County of Roanoke, Virginia

Annual Comprehensive Financial Report

Year Ended June 30, 2023

COUNTY OF ROANOKE, VIRGINIA

Annual Comprehensive Financial Report

Year Ended June 30, 2023

Prepared by the

Department of Finance and Management Services
5204 Bernard Drive
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Department of Finance and Management Services

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Director of Finance and Management Services

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Purchasing Division Director

Steven R. Elliott, MPA
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Paul R. Workman, CPA
Finance Manager

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Finance Manager

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Finance Manager

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Finance Manager

Corey S. White
Budget Analyst

Kim S. Lescure
Financial Analyst

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Financial Analyst

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Board of Supervisors

P. Jason Peters	Paul M. Mahoney	Martha B. Hooker	Phil C. North	David F. Radford
Vinton	*Cave Spring*	*Catawba*	*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

Douglas M. Blount

Assistant County Administrator

Front Cover: Roanoke County Public Service Center

COUNTY OF ROANOKE VIRGINIA

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ROANOKE COUNTY

OFFICE OF THE COUNTY ADMINISTRATOR
5204 Bernard Drive, P.O. Box 29800
Roanoke, Virginia 24018-0798

Richard L. Caywood, P.E.
County Administrator

TEL: (540) 772-2004

November 27, 2023

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, 2023. 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, 2023. 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 96,605[1], a slight decrease of 0.3% 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 313,734, reflecting a similar decrease of 0.5% 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.

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.

[1] Population source: United States Census Bureau, 2020.

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, 2023 is 2.6%, which is equivalent to the prior year rate as of June 30, 2022. The unemployment rate is comparable to the state's average unemployment rate of 2.8% and below the national average unemployment rate of 3.8%.

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.

Roanoke County invests in, supports, and continues its relationship with the Roanoke Valley Broadband Authority (RVBA) to improve economic opportunity for all citizens and businesses. The RVBA broadband network aligns with major transportation corridors of the County, targeting commercial and industrial activity centers. In addition, Roanoke County has completed four recent projects bringing broadband access to Bent Mountain, Bradshaw and Cove Hollow Roads, and Starlight Lane making services available to approximately 317 addresses and 26 businesses. The County also received more than $3.7 million in VATI grants to leverage more than $7.7 million through partnerships with four separate internet service providers to improve broadband connectivity throughout the County, bringing connectivity to over 1,400 addresses. These projects are currently in progress.

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 23, Wood Haven received a $504,149 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 Plan, 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, as well as to add needed multimodal infrastructure for pedestrians and cyclists. Completed improvements over the past few years 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. Projects nearing construction in FY 2024 include the Route 419/Route 220 Diverging Diamond Interchange and Route 220 Signal Improvements. Transportation improvements have encouraged new economic development and private investment into the Route 419 corridor.

Tanglewood Mall, a catalyst site highlighted in the 419 Town Center Plan, is the County's most noted and high-profile commercial development. The mall continues to represent a significant opportunity to repurpose this property for greater economic development outcomes. In 2019, Carilion Clinic invested $40 million to renovate 75,000 square feet of the 128,000 square feet former J.C. Penney for its pediatric practices. Since that time, the mall has seen substantial development. Chicken Salad Chick, Panda Express, Jersey Mike's, Aspen Dental, Blaze Pizza, Chipotle, Burlington, Sketchers, and Popeyes have opened. In October 2022, Carilion Clinic announced a $10 million, 37,000-square-foot expansion of its footprint at Tanglewood Mall. The new Carilion Mental Health facility will serve as a new, expanded outpatient treatment and research center.

In September 2023, Roanoke County had its largest commercial office announcement and single project employment announcement in the County's history. Wells Fargo announced it will invest $87 million to improve, modernize, and expand its customer support center on Plantation Road and will create 1,100 new jobs. With the completion of the project, Wells Fargo will be the largest employer in the County.

The Plantation Road corridor where Wells Fargo is located is the largest center of employment activity in the County. Other large employers include Elbit Systems of America and Double Envelope. There have been intentional planning efforts to enhance the corridor beginning with the Hollins Area Plan in 2008 and the Hollins Center Plan in 2020. To date, $14 million in transportation improvements has been funded to improve traffic flow and support streetscape and pedestrian improvements. These improvements only serve to strengthen our commitment to continue to invest in making this part of our beautiful County an even more attractive place in which to do business.

Other notable projects this year include the opening of the Galen School of Nursing, located in the Metis Plaza on Route 419, in June 2023, which invested $4 million to create 50 new jobs and occupy 30,000 square feet. Vistar Eye Center also opened a 26,000 square foot state-of-the-art eye care facility on Airport Road in the Hollins Magisterial District.

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, 2023 the unassigned fund balance for the general government fund was 12% of the fiscal year 2023 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 2022-2023 included:

Education: Roanoke County Public Schools is the 21st largest of 131 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 13,751 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 8th of 131 divisions in overall math performance and 11th of 131 divisions in overall reading performance. Spring 2023 results showed the School Division higher than the state average in every SOL test, led by 6th grade math (20 points higher than the state) and 7th grade math (26 points higher). The School Division also maintains extensive individualized intervention programs to support student academic success, culminating in a 96% 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 just west of the Blue Ridge Parkway to Rutrough Road (State Route 618) in Explore Park. The project is broken into four phases and is funded through several federal and state programs. Construction on the first phase was completed in 2023. Two more phases were advertised for construction in August 2023 and will extend the greenway to Explore Park. The fourth phase through Explore Park to Rutrough Point is anticipated to be advertised for construction in Fiscal Year 2024. The projects are funded through approximately $10.3 million in federal and state funding from the Transportation Alternatives Program, Surface Transportation Block Grant Program, Carbon Reduction Program, Federal Lands Access Program, and local match.

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 divided into two phases. The first phase of the project, between West Riverside Drive at Kingsmill Drive and Riverside Nursery, was advertised for construction bids in August 2023. The project is funded through approximately $12.5 million in Highway Safety Improvement Program/Open Container, Surface Transportation Block Grant program, and SMART SCALE funds. For the second phase, County staff are working to complete right-of-way acquisition and final design before applying for grant funding for construction.

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 has drawn 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 and has averaged nearly 10,000 annual admissions since its debut. Explore Park's signature event, *Illuminights*, hosted over 53,000 visitors in 2022 and attendance is expected to exceed 60,000 in 2023. 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 as well as expand WiFi and cell service in the southern part of the park. Explore Park has become a regional outdoor destination for local residents and tourists with more than 275,000 visitors in 2022.

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 continued sidewalks, curb and gutter from Walrond Drive to Gander Way/Friendship Lane. The project also included Walrond Drive intersection improvements, pedestrian signals and crosswalks at the Gander Way/Friendship Lane intersection. Construction was completed in 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 projects included the new Welding Shop addition on the Fleet Center, the construction of the North Addition to house General Services staff, the renovation of an adjacent building to the Fleet Service Center, a new fueling station, a vehicle wash bay, and the construction of two shop buildings. Phase II was funded in fiscal year 2023 and is currently in the design phase, with construction beginning in the fall of fiscal year 2024. The total cost for all prior and future project phases is anticipated to be $21.3 million.

Bonsack/460 Fire Station: The new Bonsack/460 Fire Station originated in the fiscal year 2022 Capital Improvement Plan (CIP) to replace the services provided by the Read Mountain Fire Station, which previously transferred ownership to Botetourt County. It will represent new and enhanced services as the twelfth Roanoke County fire station. In fiscal year 2022, architectural and engineering due diligence was performed on several sites, resulting in the identification and subsequent re-zoning and acquisition of property located on Mexico Way. Fiscal year 2023 began the procurement of architectural, engineering, and construction services utilizing Virginia's Public Private Education Facilities and Infrastructure Act of 2002 (PPEA) to design and construct the new two-apparatus bay facility with a fueling station. Construction is anticipated to begin in the fall of fiscal year 2024 and conclude in the winter of 2025. The total project cost is expected to be $10.3 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, 2022. This was the fortieth consecutive year that Roanoke County has received this prestigious honor. 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, 2023. This was the thirty-eighth consecutive year that the government received this esteemed recognition. 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. Caywood, P.E.
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 96,605 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.

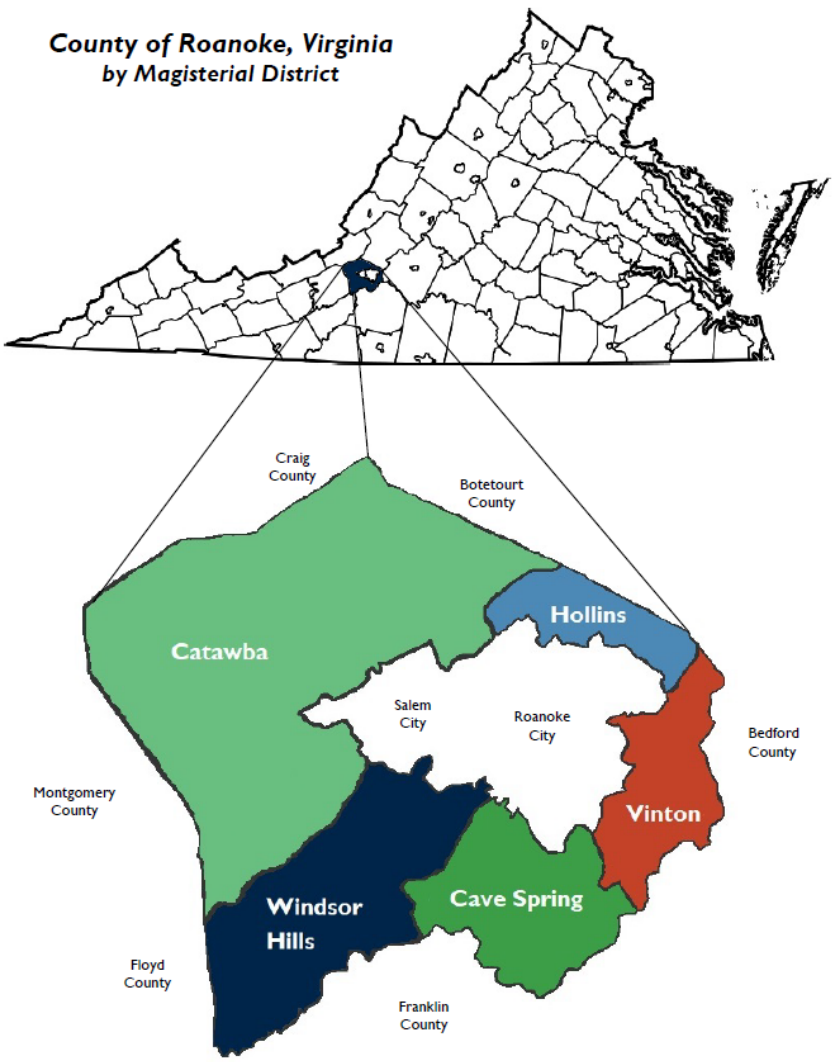
In November 1992, the Roanoke County Police Department became the first nationally accredited department in Southwest Virginia through the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA). The department has maintained national accreditation since November 1997. Existing departmental 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.



