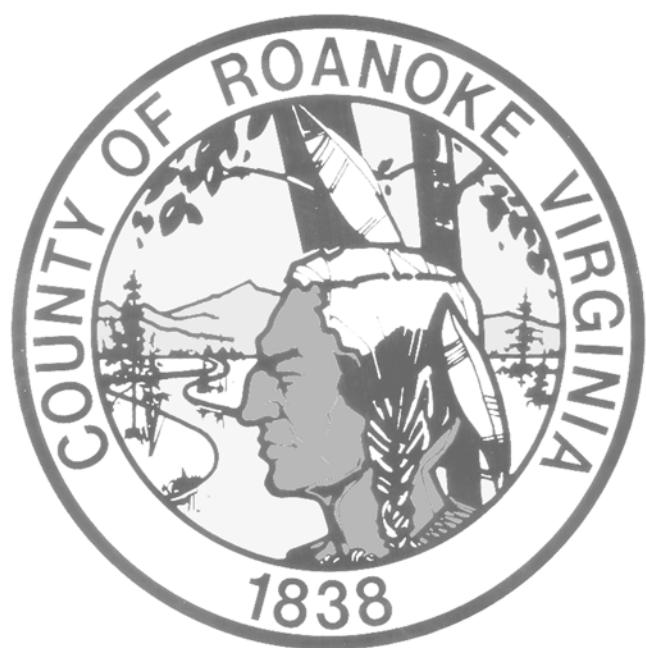
<b>Federal Grantor/Pass-Through Entity/Program Title</b>	<b>Assistance Listing Number</b>	<b>Cluster Name</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Expenditures</b>	<b>Total Cluster</b>	<b>Total Program</b>	<b>Passed Through to Subrecipients</b>
Career and Technical Education -- Basic Grants to States	84.048		H027A210107 H027X210107 V048A200046 V048A210046	<b>162,021</b>			
Special Education_Preschool Grants	84.173	Special Education Cluster	H173A200112 H173A210112 H173X210112	<b>102,324</b>			
English Language Acquisition State Grants	84.365		S365A190046 S365A200046 S365A210046	<b>62,535</b>			
Supporting Effective Instruction State Grants	84.367		S367A190044 S367A200044 S367A210044	<b>357,400</b>			
Student Support and Academic Enrichment Program	84.424		S424A200048 S424A210048	<b>75,328</b>			
COVID-19 Governor's Emergency Education Relief Funds	84.425C		S425C200042	<b>286,245</b>			
COVID-19 Elementary and Secondary School Emergency Relief (ESSER)	84.425D		S425D200008 S425D210008	<b>6,525,958</b>			
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief	84.425U		S425U210008	<b>39,740</b>			
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W		S425W210048	<b>6,385</b>			
Total for Special Education Cluster (IDEA) (84.027, 84.173)					<b>3,753,111</b>		
<b>Department of Health and Human Services</b>							
<b>Direct Awards:</b>							
Provider Relief Fund	93.498				<b>6,274</b>		
<b>Passed Through The United Way:</b>							
Federal Preschool Development Grant Birth-5	93.434				<b>6,342</b>		
<b>Passed Through the Commonwealth of Virginia:</b>							
<b>Department of Social Services</b>							
Guardianship Assistance	93.090				<b>276</b>		
Title IV-E Prevention Program	93.472				<b>17,945</b>		
Promoting Safe and Stable Families	93.556				<b>89,757</b>		
Temporary Assistance for Needy Families	93.558	TANF Cluster			<b>474,981</b>		
Refugee and Entrant Assistance_State Administered Programs	93.566				<b>6,403</b>		
Low-Income Home Energy Assistance	93.568				<b>74,261</b>		

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule. Totals by cluster and individual program may be found at the end of each federal grantor section.