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County of Roanoke
County Officials
June 30, 2023

Board of Supervisors

Martha B. Hooker, Chair, Catawba District
Paul M. Mahoney, Vice-Chair, Cave Spring District
Phil C. North, Hollins District
P. Jason Peters, Vinton 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	R. Mike Poindexter
Director of Planning	Philip G. Thompson
Director of Development Services	Tarek M. Moneir
Director of Economic Development	Megan E. Baker
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	Rhonda D. Perdue
Commissioner of the Revenue	Nancy J. Horn
Commonwealth Attorney	Brian T. Holohan
Sheriff	Joseph E. Orange
Treasurer	F. Kevin Hutchins

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Roanoke County Public Schools
Principal Officials
June 30, 2023

School Board Members

Brent T. Hudson, Chair, Catawba District
Timothy D. Greenway, Vice-Chair, Vinton District
David M. Linden, Hollins District
Cheryl A. Facciani, Windsor Hills 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 Human Resources	James R. Bradshaw
Director of School Counseling	Dr. Shawn D. Hughes
Director of Special Education	Elisabeth P. Harmon
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 Technology	Jeff A. Terry
Director of Community Relations	Charles D. Lionberger

Roanoke County Organizational Chart

Effective: 2/1/2022

Roanoke County Citizens

Roanoke County Board of Supervisors

County Attorney

County Administrator

Richard L. Caywood

Human Resources
Public Information Office
Clerk to the Board of Supervisors
Assistant to the County Administrator
Roanoke County Public Schools

Deputy County Administrator

Rebecca E. Owens

Finance & Management Services
Communication/Information Technology
Real Estate
Internal Audit
Police
Fire & Rescue
Social Services

Liaison Relationship

Sheriff
Clerk of the Circuit Court
Commonwealth's Attorney
Judges and Court Services

Treasurer
Commissioner of the Revenue
Community Policy Management Team

Assistant County Administrator

Douglas Blount

General Services
Parks, Recreation & Tourism
Development Services
Planning
Libraries
Economic Development

Liaison Relationship

Elections
RVTV
Health Department
VA Cooperative Extension

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, 2022

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

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BROWN EDWARDS
certified public accountants

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, 2023, 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, 2023, 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 4.1% of the respective assets, 0.5% of the respective revenues, and 11.4% 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 2023, the County adopted new accounting guidance, GASB No. 96, *Subscription-Based Information Technology Arrangements*. 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.

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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 of 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.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2023 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, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
November 27, 2023

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, 2023. 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

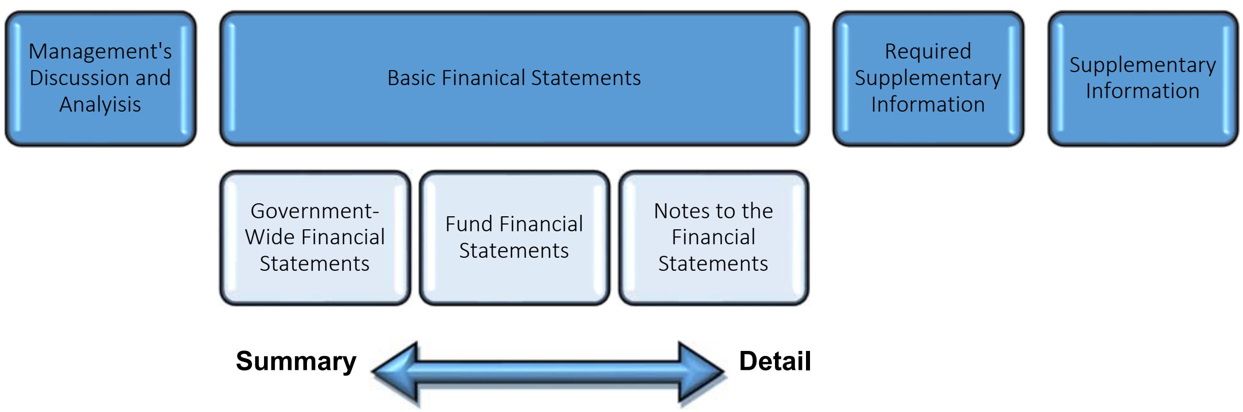
- The total assets and deferred outflows of the County's governmental activities exceeded its liabilities and deferred inflows as of June 30, 2023 by $86.5 million (*net position).*

- On a government-wide basis for governmental activities, the County had expenses, net of program revenues, of $190.0 million, which were $18.4 million less than general revenues of $208.4 million (Exhibit II).

- The County's outstanding debt, including bond premiums and right-to-use lease and subscription obligations, decreased by $0.6 million during fiscal year 2023. This is the result of the 2022B VRA 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

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perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the County's accountability.

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 32-33 of this report.

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

<u>Governmental activities</u> – 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:

- <u>Governmental funds:</u> 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 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 34 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 45 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 128 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 150 of this report.

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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:

Summary of Net Position
As of June 30, 2023 and 2022, as restated

	Governmental Activities		Percent
	2023	2022*	Change
Current and other assets	$ 148,216,186	$ 138,119,464	7.3%
Capital assets, net	218,144,604	216,290,190	0.9%
Total assets	366,360,790	354,409,654	3.4%
Deferred outflows	18,927,384	21,600,892	-12.4%
Other liabilities	28,896,892	32,749,984	-11.8%
Long-term liabilities	236,683,665	222,812,133	6.2%
Total liabilities	265,580,557	255,562,117	3.9%
Deferred inflows	33,226,404	52,317,898	-36.5%
Net investment in capital assets	92,395,719	79,559,484	16.1%
Restricted	6,161,085	4,880,666	26.2%
Unrestricted	(12,075,591)	(16,309,619)	-26.0%
Total net position, as restated	$ 86,481,213	$ 68,130,531	26.9%

*Fiscal Year 2022 net position has been restated due to the implementation of GASB 96, *Subscription-Based Information Technology Arrangements*.

In the case of the County, assets and deferred outflows exceed liabilities and deferred inflows by $86.5 million at the close of fiscal year 2023. This increase of $18.4 million reflects an overall increase in the County's financial position and is the result of a combination of factors including an increase in net capital assets due to an increase in asset values offset by annual depreciation expense and revenues exceeding expenses for the year ended.

The largest portion of the County's net position is $92.4 million (106.8%) and reflects its *net investment in capital assets* (i.e., land, buildings, machinery and equipment, right-to-use leased equipment net of the lease liability, and subscription assets net of the subscription liability) less any related outstanding debt used to acquire those assets. In the current year, with the implementation of GASB 96, *Subscription Based Information Technology Arrangements*, a new asset type is added called subscription obligations. These amounts represent subscription-based assets and liabilities on contracts that convey control of the right to use another party's information technology software. 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 $6.2 million (7.1%) represents funds externally restricted for specific state and federal grant programs. The remaining balance of $(12.1) million, or -13.9%, 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:

Changes in Net Position
For the Year Ended June 30, 2023 and 2022, as restated

	Governmental Activities		Percent
	2023	2022*	Change
Revenues			
Program Revenues:			
Charges for services	$ 15,742,666	$ 13,788,612	14.2%
Operating grants & contributions	40,443,751	35,351,978	14.4%
General Revenues:			
Property taxes	146,351,084	134,297,583	9.0%
Sales taxes	15,212,693	14,032,192	8.4%
Business license taxes	8,634,124	7,755,534	11.3%
Communication taxes	2,733,992	2,815,716	-2.9%
Consumer utility taxes	3,743,043	3,731,298	0.3%
Tax on prepared food	5,763,605	5,151,823	11.9%
Motor vehicle licenses	2,854,800	2,736,196	4.3%
Other local taxes	6,544,904	6,370,046	2.7%
Non-categorical state aid	12,229,857	12,229,857	0.0%
Other revenues	4,288,542	2,505,664	71.2%
Total revenues	264,543,061	240,766,499	9.9%
Expenses			
General government	18,228,347	22,638,930	-19.5%
Judicial administration	3,516,597	3,368,032	4.4%
Public safety	59,118,500	55,285,436	6.9%
Public works	25,350,793	17,611,763	43.9%
Library	6,513,658	5,946,524	9.5%
Health & welfare	26,105,934	23,620,592	10.5%
Parks, recreation and culture	9,274,334	8,566,756	8.3%
Community development	4,566,969	5,672,342	-19.5%
Education	86,828,357	102,899,875	-15.6%
Interest and other charges	6,688,890	6,305,022	6.1%
Total expenses	246,192,379	251,915,272	-2.3%
Change in net position	18,350,682	(11,148,773)	-264.6%
Total net position, beginning of year, as restated	68,130,531	79,279,304	-14.1%
Total net position, end of year, as restated	$ 86,481,213	$ 68,130,531	26.9%

*Fiscal Year 2022 net position has been restated due to the implementation of GASB 96, *Subscription-Based Information Technology Arrangements* .

Governmental Activities

Governmental activities increased the County's net position by $18.4 million. The County's total revenues increased from the prior year by 9.9% to $264.5 million and expenses for all programs and services decreased 2.3% to $246.2 million.

Approximately 55.3% of the County's revenues come from property taxes, 5.8% from sales tax, 3.3% from business license tax, 1.0% from communications tax, 1.4% from consumer utility tax, 2.2% from tax on prepared food, 1.1% from motor vehicle licenses, 2.5% from other local tax, 6.0% from charges for services, 15.3% from operating grants and contributions, 4.6% from non-categorical state aid, and 1.5% from other and miscellaneous revenues.

The County's expenses cover a range of services, with about 35.3% related to Education, 24.0% to Public Safety, 10.6% to Health and Welfare, 10.3% to Public Works, 7.4% to General Government, 3.8% to Parks, Recreation and Culture, 2.7% to Library, 1.9% to Community Development, 1.4% to Judicial Administration, and 2.6% for interest and other charges.

Revenues for governmental activities increased $23.8 million (9.9%) and total expenses decreased $5.7 million (2.3%) when compared to the prior year.

Key elements of these changes were as follows:

- Property tax revenues increased by $12.1 million (9.0%) during the year. This increase was due to growth in both real and personal property tax assessed values.
- Sales tax revenues increased by $1.2 million (8.4%). This increase was primarily due to growth in local business revenues and higher-than-average spending by the local consumer.
- Business license tax revenues increased by $0.9 million (11.3%). This increase was primarily due to growth in local business revenues.
- Taxes on prepared food increased by $0.6 million (11.9%). This increase was due to the addition of several new restaurants in the Tanglewood 419 Town Center.
- Other revenues increased by $1.8 million (71.2%). This increase was due to favorable recovered costs collections and miscellaneous revenue collections.
- General Government expenses decreased by $4.4 million (-19.5%) due to leveled spending of federal funding sources when compared to the prior year.
- Public Safety expenses increased by $3.8 million (6.9%) primarily due to the final year phased implementation of a step plan salary structure for public safety employees and the purchase of heavy equipment.
- Public Works expenses increased by $7.7 million (43.9%) primarily due to greater stormwater management projects in fiscal year 2023 than in fiscal year 2022.
- Health and Welfare expenses increased by $2.5 million (10.5%) due to an increase in demand for services.
- Community Development expenses decreased by $1.1 million (-19.5%) primarily due to fewer capital outlays related to transportation alternative grants, transportation improvement grants, and greenway improvement grants.

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- Education expenses decreased by $16.1 million (-15.6%) due to an increase in net assets resulting from continued construction on the bond-funded William Byrd High School renovation in addition to the lack of tenancy-in-common assets transferred to Roanoke County Public Schools in Fiscal Year 2023.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental Funds

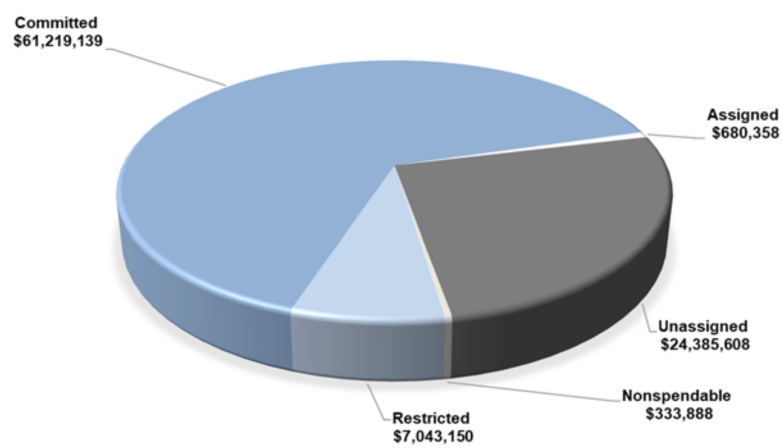
Governmental funds consist of the General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund and account for the general operations of the County. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. 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 $93.6 million, an increase of $7.8 million in comparison with fiscal year 2022. Of this amount 0.4% ($0.3 million) constitutes *non-spendable fund balance* which reflects inventories and prepaid assets that are non-liquid in form and cannot be spent, 7.5% ($7.0 million) constitutes *restricted fund balance*, which is externally restricted for State and Federal grant programs, 65.4% ($61.2 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, 0.7% ($0.7 million) constitutes *assigned fund balance*, which is designated for parks and recreation and other various general government programs, and 26.0% ($24.4 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 decreased $4.1 million during the current fiscal year. This decrease is primarily attributed increased transfers out of the General Fund to County capital.

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 $223,288 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 $45.6 million committed, and $0.9 million restricted for future capital projects. The fund balance increased by $11.6 million primarily due to proceeds from a debt issuance for several bond-funded projects including improvements at Explore Park, the Public Service Center Phase II renovation, and a new fire station in Bonsack.



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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, 2023 but not paid by that date.
- To reappropriate grants, donations and other revenues authorized in fiscal year 2023 or earlier, but not expended or encumbered as of June 30, 2023.
- To appropriate grants, donations, and other revenues accepted or adjusted in fiscal year 2023 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 2023.

Budgetary Highlights - General Fund
For the Year Ended June 30, 2023

	Original Budget	Budget as Amended	Actual
Revenues	$ 232,270,587	$ 282,765,808	$ 253,352,972
Expenditures	134,684,178	185,777,296	147,509,967
Transfers out, net	101,031,051	109,892,440	109,894,213
Net change in fund balance	$ (3,444,642)	$ (12,903,928)	$ (4,051,208)

Actual General Fund total revenues fell short of the amended budget by $29.4 million for fiscal year 2023. 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 $38.3 million, resulting in savings at year end primarily due to grant awards budgeted, but not fully expended.

The County Board of Supervisors appropriated $15.0 million in transfers in fiscal year 2023 to allocate the prior year ending fund balance for future expenditures and capital projects. The County ending fund balance increased at June 30, 2023 by $7.8 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.

Unrestricted net position of the Health Insurance, Dental Insurance, and Risk Management funds at the end of the year amounted to $3,231,078. The net position of Risk Management decreased by $257,364 as a result of higher risk claims experience, while the Health and Dental Insurance net positions increased by $265,706 and $29,741, respectively, as a result of a favorable claims experience.

CAPITAL ASSETS

As of June 30, 2023, the County had invested $218.1 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 and subscription based information technology arrangements. The total net increase in the County's investment in capital assets for the current year was $1.9 million. The County implemented GASB 96, *Subscription-Based Information Technology Arrangements*, during fiscal year 2023. For the seven subscription-based information technology arrangements existing as of June 30, 2022, the County retroactively recorded a beginning asset related to the right-to-use subscription assets in the amount of $4,363,342 and the related accumulated amortization of $1,169,818.

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:

Capital Assets
As of June 30, 2023 and 2022, as restated

	Governmental Activities	
	2023	2022*
Land	$ 12,750,129	$ 12,750,129
Buildings, improvements and systems	342,726,507	341,149,416
Furniture, fixtures, and equipment	85,463,979	81,667,379
Construction in progress	43,947,050	30,494,648
Right to use leased equipment	359,020	359,020
Right to use subscription assets	4,363,342	4,101,735
Subtotal	489,610,027	470,522,327
Accumulated depreciation and amortization	(271,465,423)	(254,232,137)
Totals	$ 218,144,604	$ 216,290,190

*Fiscal Year 2022 capital asset balances have been restated due to the implementation of GASB 96, *Subscription-Based Information Technology Arrangements* .

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

- Buildings, improvements, and systems increased by $1.6 million due to various building and park renovations (Court Services, Mount Pleasant Library, Walrond Park, Oak Grove Park).
- Furniture, fixtures, and equipment increased by $3.8 million due to the purchase of three recycle trailers, 51 new vehicles, two new ambulances, a brush truck, and a new solid waste truck.
- Construction in progress increased by $13.5 million due to the continuation of the William Byrd High School renovation.

LONG-TERM DEBT

At June 30, 2023, the County had a number of bonded debt issues outstanding. These include $77.8 million of Virginia Public School Authority (VPSA) bonds for School purposes and $82.8 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, 2023 decreased by a net amount of $0.6 million as a result of a new 2022B VRA 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, 2023, the County's net debt per capita ratio was $1,788, the net debt to assessments ratio was 1.35%, and the percent of debt service to general fund expenditures was 5.17% 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:

Outstanding Debt
As of June 30, 2023 and 2022, as restated

	Governmental Activities	
	2023	2022*
Lease Revenue bonds	$ 82,760,000	$ 73,900,000
Virginia Public School Authority bonds	77,829,551	85,873,052
Bond Premiums	12,147,305	12,384,805
Lease obligations	172,565	238,807
Right-to-use subscription obligations	1,800,059	2,852,205
Totals	$ 174,709,480	$ 175,248,869

*Fiscal Year 2022 outstanding debt balances have been restated due to the implementation of GASB 96, *Subscription-Based Information Technology Arrangements*.

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.

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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.

BASIC FINANCIAL STATEMENTS

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COUNTY OF ROANOKE, VIRGINIA
Statement of Net Position
June 30, 2023

	Governmental Activities	Component Units
ASSETS		
Cash and cash equivalents	$ 59,427,776	$ 33,578,310
Cash and investments with fiscal agents	18,620,415	-
Investments	26,841,270	8,970,087
Restricted cash and cash equivalents	1,218,583	45,000
Accounts receivable	22,038,734	683,074
Lease receivable	1,812,295	-
Due from other governments	17,919,560	9,125,316
Inventories	144,063	592,803
Land held for resale	-	4,817,324
Prepaid and other assets	193,490	143,241
Net asset from pension	-	2,996,020
Capital assets:		
Land and construction in progress	56,697,179	21,801,743
Other capital assets, net	161,447,425	70,414,165
Capital assets, net	218,144,604	92,215,908
Total assets	366,360,790	153,167,083
DEFERRED OUTFLOWS		
Deferred charges on refundings of debt	520,266	-
Resources related to pension plan	14,107,090	24,672,091
Other postemployment benefits provided by Virginia Retirement System	1,163,828	3,060,839
Other postemployment benefits provided by Roanoke County and Roanoke County Public Schools	3,136,200	869,802
Total deferred outflows	18,927,384	28,602,732
LIABILITIES		
Accounts payable	7,623,353	2,882,052
Accrued liabilities	2,614,914	8,049,248
Unearned revenues	16,305,893	932,597
Accrued interest payable	2,352,732	81,810
Long-term liabilities:		
Portion due or payable within one year:		
Bonds payable, net	13,503,864	343,000
Lease obligations	69,202	3,435,415
Right-to-use subscription obligations	1,431,026	1,794,602
Compensated absences	4,329,466	922,733
Claims payable	1,946,334	1,591,001
Portion due or payable after one-year:		
Bonds payable, net	159,232,992	5,078,000
Lease obligations	103,363	4,155,448
Right-to-use subscription obligations	369,033	1,880,861
Compensated absences	2,838,706	1,985,868
Claims payable	1,259,666	605,999
Net pension liabilities	35,832,805	89,644,053
Net LOSAP pension liability	9,722,339	-
Other postemployment benefits provided by Virginia Retirement System	4,055,690	17,345,303
Other postemployment benefits provided by Roanoke County and Roanoke County Public Schools	1,989,179	5,680,634
Total liabilities	265,580,557	146,408,624
DEFERRED INFLOWS		
Deferred revenues	16,894,581	45,000
Lease agreements	1,812,295	-
Resources related to pension plan	9,462,483	20,516,234
Other postemployment benefits provided by Virginia Retirement System	737,685	2,002,881
Other postemployment benefits provided by Roanoke County and Roanoke County Public Schools	4,319,360	5,517,037
Total deferred inflows	33,226,404	28,081,152
NET POSITION		
Net investment in capital assets	92,395,719	75,528,582
Restricted for:		
Grants and other governmental programs	6,161,085	-
Net asset from pension	-	2,996,020
Unrestricted	(12,075,591)	(71,244,563)
Total net position	$ 86,481,213	$ 7,280,039

See accompanying notes to basic financial statements.

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Exhibit II

COUNTY OF ROANOKE, VIRGINIA
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Component Units
Primary Government						
General government	$ 18,228,347	$ 1,680,906	$ 829,824	$ -	$ (15,717,617)	$ -
Judicial administration	3,516,597	1,029,609	1,501,080	-	(985,908)	-
Public safety	59,118,500	4,483,157	13,429,235	-	(41,206,108)	-
Public works	25,350,793	453,219	-	-	(24,897,574)	-
Library	6,513,658	115,259	235,930	-	(6,162,469)	-
Health and welfare	26,105,934	2,648,662	16,174,352	-	(7,282,920)	-
Parks, recreation, and culture	9,274,334	4,677,977	1,452,080	-	(3,144,277)	-
Community development	4,566,969	653,877	2,686	-	(3,910,406)	-
Education	86,828,357	-	6,818,564	-	(80,009,793)	-
Interest and other charges	6,688,890	-	-	-	(6,688,890)	-
	$ 246,192,379	$ 15,742,666	$ 40,443,751	$ -	(190,005,962)	-
Total component units	$ 192,203,493	$ 3,415,155	$ 50,741,273	$ 7,612,839	-	(130,434,226)
General revenues:						
Real estate and personal property					146,351,084	-
Local share of sales tax					15,212,693	-
Business license taxes					8,634,124	-
Communications taxes					2,733,992	-
Consumer utility taxes					3,743,043	-
Tax on prepared food					5,763,605	-
Motor vehicle licenses					2,854,800	-
Other local taxes					6,544,904	-
Payments from Roanoke County					-	80,963,862
Payments from other local governments					-	120,131
Non-categorical state aid					12,229,857	63,390,172
Incremental tax revenues					-	810,808
Gain on sale of capital assets					463,272	234,792
Interest and Investment earnings					3,028,056	19,693
Miscellaneous					797,214	6,150,454
Total general revenues					208,356,644	151,689,912
Change in net position					18,350,682	21,255,686
Total net position at beginning of year, as restated					68,130,531	(13,975,647)
Total net position at end of year					$ 86,481,213	$ 7,280,039

See accompanying notes to basic financial statements.

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COUNTY OF ROANOKE, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2023

ASSETS	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Cash and cash equivalents	$ 29,046,930	$ 1,008,744	$ 261,656	$ 24,393,333	$ 54,710,663
Cash and investments with fiscal agents	3,760,001	-	4,612	14,855,802	18,620,415
Investments	14,413,964	-	-	10,413,562	24,827,526
Restricted cash and cash equivalents	1,218,583	-	-	-	1,218,583
Receivables	21,340,680	436	-	53,659	21,394,775
Lease Receivable	1,812,295	-	-	-	1,812,295
Due from other governments	17,762,901	-	-	156,659	17,919,560
Prepaid items and other assets	189,825	-	-	-	189,825
Inventories	144,063	-	-	-	144,063
Total assets	$ 89,689,242	$ 1,009,180	$ 266,268	$ 49,873,015	$ 140,837,705
LIABILITIES					
Accounts payable	$ 5,388,834	$ 6,206	$ -	$ 1,286,910	$ 6,681,950
Accrued wages and benefits	2,614,914	-	-	-	2,614,914
Unearned revenues	16,305,893	-	-	-	16,305,893
Total liabilities	24,309,641	6,206	-	1,286,910	25,602,757
DEFERRED INFLOWS					
Deferred revenues	14,776,181	-	-	2,118,400	16,894,581
Unavailable revenues	2,865,929	-	-	-	2,865,929
Lease agreements	1,812,295	-	-	-	1,812,295
	19,454,405	-	-	2,118,400	21,572,805
FUND BALANCES					
Nonspendable	333,888	-	-	-	333,888
Restricted	5,158,111	1,002,974	-	882,065	7,043,150
Committed	15,367,231	-	266,268	45,585,640	61,219,139
Assigned	680,358	-	-	-	680,358
Unassigned	24,385,608	-	-	-	24,385,608
Total fund balances	45,925,196	1,002,974	266,268	46,467,705	93,662,143
Total liabilities, deferred inflows and fund balances	$ 89,689,242	$ 1,009,180	$ 266,268	$ 49,873,015	$ 140,837,705

See accompanying notes to basic finacial statements.