**COUNTY OF ROANOKE, VIRGINIA**  
**Schedule of Expenditures of Federal Awards**  
**Fiscal Year Ended June 30, 2022**

<b>Federal Grantor/Pass-Through Entity/Program Title</b>	<b>Assistance Listing Number</b>	<b>Cluster Name</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Expenditures</b>	<b>Total Cluster</b>	<b>Total Program</b>	<b>Passed Through to Subrecipients</b>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CCDF Cluster		106,906			
Chafee Education and Training Vouchers Program	93.599			11,015			
Adoption and Legal Guardianship Incentive Payments	93.603			4,131			
Stephanie Tubbs Jones Child Welfare Services Program	93.645			1,127			
Foster Care_Title IV-E	93.658			778,230			
Adoption Assistance	93.659			1,627,367			
Social Services Block Grant	93.667			557,232			
Chafee Foster Care Independence Program	93.674			10,361			
Children's Health Insurance Program	93.767			7,541			
Medical Assistance Program	93.778	Medicaid Cluster		1,487,716			
 Total for CCDF Cluster (93.596)					106,906		
Total for Medicaid Cluster (93.778)					1,487,716		
Total for TANF Cluster (93.558)					474,981		
 <b>Executive Office of the President</b>							
Passed Through Washington/Baltimore HIDTA:							
High Intensity Drug Trafficking Areas Program	95.001		I-2020ROANOKE I-2021ROANOKE	43,523			
 <b>Department of Homeland Security</b>							
Direct Awards:							
Assistance to Firefighters Grant Program	97.044		EMW-2020-FG-01432	7,379			
Staffing for Adequate Fire and Emergency Response	97.083		EMW-2016-FH-00387 EMW-2019-FF-00795	991,597			
 Passed Through the Commonwealth of Virginia:							
<b>Department of Emergency Management</b>							
Emergency Management Performance Grant Program	97.042		7864 8457 36	43,323			
State Homeland Security Grant Program	97.067			25,900			
				<b>\$ 33,024,218</b>			<b>\$ 111,259</b>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule. Totals by cluster and individual program may be found at the end of each federal grantor section.



**COUNTY OF ROANOKE, VIRGINIA**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2022**

**1) *Basis of Accounting***

Federal Programs are accounted for on the modified accrual basis of accounting.

**2) *Reporting Entity***

The Schedule of Expenditures of Federal Awards includes all Federal grants awarded to the County of Roanoke, Virginia (County). The reporting entity is defined in Note 1 of the County's basic financial statements.

**3) *In-Kind Contributions***

The County received commodities at the fair market value of \$477,607 from the U.S. Department of Agriculture during fiscal year 2022. These in-kind contributions are included in the basic financial statements.

**4) *Indirect Costs***

For fiscal year 2022, the County adopted the Department of Education methodology for calculating the Local Educational Agency indirect costs. The restricted rate is used each year to calculate indirect costs for Federal Programs. The 10% de minimus rate was not utilized.

**INDEPENDENT AUDITOR'S 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**

To the Honorable Members of the Board of Supervisors  
County of Roanoke, Virginia  
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 Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Roanoke, Virginia (the “County”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated December 1, 2022. Our report includes a reference to other auditors who audit the financial statements of the South Peak Community Development Authority, as described in our report on the County’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County’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 County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’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 may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County'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 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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Brown, Edwards & Company, S.C.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia

December 1, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Members of the Board of Supervisors  
County of Roanoke, Virginia  
Roanoke, Virginia

**Report on Compliance for Each Major Federal Program**

*Opinion on Compliance for Each Major Federal Program*

We have audited the County of Roanoke, Virginia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

*Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal documentation of the County's compliance with the compliance requirements referred to above.

*Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

## **Report on Compliance for Each Major Federal Program (Continued)**

### *Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

### **Report on Internal Control over Compliance (Continued)**

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Brown, Edwards & Company, S.C.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia

December 1, 2022

## COUNTY OF ROANOKE, VIRGINIA

### SUMMARY OF COMPLIANCE MATTERS June 30, 2022

As more fully described in the Independent Auditor's 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*, we performed tests of the County's compliance with certain provisions of the laws, regulations, contracts, and grants shown below.

#### **STATE COMPLIANCE MATTERS**

<u>Code of Virginia</u>	<u>State Agency Requirements</u>
Budget and Appropriation Laws	Education
Cash and Investment Laws	Social Services
Conflicts of Interest Act	
Local Retirement Systems	
Debt Provisions	
Procurement Laws	
Children's Services Act	
Uniform Disposition of Unclaimed Property Act	
Sheriff Internal Controls	
Fire Programs Aid to Localities	

#### **FEDERAL COMPLIANCE MATTERS**

##### Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal program selected for testing.

**COUNTY OF ROANOKE, VIRGINIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2022**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **No significant deficiencies** relating to the audit of the financial statements was reported in the Independent Auditor's 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*.
3. **No instances of noncompliance** material to the financial statements were disclosed.
4. **No significant deficiencies** relating to the audit of the major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs expresses an **unmodified opinion** on all programs.
6. The audit disclosed **no audit findings** relating to the major programs.
7. The programs tested as major were:

<b>Name of Program</b>	<b>ALN #</b>
Child Nutrition Cluster :	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Services Program for Children	10.559
Highway Planning and Construction	20.205
COVID-19 – Governor's Emergency Education Relief Funds	84.425C
COVID-19 – Elementary and Secondary School Emergency Relief	84.425D
COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief	84.425U
COVID-19 – American Rescue Plan – Elementary and Secondary School Emergency Relief – Homeless Children and Youth	84.425W
Education Stabilization Fund	84.425
Staffing for Adequate Fire and Emergency Response	97.083

8. The **threshold** for distinguishing Type A and B programs was **\$990,727**.
9. The County of Roanoke is determined to be a **low-risk auditee**.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**None.**

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**None.**

**D. FINDINGS – COMMONWEALTH OF VIRGINIA**

**None.**