(continued)

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COUNTY OF ROANOKE, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2023

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

Total fund balances for governmental funds (Exhibit III)		$ 93,662,143
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	56,697,179	
Other capital assets, net of $271,465,423 of accumulated depreciation and amortization	161,447,425	
Total capital assets, net		218,144,604
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:		3,231,078
County revenues that are earned but not considered available are not current financial resources and, therefore, are not reported in the governmental funds.		2,865,929
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, 2023 are:		
Accrued interest payable	(2,352,732)	
Bonds payable	(160,589,551)	
Bond premiums	(12,147,305)	
Lease obligations	(172,565)	
Right-to-use subscription obligations	(1,800,059)	
Compensated absences	(7,168,172)	
Other postemployment benefit OPEB liabilities	(6,044,869)	
Net pension liabilities	(45,555,144)	
Total long-term assets and liabilities		(235,830,397)
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, 2023 are:		
Deferred outflow from debt refundings resulting in loss transactions	520,266	
Deferred outflows of resources related to pension plan	14,107,090	
Deferred outflows of resources related to other postemployment benefits	4,300,028	
Deferred inflows of resources related to other postemployment benefits	(5,057,045)	
Deferred inflow of resources related to pension plan	(9,462,483)	
Total deferred outflows and inflows		4,407,856
Total net position of governmental activities (Exhibit I)		$ 86,481,213

See accompanying notes to basic financial statements.

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COUNTY OF ROANOKE, VIRGINIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
REVENUES					
General property taxes	$ 147,192,868	$ 272,804	$ -	$ -	$ 147,465,672
Other local taxes	44,447,888	538,003	-	-	44,985,891
Permits, fees, and licenses	954,121	-	-	-	954,121
Fines and forfeitures	460,492	-	-	-	460,492
Use of money and property	1,169,371	7,608	4,603	704,378	1,885,960
Charges for services	9,530,791	-	-	114,286	9,645,077
Intergovernmental revenue	45,769,518	-	4,125,345	2,693,219	52,588,082
Locality compensation payments	-	-	124,663	-	124,663
Miscellaneous	3,827,923	-	350,956	351,607	4,530,486
Total revenues	253,352,972	818,415	4,605,567	3,863,490	262,640,444
EXPENDITURES					
Current operating:					
General government	18,626,498	-	-	-	18,626,498
Judicial administration	3,453,954	-	-	-	3,453,954
Public safety	60,700,404	-	-	-	60,700,404
Public works	20,213,030	-	-	-	20,213,030
Library	5,633,326	-	-	-	5,633,326
Health and welfare	25,571,923	-	-	-	25,571,923
Parks, recreation, and culture	9,495,607	-	-	-	9,495,607
Community development	3,815,225	27,731	-	-	3,842,956
Education	78,096,927	-	-	-	78,096,927
Debt service:					
Principal	-	310,000	11,843,501	-	12,153,501
Interest and other charges	-	257,396	6,844,179	503,242	7,604,817
Capital outlay	-	-	-	20,961,280	20,961,280
Total expenditures	225,606,894	595,127	18,687,680	21,464,522	266,354,223
Excess (deficiency) of revenues over (under) expenditures	27,746,078	223,288	(14,082,113)	(17,601,032)	(3,713,779)
OTHER FINANCING SOURCES (USES)					
Issuance of bonds	-	-	-	12,660,000	12,660,000
Premium on bonds	-	-	-	812,376	812,376
Proceeds from sale of land, buildings and equipment	-	-	-	463,272	463,272
Transfers in	975,920	-	14,262,853	16,276,735	31,515,508
Transfers out	(32,773,206)	-	(175,478)	(974,528)	(33,923,212)
Total other financing sources (uses), net	(31,797,286)	-	14,087,375	29,237,855	11,527,944
Net change in fund balances	(4,051,208)	223,288	5,262	11,636,823	7,814,165
Total fund balances at beginning of year	49,976,404	779,686	261,006	34,830,882	85,847,978
Total fund balances at end of year	$ 45,925,196	$ 1,002,974	$ 266,268	$ 46,467,705	$ 93,662,143

See accompanying notes to basic financial statements. (continued)

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COUNTY OF ROANOKE, VIRGINIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

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)		$ 7,814,165
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.		38,083
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		1,441,848
Governmental funds report capital outlays and right to use leased equipment and subscription 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 ($21,069,864) were over depreciation and amortization expense ($19,215,450) in the current period.		1,854,414
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	(13,472,376)	
Repayments of principal	11,843,501	
Right-to-use lease obligations	66,242	
Right-to-use subscription obligations	1,052,146	
Locality compensation payment	(124,663)	
Net adjustment		(635,150)
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	(655,795)	
Accrued interest payable	1,320,077	
Net adjustment		664,282
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.		5,127,712
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.		2,045,328
Change in net position of governmental activities (Exhibit II)		$ 18,350,682

See accompanying notes to basic financial statements.

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COUNTY OF ROANOKE, VIRGINIA
Statement of Net Position
Proprietary Funds
June 30, 2023

	Internal Service Funds
ASSETS	
Current assets:	
Cash and cash equivalents	$ 4,717,113
Investments	2,013,744
Accounts receivable	643,959
Prepaid expenses	3,665
Total current assets	7,378,481
LIABILITIES	
Current liabilities:	
Accounts payable	941,403
Claims payable	1,946,334
Total current liabilities	2,887,737
Noncurrent liabilities:	
Claims payable	1,259,666
Total noncurrent liabilities	1,259,666
Total liabilities	4,147,403
Net Position:	
Unrestricted	3,231,078
Total net position	$ 3,231,078

See accompanying notes to basic financial statements.

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COUNTY OF ROANOKE, VIRGINIA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Internal Service Funds
OPERATING REVENUES	
Charges for services	$ 13,419,356
Total operating revenues	13,419,356
OPERATING EXPENSES	
Purchased services	2,081,087
Personal services	3,472
Claims	13,826,578
Total operating expenses	15,911,137
Operating loss	(2,491,781)
NONOPERATING REVENUES	
Investment income	122,160
Total nonoperating revenues	122,160
Net loss before transfers	(2,369,621)
TRANSFERS	
Transfers in	2,409,096
Transfers out	(1,392)
Net transfers	2,407,704
Change in net position	38,083
Total net position at beginning of year	3,192,995
Total net position at end of year	$ 3,231,078

See accompanying notes to basic financial statements.

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COUNTY OF ROANOKE, VIRGINIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from interfund services provided	$ 13,419,356
Payments to suppliers	(1,953,826)
Payments to employees	(3,472)
Claims paid	(13,613,150)
Other payments, net	(384,640)
Cash used in operating activities	(2,535,732)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in from other funds	2,409,096
Transfers to other funds	(1,392)
Cash provided by noncapital financing activities	2,407,704
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	1,236,962
Interest and dividends received	122,160
Cash provided by investing activities	1,359,122
Increase in cash and cash equivalents	1,231,094
Cash and cash equivalents at beginning of the year	3,486,019
Cash and cash equivalents at end of the year	$ 4,717,113
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (2,491,781)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Change in assets and liabilities:	
Accounts receivable	(384,640)
Prepaid expenses	(3,665)
Accounts payable	130,926
Claims payable	213,428
Net cash used in operating activities	$ (2,535,732)

See accompanying notes to basic financial statements.

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COUNTY OF ROANOKE, VIRGINIA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	OPEB Trust	Custodial Funds
ASSETS		
Cash and cash equivalents	$ -	$ 31,559,033
Investments	-	3,303,305
Investments held by trustee, at fair value:		
Other pooled funds	9,598,256	-
Accounts receivable	-	1,603,450
Interest receivable	-	27,711
Due from other governments	-	2,110,413
Prepaid items	-	5,064
Inventory	-	459,309
Total assets	9,598,256	39,068,285
LIABILITIES		
Accounts payable	-	882,534
Accrued payroll	-	2,256,072
Due to other governments	-	190,006
Total liabilities	-	3,328,612
NET POSITION		
Restricted for:		
Postemployment benefits other than pensions	9,598,256	-
Individuals, organizations and other governments	-	35,739,673
Total Net Position	$ 9,598,256	$ 35,739,673

See accompanying notes to basic financial statements.

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Exhibit IX

COUNTY OF ROANOKE, VIRGINIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	OPEB Trust	Custodial Funds
ADDITIONS		
Contributions from employer	$ 121,825	$ -
Custodial fund additions	-	125,012,299
Investment income:		
Interest and dividends	5,070	-
Increase in fair value of investments	670,092	-
Total investment income	675,162	-
Less Investment Expenses	(9,509)	-
Net Investment Income	665,653	-
Total additions	787,478	125,012,299
DEDUCTIONS		
Custodial fund payments and withdrawals	-	123,460,944
Total deductions	-	123,460,944
Change in net position	787,478	1,551,355
Total net position at beginning of year	8,810,778	34,188,318
Total net position at ending of year	$ 9,598,256	$ 35,739,673

See accompanying notes to basic financial statements.

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COUNTY OF ROANOKE, VIRGINIA
Combining Statement of Net Position
Component Units
For the Year Ended June 30, 2023

	Roanoke County Public Schools	Economic Development Authority	South Peak Community Development Authority	Total Component Units
ASSETS				
Cash and cash equivalents	$ 32,732,867	$ 845,443	$ -	$ 33,578,310
Investments	8,970,087	-	-	8,970,087
Restricted cash and cash equivalents	-	45,000	-	45,000
Accounts and other receivables	682,522	552	-	683,074
Due from other governments	8,116,842	-	1,008,474	9,125,316
Inventory	592,803	-	-	592,803
Land held for resale	-	4,817,324	-	4,817,324
Prepaid and other assets	143,241	-	-	143,241
Net asset from pension	2,996,020	-	-	2,996,020
Capital assets:				
Land and construction in progress	16,471,680	-	5,330,063	21,801,743
Other capital assets, net	70,414,165	-	-	70,414,165
Capital assets, net	86,885,845	-	5,330,063	92,215,908
Total assets	141,120,227	5,708,319	6,338,537	153,167,083
DEFERRED OUTFLOWS OF RESOURCES				
Resources related to pension plan	24,672,091	-	-	24,672,091
Other postemployment benefit provided by Virginia Retirement System	3,060,839	-	-	3,060,839
Other postemployment benefit provided by Roanoke County Public Schools	869,802	-	-	869,802
Total deferred outflows of resources	28,602,732	-	-	28,602,732
LIABILITIES				
Accounts payable	2,677,153	199,399	5,500	2,882,052
Accrued liabilities	8,048,603	645	-	8,049,248
Unearned revenue	932,597	-	-	932,597
Accrued interest payable	-	-	81,810	81,810
Long-term liabilities:				
Portion due or payable within one year:				
Bonds payable	-	-	343,000	343,000
Lease obligations	3,435,415	-	-	3,435,415
Right-to-use subscription obligation	1,794,602	-	-	1,794,602
Compensated absences	922,733	-	-	922,733
Claims payable	1,591,001	-	-	1,591,001
Portion due or payable after one year:				
Bonds payable	-	-	5,078,000	5,078,000
Lease obligations	4,155,448	-	-	4,155,448
Right-to-use subscription obligation	1,880,861	-	-	1,880,861
Compensated absences	1,985,868	-	-	1,985,868
Claims payable	605,999	-	-	605,999
Net pension liability	89,644,053	-	-	89,644,053
Net liability from other postemployment benefit provided by Virginia Retirement System	17,345,303	-	-	17,345,303
Net liability from other postemployment benefit provided by Roanoke County Public Schools	5,680,634	-	-	5,680,634
Total liabilities	140,700,270	200,044	5,508,310	146,408,624
DEFERRED INFLOWS OF RESOURCES				
Deferred revenues	-	45,000	-	45,000
Resources related to pension plan	20,516,234	-	-	20,516,234
Other postemployment benefit provided by Virginia Retirement System	2,002,881	-	-	2,002,881
Other postemployment benefit provided by Roanoke County Public Schools	5,517,037	-	-	5,517,037
Total deferred inflows of resources	28,036,152	45,000	-	28,081,152
NET POSITION				
Net investment in capital assets	75,619,519	-	(90,937)	75,528,582
Restricted for:				
Net asset from pension	2,996,020	-	-	2,996,020
Unrestricted (deficit)	(77,629,002)	5,463,275	921,164	(71,244,563)
Total net position	$ 986,537	$ 5,463,275	$ 830,227	$ 7,280,039

See accompanying notes to basic financial statements.

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COUNTY OF ROANOKE, VIRGINIA
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2023

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Public Schools**	**Economic Development Authority**	**South Peak Community Development Authority**	**Total Component Units**
Roanoke County Public Schools	$ 191,253,487	$ 3,415,155	$ 50,741,273	$ 7,612,839	$ (129,484,220)	$ -	$ -	$ (129,484,220)
Economic Development Authority	669,557	-	-	-	-	(669,557)	-	(669,557)
South Peak Community Development Authority	280,449	-	-	-	-	-	(280,449)	(280,449)
Total component units	$ 192,203,493	$ 3,415,155	$ 50,741,273	$ 7,612,839	(129,484,220)	(669,557)	(280,449)	(130,434,226)
General revenues:								
Payments from Roanoke County					80,427,743	536,119	-	80,963,862
Payments from other local governments					-	120,131	-	120,131
Non-categorical state aid					63,390,172	-	-	63,390,172
Incremental tax revenues					-	-	810,808	810,808
Gain on sale of capital assets					234,792	-	-	234,792
Interest and Investment earnings					-	12,085	7,608	19,693
Miscellaneous					6,084,892	65,562	-	6,150,454
Total general revenues					150,137,599	733,897	818,416	151,689,912
Change in net position					20,653,379	64,340	537,967	21,255,686
Total net (deficit) position at beginning of year					(19,666,842)	5,398,935	292,260	(13,975,647)
Total net position at end of year					$ 986,537	$ 5,463,275	$ 830,227	$ 7,280,039

See accompanying notes to basic financial statements.

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(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.

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 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

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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:

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

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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, 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.

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- 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.

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.

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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.

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.

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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.

Prepaids – 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. Materiality is determined on a case-by-case basis but generally follows a 2 times multiplier of the County's Capital Asset policy. All inventories are valued at cost using the first-in first-out method for the government-wide statements. If inventory levels are small or immaterial, the purchases method of accounting, expensing inventory purchases when they are acquired, will be utilized. The cost of the consumable supplies is recorded 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 and subscription assets are 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

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retirement of a capital asset or right-to-use leased or subscription asset, 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 and subscription assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Life
Buildings	40-50 years
Building Improvements	10-25 years
Furniture, Fixtures, and Equipment	3-25 years
Right-to-use leased equipment	3-5 years
Right-to-use subscription assets	3-5 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.

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.

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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.

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

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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.

Subscription-Based Information Technology Arrangements – The County recognizes a subscription-based information technology arrangement (SBITA) liability and an intangible right-to-use subscription asset in the financial statements. Subscription assets are defined as a contract that conveys control of the right-to-use another party's information technology software, alone or in combination with tangible capital assets (the underlying information technology assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The County recognizes subscription liabilities with an initial, individual value of $100,000 or more. At the commencement of a subscription, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term.

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

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

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

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.

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 or subscription 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. This includes the net position of other post-employment benefit and pension assets. 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, 2023, 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 pronouncement has been implemented by the County:

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)* – This statement aims to have governments recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability for its subscription-based information technology arrangements. The impact of this statement is incorporated in Exhibits I, II, III, and IV 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.

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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, 2023 were as follows:

Real Estate	$1.06
Personal Property	3.40
Machinery and Tools	2.80

(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.

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Fund balances classified in accordance with GAAP at June 30, 2023 are as follows:

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Nonspendable:					
Prepaids	$ 189,825	$ -	$ -	$ -	$ 189,825
Inventory	144,063	-	-	-	144,063
	$ 333,888	$ -	$ -	$ -	$ 333,888
Restricted for:					
Children's Services Act	$ 742,959	$ -	$ -	$ -	$ 742,959
Law Enforcement	1,440,297	-	-	-	1,440,297
Clerk of Circuit Court	-	-	-	15,049	15,049
Fire and Rescue	28,010	-	-	213,750	241,760
Parks and Recreation	536,492	-	-	7,005	543,497
Stormwater Management	-	-	-	30,928	30,928
Community Development	355,292	1,002,974	-	-	1,358,266
Education	-	-	-	615,333	615,333
Other purposes	2,055,061	-	-	-	2,055,061
	$ 5,158,111	$ 1,002,974	$ -	$ 882,065	$ 7,043,150
Committed to:					
Law Enforcement	$ 809,149	$ -	$ -	$ 259,244	$ 1,068,393
LOSAP pension	3,760,001	-	-	-	3,760,001
Fire and Rescue	9,592	-	-	10,824,299	10,833,891
Garage and Motor Pool	240,520	-	-	-	240,520
Information Technology and Communications Shop	1,769,548	-	-	1,959,155	3,728,703
Integrated Financial System	-	-	-	387,038	387,038
Human Resources and Payroll System	-	-	-	438,184	438,184
Economic Development	152,428	-	-	-	152,428
Public Works	216,066	-	-	-	216,066
Parks and Recreation	-	-	-	1,331,921	1,331,921
Libraries	1,343	-	-	478,422	479,765
General Services	9,756	-	-	8,816,648	8,826,404
Debt Service Reserves	-	-	266,268	-	266,268
Future Capital Projects	8,287,423	-	-	17,666,686	25,954,109
Community Development	99,742	-	-	3,313,211	3,412,953
Assessment	-	-	-	110,832	110,832
Other purposes	11,663	-	-	-	11,663
	$ 15,367,231	$ -	$ 266,268	$ 45,585,640	$ 61,219,139
Assigned to:					
Law enforcement	$ 29,743	$ -	$ -	$ -	$ 29,743
Parks and Recreation	650,615	-	-	-	650,615
	$ 680,358	$ -	$ -	$ -	$ 680,358
Unassigned	$ 24,385,608	$ -	$ -	$ -	$ 24,385,608
Total Fund Balances	$ 45,925,196	$ 1,002,974	$ 266,268	$ 46,467,705	$ 93,662,143

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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, 2023, the fair value and maturity of the County's and Component Units' total deposits and investments were as follows:

		Originial Investment Maturity		
Deposits and Investments	Fair Value	Less Than 1 Year	1-6 Year	Credit Rating
Demand and time deposits	$ 20,241,536	$ 20,241,536	$ -	not applicable
Interest-earning investment contract	3,760,001	3,760,001	-	AA-
Money market mutual funds	71,601,873	71,601,873	-	AAAm
Virginia LGIP	48,845,706	48,845,706	-	AAAm
Federal agency bonds and notes	39,114,662	30,335,362	8,779,300	AAA
Investment in other pooled funds	11,258,369	11,258,369	-	not applicable
Total	$ 194,822,147	$ 186,042,847	$ 8,779,300	

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, 2023, excluding the pooled funds, there were no other investments.

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Below is the carrying value of cash and investments for the Reporting Entity as of June 30, 2023:

Entity	Cash and Cash Equivalents	Cash and Investments with Fiscal Agents	Investments	Restricted Cash	Total
County	$ 59,427,775	$ 18,620,415	$ 26,841,270	$ 1,218,583	$ 106,108,043
Component Units:					
School System	32,732,867	-	8,970,087	-	41,702,954
Economic Development Authority	845,443	-	-	45,000	890,443
	33,578,310	-	8,970,087	45,000	42,593,397
Fiduciary Funds:					
Roanoke County	31,559,033	9,598,256	3,303,305	-	44,460,594
School System	-	1,660,113	-	-	1,660,113
	31,559,033	11,258,369	3,303,305	-	46,120,707
Total	$ 124,565,118	$ 29,878,784	$ 39,114,662	$ 1,263,583	$ 194,822,147

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, 2023:

	Level 1	Level 2	Level 3	Total
Debt securities				
U.S. governmental bonds & notes	$ -	$ 39,114,662	$ -	$ 39,114,662

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.

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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, 2023, 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:

Issuer	% of Portfolio
Federal Farm Credit Bank Bonds	5.96%
Federal Home Loan Bank	11.80%
Federal Home Loan Mortgage Corp	5.36%

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, 2023, 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, 2023, the County did not have any investments with a maturity greater than 24 months.

(5) Receivables

Receivables at June 30, 2023 are as follows:

	Accounts	Taxes	Due from Other Governments	Total
Governmental activities				
General	$ 6,936,980	$ 14,403,700	$ 17,762,901	$ 39,103,581
Special Revenue	436	-	-	436
Capital Projects	53,659	-	156,659	210,318
Internal Service	643,959	-	-	643,959
Total governmental activities	$ 7,635,034	$ 14,403,700	$ 17,919,560	$ 39,958,294

(6) Interfund Transfers

Interfund transfers for the year ended June 30, 2023 consisted of the following amounts:

	Transfer Out				
Transfer To	General	Debt Service	Capital Projects	Internal Service	Total
General Fund	$ -	$ -	$ 974,528	$ 1,392	$ 975,920
Debt Service Fund	14,262,853	-	-	-	14,262,853
Capital Projects Fund	16,101,257	175,478	-	-	16,276,735
Internal Service Fund	2,409,096	-	-	-	2,409,096
Totals	$ 32,773,206	$ 175,478	$ 974,528	$ 1,392	$ 33,924,604

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, 2023 are as follows:

	Vendors	Accrued Wages and Benefits	Total
Governmental funds:			
General	$ 5,388,834	$ 2,614,914	$ 8,003,748
Special Revenue	6,206	-	6,206
Capital Projects	1,286,910	-	1,286,910
Total governmental funds	$ 6,681,950	$ 2,614,914	$ 9,296,864
Proprietary funds:			
Internal Service	$ 941,403	$ -	$ 941,403
Total proprietary funds	$ 941,403	$ -	$ 941,403
Accrued interest payable			2,352,732
Total governmental activities			$ 12,590,999

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(8) Long-Term Liabilities

The County's outstanding debt consists of 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, 2023 are as follows:

	Governmental Activities
$20,630,000 - 2003 Series C VPSA bonds due in annual installments of $1,030,000 through July 15, 2023; interest at 5.1%	$ 1,030,000
$14,900,000 - 2007 Non-subsidized VPSA bonds due in annual installments of $745,000 through July 15, 2027; interest at 5.1%	3,725,000
$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%	1,784,551
$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%	15,330,000
$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%	4,075,000
$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%	10,680,000
$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%	22,295,000
$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%	18,910,000
$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%	12,240,000
$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%	38,990,000
$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%	4,945,000
$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%	8,155,000
$12,660,000 - Lease Revenue bond Series 2022 due in annual installments of $275,000 to $640,000 through October 1, 2039; interest at 3.0% to 5.1%	12,660,000
	$ 160,589,551

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		Governmental Activities
Bond premiums	$	12,147,305
Lease Obligations		172,565
Right-to-use Subscription		1,800,059
Accrued compensated absences		7,168,172
Claims payable		3,206,000
LOSAP liability		9,722,339
Net OPEB liability provided by VRS		4,055,690
Net OPEB liability provided by County		1,989,179
Net Pension liability		35,832,805
	$	236,683,665

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, the 2019 VRA bonds are collateralized by Roanoke County's Social Services building and the cold storage facility located at 5285 Hollins Road, and the 2022 VRA bonds are collateralized by the Bonsack Fire Station and Public Service Center.

Changes in long-term liabilities for the year ended June 30, 2023 were as follows:

	Outstanding June 30, 2022*	Additions	Deletions	Outstanding June 30, 2023	Amounts Due Within One Year
Primary Government					
Governmental Activities:					
VPSA School Bonds	$ 85,873,052	$ -	$ 8,043,501	$ 77,829,551	$ 8,048,369
Lease Revenue Bonds	73,900,000	12,660,000	3,800,000	82,760,000	4,365,000
	159,773,052	12,660,000	11,843,501	160,589,551	12,413,369
Bond premiums	12,384,805	812,376	1,049,876	12,147,305	1,090,495
Lease obligations	238,807	-	66,242	172,565	69,202
Right-to-use subscription	2,852,205	240,082	1,292,228	1,800,059	1,431,026
Accrued compensated absences	6,512,377	5,721,577	5,065,782	7,168,172	4,329,466
Claims payable	2,992,572	13,019,225	12,805,797	3,206,000	1,946,334
LOSAP liability	12,533,736	438,326	3,249,723	9,722,339	-
Net OPEB liability provided by VRS	3,766,495	546,726	257,531	4,055,690	-
Net OPEB liability provided by County	847,729	2,150,053	1,008,603	1,989,179	-
Net Pension liability	20,910,355	26,196,201	11,273,751	35,832,805	-
	$ 222,812,133	$ 61,784,566	$ 47,913,034	$ 236,683,665	$ 21,279,892
Component Units					
School System:					
Lease obligations	$ 6,533,359	$ 5,110,596	$ 4,053,092	$ 7,590,863	$ 3,435,415
Right-to-use subscription	-	5,589,087	1,913,624	3,675,463	1,794,602
Accrued compensated absences	2,631,451	6,530,076	6,252,926	2,908,601	922,733
Claims payable	2,276,238	17,893,963	17,973,201	2,197,000	1,591,001
Net Pension liability	72,585,738	44,104,657	27,046,342	89,644,053	-
Net OPEB liability provided by VRS	17,318,454	3,102,259	3,075,410	17,345,303	-
Net OPEB liability provided by RCPS	5,163,187	806,180	288,733	5,680,634	-
	$ 106,508,427	$ 83,136,818	$ 60,603,328	$ 129,041,917	$ 7,743,751
CDA:					
Bond payable	$ 5,731,000	$ -	$ 310,000	$ 5,421,000	$ 343,000

*Balances as of June 30, 2022 were restated due to the implementation of GASB 96, *Subscription-Based Information Technology Arrangements*.

The Debt Service Fund is used to liquidate most long-term liabilities of governmental activities as shown on the previous page; however, a portion of compensated absences, claims payable, net pension, and net OPEB liabilities are liquidated by the General Fund.

The total annual requirements to amortize governmental activities' debt outstanding as of June 30, 2023 are as follows:

	Total Government Debt	
Fiscal Year	Principal	Interest
2024	$ 19,143,614	$ 6,818,667
2025	15,374,453	6,083,625
2026	13,738,271	5,442,258
2027	13,071,003	4,811,123
2028	12,411,160	4,184,111
2029-2033	50,405,000	13,882,126
2034-2038	38,600,000	5,258,136
2039-2043	11,085,000	803,090
Total	$ 173,828,501	$ 47,283,136

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

	Virginia Public School Authority Bonds		Lease Revenue Bonds		Lease Obligations		Right-to-Use Subscription	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 8,048,369	3,172,542	$ 4,365,000	$ 3,369,872	$ 3,504,617	$ 121,402	$ 3,225,628	$ 154,851
2025	7,019,794	2,791,268	4,630,000	3,154,953	2,175,378	82,247	1,549,281	55,157
2026	7,026,556	2,450,980	4,855,000	2,923,463	1,202,295	48,353	654,420	19,462
2027	7,033,672	2,112,613	5,110,000	2,675,444	881,138	20,693	46,193	2,373
2028	7,041,160	1,769,430	5,370,000	2,414,681	-	-	-	-
2029-2033	22,580,000	5,083,028	27,825,000	8,799,098	-	-	-	-
2034-2038	13,710,000	1,677,366	24,890,000	3,580,770	-	-	-	-
2039-2043	5,370,000	207,999	5,715,000	595,091	-	-	-	-
Total	$ 77,829,551	$ 19,265,226	$ 82,760,000	$ 27,513,372	$ 7,763,428	$ 272,695	$ 5,475,522	$ 231,843

(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, 2023, the related capital assets totaled $57,561,567 net of accumulated depreciation, and $22,112,817 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, 2023 was as follows:

Governmental Activities

	Balance June 30, 2022*	Additions	Reductions	Balance June 30, 2023
Capital assets not being depreciated:				
Land	$ 12,750,129	$ -	$ -	$ 12,750,129
Construction in progress	30,494,648	15,285,883	(1,833,481)	43,947,050
Total capital assets at historical cost not being depreciated	43,244,777	15,285,883	(1,833,481)	56,697,179
Capital assets being depreciated:				
Building and improvements	341,149,416	1,577,091	-	342,726,507
Furniture, fixtures, and equipment	81,667,379	5,799,855	(2,003,255)	85,463,979
Right to use leased equipment	359,020	-	-	359,020
Right to use subscription assets	4,101,735	261,607	-	4,363,342
Total capital assets at historical cost being depreciated	427,277,550	7,638,553	(2,003,255)	432,912,848
Less accumulated depreciation and amortization:				
Buildings and improvements	(187,739,138)	(13,302,619)	-	(201,041,757)
Furniture, fixtures, and equipment	(65,198,803)	(4,533,110)	1,982,164	(67,749,749)
Right to use leased equipment	(124,378)	(68,676)	-	(193,054)
Right to use subscription assets	(1,169,818)	(1,311,045)	-	(2,480,863)
Total accumulated depreciation and amortization	(254,232,137)	(19,215,450)	1,982,164	(271,465,423)
Total capital assets, being depreciated, net	173,045,413	(11,576,897)	(21,091)	161,447,425
Governmental activities capital assets, net	$ 216,290,190	$ 3,708,986	$ (1,854,572)	$ 218,144,604

*Balances as of June 30, 2022 were restated due to the implementation of GASB 96, *Subscription-Based Information Technology Arrangements*.

The County has several Construction projects ongoing that are financed with capital funds, bond and/or grant proceeds such as Public Service Center and Fleet Center Renovations, Rural Broadband Initiative, Explore Park Infrastructure Improvements, and Roanoke River Greenway expansions.

Intangible Right-to-Use Subscription-Based Information Technology Arrangements (SBITA)

In 2023, the County implemented the guidance in GASB Statement 96, *Subscription-Based Information Technology Arrangements* (SBITA), and recognized the value SBITAs under long-term contracts. For the eight SBITA existing as of June 30, 2023, the County recorded an asset related to the right-to-use software subscriptions in the amount of $4,363,342 and the related accumulated amortization of $2,480,863.

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Depreciation and amortization expense for the year ended June 30, 2023 was charged to functions/programs of the Primary Government as follows:

General government	$ 1,802,618
Judicial administration	79,403
Public Safety	3,219,230
Public Works	2,248,246
Health and welfare	609,780
Parks, recreation and culture	1,660,396
Library	802,824
Community development	61,523
Education	8,731,430
Total depreciation and amortization expense - governmental activities	$ 19,215,450

The South Peak Community Development Authority's capital asset activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023
Capital assets not being depreciated:				
Infrastructure	$ 5,330,063	$ -	$ -	$ 5,330,063
Total capital assets at historical cost not being depreciated	$ 5,330,063	$ -	$ -	$ 5,330,063

The Roanoke County Public Schools' capital asset activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023
Capital assets not being depreciated:				
Land	$ 8,137,027	$ 4,151,392	$ -	$ 12,288,419
Construction in progress	2,153,137	2,822,035	(791,911)	4,183,261
Total capital assets at historical cost not being depreciated	10,290,164	6,973,427	(791,911)	16,471,680
Capital assets being depreciated:				
Building and improvements	121,876,886	768,204	(70,582)	122,574,508
Furniture, fixtures, and equipment	38,845,931	2,031,633	(789,989)	40,087,575
Right to use leased equipment	13,488,093	5,110,596	(2,437,640)	16,161,049
Right to use subscription assets	3,538,499	2,077,848	-	5,616,347
Total capital assets at historical cost being depreciated	177,749,409	9,988,281	(3,298,211)	184,439,479
Less accumulated depreciation and amortization:				
Buildings and improvements	(66,504,859)	(3,693,271)	70,582	(70,127,548)
Furniture, fixtures, and equipment	(32,385,551)	(2,135,026)	650,122	(33,870,455)
Right to use leased equipment	(6,908,046)	(3,729,560)	2,437,640	(8,199,966)
Right to use subscription assets	-	(1,827,345)	-	(1,827,345)
Total accumulated depreciation and amortization	(105,798,456)	(11,385,202)	3,158,344	(114,025,314)
Total capital assets, being depreciated, net	71,950,953	(1,396,921)	(139,867)	70,414,165
Governmental activities capital assets, net	$ 82,241,117	$ 5,576,506	$ (931,778)	$ 86,885,845

The School System implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)* during 2023. For the thirty-six SBITA existing as of June 30, 2023, the School System recorded an asset related to the right-to-use subscription assets in the amount of $5,616,347 and related accumulated amortization of $1,827,345.

Depreciation and amortization expense for the Roanoke County Public Schools' charged to function/program activities for the year ended June 30, 2023 was as follows:

Instruction	$	4,360,895
Administration		217,798
Transportation		900,430
Operations and maintenance		298,986
Technology		5,556,905
School nutrition		50,188
Total depreciation and amortization expense	$	11,385,202

(10) Leases and Subscription-Based Information Technology Arrangements

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 $193,054 as of June 30, 2023. 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:

	Governmental Activities	
	Leases	
	Principal	Interest
2024	$ 69,202	$ 6,180
2025	72,295	3,087
2026	31,068	341
	$ 172,565	$ 9,608

The County has entered into eight subscription-based information technology arrangements (SBITAs) involving:

- Infor GlobalHR – a human resources management software
- Microsoft D365 – a financial reporting software
- Tyler Munis – a treasury cashiering, permitting, and licensing software
- PerfectMind – a parks and recreation event management software
- ESRI ArcGIS – a mapping and analysis software
- Tyler New World – a law enforcement records software
- ProofPoint DMARC – an email authentication software
- Cisco Meraki – a network security software

The total costs of the County's subscription assets as of June 30, 2023 are recorded as $4,363,342, less accumulated amortization of $2,480,863. The future subscription payments under SBITA agreements are as follows:

	Governmental Activities	
	Subscription-Based IT Arrangements	
	Principal	Interest
2024	$ 1,431,026	$ 82,618
2025	287,847	17,130
2026	61,409	5,116
2027	19,777	1,748
	$ 1,800,059	$ 106,612

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 2023 was $214,247, with $45,104 attributable to interest revenue and $169,143 attributable to lease revenue.

The future lease receipts under lease agreements are as follows:

	Governmental Activities	
	Leases	
	Principal	Interest
2024	$ 152,731	$ 43,099
2025	137,265	39,185
2026	141,239	35,588
2027	113,842	31,885
2028	116,534	29,272
2029-2033	354,878	118,609
2034-2038	468,823	66,709
2039-2043	292,253	18,685
2044-2048	34,730	701
	$ 1,812,295	$ 383,733

School System as Lessee

The School System, as a lessee, has entered into ten lease agreements involving computer and technology equipment. The total costs of the School System's leased assets are recorded as $16,161,049, less accumulated amortization of $8,199,966 as of June 30, 2023. 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:

	Governmental Activities	
	Leases	
	Principal	Interest
2024	$ 3,435,415	$ 115,222
2025	2,103,083	79,160
2026	1,171,227	48,012
2027	881,138	20,693
	$ 7,590,863	$ 263,087

The School System has entered into thirty-six subscription-based information technology arrangements (SBITAs). The total costs of the School System's subscription assets are recorded as $5,616,347, less accumulated amortization of $1,827,345 as of June 30, 2023. The future subscription payments under SBITA agreements are as follows:

	Governmental Activities	
	Subscription-Based IT Arrangements	
	Principal	Interest
2024	$ 1,794,602	$ 72,233
2025	1,261,434	38,027
2026	593,011	14,346
2027	26,416	625
	$ 3,675,463	$ 125,231

More information regarding the School System leased and subscription-based assets 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.

(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, 2023, the County and the School System have accrued liabilities of $2,256,000 and $893,000, 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

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each individual's pooled claims in excess of $250,000. At June 30, 2023, incurred but not yet reported (IBNR) claims for the County and School System are estimated to be $855,000 and $1,304,000 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, 2023, the County has an accrued general liability of $34,000, 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, 2023, the County has an accrued automotive liability of $61,000, based primarily upon an estimate by a qualified actuary.

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:

	Workers' Compensation	Health Insurance	General Liability	Automobile Liability	Total
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	(683,114)	(11,186,752)	(13,333)	(68,011)	(11,951,210)
Unpaid Claims June 30, 2022	2,100,000	816,072	32,500	44,000	2,992,572
Incurred claims*	938,988	11,974,704	80,668	24,865	13,019,225
Claim Payments	(782,988)	(11,935,776)	(79,168)	(7,865)	(12,805,797)
Unpaid Claims June 30, 2023	$ 2,256,000	$ 855,000	$ 34,000	$ 61,000	$ 3,206,000

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

School System Component Unit:

	Workers' Compensation	Health Insurance	Total
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	(503,264)	(17,402,278)	(17,905,542)
Unpaid Claims June 30, 2022	858,000	1,418,238	2,276,238
Incurred claims*	318,781	17,575,182	17,893,963
Claim Payments	(283,781)	(17,689,420)	(17,973,201)
Unpaid Claims June 30, 2023	$ 893,000	$ 1,304,000	$ 2,197,000

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

(12) <u>Pension Plan</u>

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
About Plans		
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.	The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, creditable service and average final

PLAN 1	PLAN 2	HYBRID PLAN
		compensation at retirement using a formula. • 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. • 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.
Eligible Members		
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. **<u>Hybrid Opt-In Election</u>** 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. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the	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. **<u>Hybrid Opt-In Election</u>** 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. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the	Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • Political subdivision employees* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. **<u>*Non-Eligible Members</u>** Some employees are not eligible to participate in the Hybrid Retirement Plan. They include: • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees • 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.

PLAN 1	PLAN 2	HYBRID PLAN
Hybrid Retirement Plan and remain as Plan 1 or ORP.	Hybrid Retirement Plan and remain as Plan 2 or ORP.	
Retirement Contributions		
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.	Same as Plan 1.	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. 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.
Creditable Service		
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 purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	Same as Plan 1.	**Defined Benefit Component** 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 purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. **Defined Contribution Component** Creditable service is used to determine vesting for the employer contribution portion of the plan.

PLAN 1	PLAN 2	HYBRID PLAN
Vesting		
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. 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. Members are always 100% vested in the contributions that they make.	Same as Plan 1.	**<u>Defined Benefit Component</u>** 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. **<u>Defined Contribution Component</u>** 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. Members are always 100% vested in the contributions that they make. 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. • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distribution is not required by law until age 70½.
Calculating the Benefit		
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	Same as Plan 1.	**<u>Defined Benefit Component</u>** Same as Plan 1. **<u>Defined Contribution Component</u>** The benefit is based on contributions made by the

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PLAN 1	PLAN 2	HYBRID PLAN
payout options available to a member at retirement. 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.		member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation		
A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier		
The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%. **Sheriffs and regional jail superintendents:** The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. **Political subdivision hazardous duty employees:** 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.	Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013. **Sheriffs and regional jail superintendents:** Same as Plan 1. **Political subdivision hazardous duty employees:** Same as Plan 1.	**<u>Defined Benefit Component</u>** The retirement multiplier for the defined benefit component is 1.00%. 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. **Sheriffs and regional jail superintendents:** Not applicable. **Political subdivision hazardous duty employees:** Not applicable. **<u>Defined Contribution Component</u>** Not applicable.
Normal Retirement Age		
Age 65. **Political subdivision hazardous duty employees:** Age 60.	Normal Social Security retirement age. **Political subdivision hazardous duty employees:** Same as Plan 1.	**<u>Defined Benefit Component</u>** Same as Plan 2. **Political subdivision hazardous duty employees:** Not applicable.

PLAN 1	PLAN 2	HYBRID PLAN
		Defined Contribution Component Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility		
Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service. **Political subdivision hazardous duty employees:** 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. **Political subdivision hazardous duty employees:** Same as Plan 1.	**Defined Benefit Component** Same as Plan 2. **Political subdivision hazardous duty employees:** Not applicable. **Defined Contribution Component** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility		
Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service. **Political subdivision hazardous duty employees:** Age 50 with at least five years of creditable service.	Age 60 with at least five years (60 months) of creditable service. **Political subdivision hazardous duty employees:** Same as Plan 1.	**Defined Benefit Component** Same as Plan 2. **Political subdivision hazardous duty employees:** Not applicable. **Defined Contribution Component** Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Cost-of-Living Adjustment (COLA) in Retirement		
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%. **Eligibility** 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.	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%. **Eligibility** Same as Plan 1.	**Defined Benefit Component** Same as Plan 2. **Defined Contribution Component** Not applicable. **Eligibility** Same as Plan 1 and Plan 2.

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PLAN 1	PLAN 2	HYBRID PLAN
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.		
Exceptions to COLA Effective Dates The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP). • 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. • 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 December 31) from the date the monthly benefit begins.	**Exceptions to COLA Effective Dates** Same as Plan 1.	**Exceptions to COLA Effective Dates** Same as Plan 1 and Plan 2.
Disability Coverage		
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.

PLAN 1	PLAN 2	HYBRID PLAN
		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.
Purchase of Prior Service		
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.	**Defined Benefit Component** Same as Plan 1, with the following exceptions: • Hybrid Retirement Plan members are ineligible for ported service. **Defined Contribution Component** Not applicable.

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/2022-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, 2021 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	County of Roanoke	School System Non-Professional Plan
Inactive members or their beneficiaries currently receiving benefits	792	447
Inactive members:		
Vested	216	94
Non-vested	382	162
Active elsewhere in VRS	331	74
Total inactive members	929	330
Active members	1,028	76
Total covered employees	**2,749**	**853**

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, 2023 was 15.97% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

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 $9,140,578 and $7,268,195 for the years ended June 30, 2023 and June 30, 2022, respectively.

In addition, the School System's contractually required employer contribution rates for the year ended June 30, 2023 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, 2021. 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 $14,828,794 and $13,999,677 for the years ended June 30, 2023 and June 30, 2022, 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 $22,646 and $47,011 for the years ended June 30, 2023 and June 30, 2022, 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, 2022. The total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2021 rolled forward to the measurement date of June 30, 2022.

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, 2021, 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.

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; 95% males set forward 2 years; 105% rates for females set forward 2 years.
Post-Retirement............	Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 110% of rates for males set forward 3 years; 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 forward 3 years; 90% of rates for females set forward 3 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, 2021 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
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, 2021, 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.

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 with a Modified MP-2020 Improvement Scale; 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 with a Modified MP-2020 Improvement Scale; 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 with a Modified MP-2020 Improvement Scale; 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, 2021 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. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

Retirement Rates.......... Adjusted rates to better fit experience and changed final retirement age from 65 to 70.

Withdrawal Rates.......... Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty.

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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
Multi-Asset Public Strategies (MAPS)	6.00%	3.73%	0.22%
Private Investment Partnership (PIP)	3.00%	6.55%	0.20%
Total	100.00%		5.33%
Inflation			2.50%
	Expected arithmetic nominal return*		7.83%

* The above allocation provides a one-year expected return of 7.83%. 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 6.72%, 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, 2023, 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, 2022 actuarial valuations, whichever was greater. From July 1, 2022 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.

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Changes in Net Pension Liability (Asset)

	County of Roanoke			School System - Non-Professional		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2021	$ 286,827,646	$ 265,917,291	$ 20,910,355	$ 33,659,388	$ 38,229,695	$ (4,570,307)
Changes for the year:						
Service cost	6,274,546	-	6,274,546	257,913	-	257,913
Interest	19,386,561	-	19,386,561	2,202,865	-	2,202,865
Change in assumptions between expected and actual experience	-	-	-		-	-
Difference between expected and actual experience	(1,812,659)	-	(1,812,659)	(716,275)	-	(716,275)
Impact in change of proportion	1,129,897	1,047,525	82,372	-	-	-
Contribution - employer	-	7,000,627	(7,000,627)	-	47,011	(47,011)
Contributions - employee	-	2,454,311	(2,454,311)	-	145,313	(145,313)
Net investment income	-	(286,549)	286,549	-	1,492	(1,492)
Benefit payments including refunds of employee contributions	(14,047,566)	(14,047,566)	-	(2,564,541)	(2,564,541)	-
Administrative expense	-	(166,173)	166,173	-	(24,442)	24,442
Other changes	-	6,154	(6,154)	-	842	(842)
Net Changes	10,930,779	(3,991,671)	14,922,450	(820,038)	(2,394,325)	1,574,287
Balances at June 30, 2022	$ 297,758,425	$ 261,925,620	$ 35,832,805	$ 32,839,350	$ 35,835,370	$ (2,996,020)
Teacher Plan Net Pension Liability at June 30, 2022				$ 515,348,669	$ 425,704,616	$ 89,644,053
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Teacher Plan)						82.61%

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%)
County of Roanoke:			
Retirement Plan	$ 75,182,721	$ 35,832,805	$ 3,973,904
School System:			
Teacher Retirement Plan	$ 160,111,141	$ 89,644,053	$ 32,268,347
Non-Professional Plan	248,475	(2,996,020)	(5,742,020)

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

For the year ended June 30, 2023, the County and the School System recognized pension expense of $6,556,694, $4,227,903, and $(1,340,793) 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 $10,262,754.

At June 30, 2023, 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	$ 384,560	$ 1,919,299	$ -	$ 6,181,312	$ -	$ -
Change in assumptions	4,520,238	-	8,451,628	-	-	-
Net difference between projected and actual earnings on plan investments	-	7,543,184	-	11,687,707	-	1,169,666
Changes in proportion and differences between employer contributions and proportionate share of contributions	61,714	-	1,369,023	1,477,549	-	-
Employer contributions subsequent to the measurement date	9,140,578	-	14,828,794	-	22,646	-
Total	$ 14,107,090	$ 9,462,483	$ 24,649,445	$ 19,346,568	$ 22,646	$ 1,169,666

$9,140,578, $14,828,794, and $22,646 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, 2024, 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:

	County of Roanoke	School System	
Year ended June 30:	Retirement Plan	Teacher Retirement Plan	Non-Professional Plan
2024	$ (423,278)	$ (3,569,106)	$ (434,218)
2025	(2,418,379)	(4,033,469)	(458,770)
2026	(5,283,568)	(7,360,005)	(776,307)
2027	3,629,254	5,436,663	499,629
Thereafter	-	-	-
	$ (4,495,971)	$ (9,525,917)	$ (1,169,666)

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Payable to the Pension Plan

At June 30, 2023, the Teacher and Non-Professional Plans reported payables of $245,846, and $1,427, respectively, for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

(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:

OPEB PLAN PROVISIONS – RETIREE MEDICAL
Eligible Members
All full-time employees hired before July 1, 2016, who meet the following criteria, are eligible for post-retirement medical coverage: o Retire directly from the County and are eligible to receive an early or regular retirement benefit from the VRS o Have 10 years of continuous full-time service with the County through the date of retirement o Have 5 years of enrollment in the County sponsored medical plan immediately prior to retirement Eligible dependents on the employee's health insurance may continue to receive the County's contribution toward the health plan.
Benefit Amounts
For plan members receiving benefits, the County contributes a specified amount monthly towards the cost of the health insurance premium.
Program Notes
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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Core Bonds	5.00%	2.58%	0.13%
Core Plus	11.00%	2.89%	0.32%
Liquid Absolute Return	4.00%	3.25%	0.13%
Large Cap Equity (Domestic)	21.00%	7.17%	1.51%
Small Cap Equity (Domestic)	10.00%	8.61%	0.86%
International Developed Equity	13.00%	8.06%	1.05%
Emerging Market Equity	5.00%	9.33%	0.47%
Long/Short Equity	6.00%	5.77%	0.35%
Private Equity	10.00%	10.55%	1.06%
Core Real Estate	10.00%	6.54%	0.65%
Opportunistic Real Estate	5.00%	9.54%	0.48%
Total	100.00%		7.01%
		Inflation	2.75%
		Expected arithmetic nominal return	9.76%

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 $1,568,430 for the year ended June 30, 2023. These expenses and benefits are detailed below and also over the following several pages.

The County recognized OPEB expense (benefit) of ($400,793), $79,795, and $91,681 in its Retiree Medical program, Health Insurance Credit program, and Group Life Insurance program, respectively, in fiscal year 2023. Total OPEB benefit for the County plans combined was ($229,317) for the year ended June 30, 2023.

The School System recognized OPEB expense (benefit) of $663,220 in its Retiree Medical program; $905,860 and $74,832 in its Health Insurance Credit Program for its Teacher Plan and Non-Professional Plan, respectively; and $154,243 and ($408) 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 $1,797,747 for the year ended June 30, 2023.

Retiree Medical Program – OPEB Plan Disclosures

Employees Covered by Benefits Terms - As of the June 30, 2023 actuarial valuation, the following employees were covered by the benefit terms of the Retiree Medical Plan:

Inactive members:	
Retirees	75
Active members	1,034
Total covered members	1,109

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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, 2023, the retirees contributed approximately $530,160 or 51.1% 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, 2023 was 1.2% of covered employee compensation for the Retiree Medical Plan. The total amount contributed was $1,634,921. This rate was based on the actuarially determined rate from actuarial valuations as of July 1, 2022 projected to June 30, 2023.

Net OPEB Liability - The Plan data for the Retiree Medical Plan was measured as of June 30, 2023 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, 2023, 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, 2023.

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%

Health Care cost trend rate – Medical.... Initial rate of 7.00% 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.

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OPEB Liabilities and OPEB Expense for the Retiree Medical Plan as of 2023 measurement date

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022	$ 10,818,333	$ 8,810,778	$ 2,007,555
Changes for the year:			
Service cost	179,047	-	179,047
Interest	769,088	-	769,088
Difference between expected and actual experience	451,426	-	451,426
Contribution - employer	-	1,634,921	(1,634,921)
Net investment expense	-	675,162	(675,162)
Benefit payments including refunds of member contributions	(1,513,096)	(1,513,096)	-
Administrative expense	-	(9,509)	9,509
Net Changes	(113,535)	787,478	(901,013)
Balances at June 30, 2023	$ 10,704,798	$ 9,598,256	$ 1,106,542

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, 2023, NOL amounts are as follows:

Total OPEB Liability	$ 10,704,798
Plan Fiduciary Net Position	9,598,256
Net OPEB Liability	$ 1,106,542
Fiduciary Net Position as a Percentage of Total OPEB Liability	89.66%

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:

	1.00% Decrease (6.50%)	**Current Rate** (7.50%)	**1.00% Increase** (8.50%)
Net OPEB Liability	$ 1,851,134	$ 1,106,542	$ 422,971

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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 7.00% 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 (6.00% grading to 3.50%) or one percentage point higher (8.00% grading to 5.50%) than the current rate:

	1.00% Decrease (6.00% decreasing to 3.50%)	**Current Rate** (7.00% decreasing to 4.50%)	**1.00% Increase** (8.00% decreasing to 5.50%)
Net OPEB Liability	$ 219,129	$ 1,106,542	$ 2,115,357

Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Retiree Medical Plan - At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to the Retiree Medical Plan from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 450,436	$ 2,761,727
Change in assumptions	1,013,414	378,865
Net difference between projected and actual earnings on OPEB plan investments	363,597	-
Total	$ 1,827,447	$ 3,140,592

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:	
2024	$ (602,543)
2025	(666,370)
2026	(123,096)
2027	(92,849)
2028	107,221
Thereafter	64,492
	$ (1,313,145)

Retiree Medical Program – Employer Recognition of the OPEB Plan – Roanoke County

Employees Covered by Benefits Terms - At June 30, 2023 (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	560

Contributions - The County's contractually required contribution rate for the year ended June 30, 2022 was 3.0% of covered employee compensation, actuarially determined as an amount that is 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 amount contributed was $1,017,921.

Net OPEB Liability - The Employer data for the Retiree Medical Plan was measured as of June 30, 2023. The total OPEB liability was determined by an actuarial valuation performed as of June 30, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023. 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, 2022, 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.

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OPEB Liabilities and OPEB Expense

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2021	$ 10,334,173	$ 9,486,444	$ 847,729
Changes for the year:			
Service cost	207,614	-	207,614
Interest	758,714	-	758,714
Change in Assumptions	208,295	-	208,295
Difference between expected and actual experience	88,085	-	88,085
Impact in change in proportion	10,315	9,469	846
Contribution - employer	-	1,008,603	(1,008,603)
Net investment expense	-	(875,837)	875,837
Benefit payments including refunds of member contributions	(887,893)	(887,893)	-
Administrative expense	-	(10,662)	10,662
Net Changes	385,130	(756,320)	1,141,450
Balances at June 30, 2022	$ 10,719,303	$ 8,730,124	$ 1,989,179

For the year ended June 30, 2023, the County recognized OPEB expense (benefit) of ($400,793).

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, 2023, NOL amounts are as follows:

Total OPEB Liability	$ 10,719,303
Plan Fiduciary Net Position	8,730,124
Net OPEB Liability	$ 1,989,179
Fiduciary Net Position as a Percentage of Total OPEB Liability	81.44%

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:

	1.00% Decrease (6.50%)	Current Rate (7.50%)	1.00% Increase (8.50%)
Net OPEB Liability	$ 2,736,170	$ 1,989,179	$ 1,305,091

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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 7.00% 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 (6.00% grading to 3.50% over six years) or one percentage point higher (8.00% grading to 5.50% over six years) than the current rate:

	1.00% Decrease (6.00% decreasing to 3.50% over 6 years)	**Current Rate** (7.00% decreasing to 4.50% over 6 years)	**1.00% Increase** (8.00% decreasing to 5.50% over 6 years)
Net OPEB Liability	$ 1,197,798	$ 1,989,179	$ 2,887,062

Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Retiree Medical Plan - At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to the Retiree Medical Plan from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 75,502	$ 3,811,869
Change in assumptions	1,467,388	500,146
Net difference between projected and actual earnings on OPEB plan investments	463,325	-
Change in proportionate share	-	7,345
Employer contributions subsequent to the measurement date	1,129,985	-
Total	$ 3,136,200	$ 4,319,360

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, 2024 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:	
2024	$ (637,162)
2025	(659,153)
2026	(722,113)
2027	(183,379)
2028	(153,679)
Thereafter	42,341
	$ (2,313,145)

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VRS Health Insurance Credit and Group Life Insurance Programs – Roanoke County

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

HEALTH INSURANCE CREDIT	GROUP LIFE INSURANCE
Eligible Members	
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.
Benefit Amounts	
The County's Retiree Health Insurance Credit Program provides the following benefits for eligible employees: **At Retirement** 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. **Disability Retirement** For employees who retire on disability or go on long-term disability under the Virginia Local Disability	The benefits payable under the Group Life Insurance Program have several components. **Natural Death Benefit** The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. **Accidental Death Benefit** The accidental death benefit is double the natural death benefit.

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<table>
<tr><th>HEALTH INSURANCE CREDIT</th><th>GROUP LIFE INSURANCE</th></tr>
<tr><td>Program (VLDP), the monthly benefit is $45.00 per month.</td><td><u>Other Benefit Provisions</u>
In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
• Accidental dismemberment benefit
• Safety belt benefit
• Repatriation benefit
• Felonious assault benefit
• Accelerated death benefit option</td></tr>
<tr><td colspan="2">Program Notes</td></tr>
<tr><td>The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.

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.

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.</td><td><u>Reduction in Benefit Amounts</u>
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.

<u>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</u>
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 in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $8,984 as of June 30, 2023.</td></tr>
</table>

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 2022 ACFR. A copy of the 2022 VRS ACFR may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2022-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, 2021 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

Inactive members or their beneficiaries currently receiving benefits	789
Active members	239
Total covered members	1,028

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, 2023 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, 2021. 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. Contributions from the County to the Political Subdivision Health Insurance Credit Program were $172,022 and $152,737 for the years ended June 30, 2023 and June 30, 2022, 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, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 $310,409 and $274,492 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately $30.4 million to the Group Life Insurance plan. This special payment was authorized by a Budget Amendment included in Chapter 1 of the 2022 Appropriation Act.

Net OPEB Liability - The County's net Health Insurance Credit OPEB liability and Group Life Insurance OPEB liability were measured as of June 30, 2022. The total OPEB liability for each program 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, 2022.

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, 2021, 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.

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; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement	Pub-2010 Amount Weighted General 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 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, 2021 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:

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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
Multi-asset Public Strategies	6.00%	3.73%	0.22%
Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		**Expected arithmetic nominal return	7.83%

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* The above allocation provides a one-year return of 7.83%. 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 6.72%, 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 40th percentile of 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 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, 2022, 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, 2022 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.

Net OPEB Liability - Health Insurance Credit Program

	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2021	$ 1,823,845	$ 862,312	$ 961,533
Changes for the year:			
Service cost	43,711	-	43,711
Interest	121,137	-	121,137
Changes of assumptions	216,177	-	216,177
Difference between expected and actual experience	(38,344)	-	(38,344)
Contribution - employer	-	159,730	(159,730)
Net investment income	-	207	(207)
Benefit payments, including refunds of member contributions	(145,861)	(145,861)	-
Administrative expense	-	(1,602)	1,602
Other changes	-	59,250	(59,250)
Net Changes	196,820	71,724	125,096
Balances at June 30, 2022	$ 2,020,665	$ 934,036	$ 1,086,629

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, 2022, NOL amounts for the Group Life Insurance Program is as follows:

Total GLI OPEB Liability	$	9,054,776
Plan Fiduciary Net Position		6,085,715
Net OPEB Liability	$	2,969,061
Fiduciary Net Position as a Percentage of Total OPEB Liability		67.21%

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:

	1.00% Decrease (5.75%)	**Current Rate** (6.75%)	**1.00% Increase** (7.75%)
Net HIC OPEB Liability	$ 1,309,205	$ 1,086,629	$ 897,867
Net GLI OPEB Liability	4,320,331	2,969,061	1,877,050

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, 2023, the County recognized Health Insurance Credit Program OPEB expense of $79,795. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to the Health Insurance Credit Program from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 34,074	$ 33,766
Change in assumptions	229,659	5,549
Net difference between projected and actual earnings on OPEB plan investments	-	18,872
Employer contributions subsequent to the measurement date	172,022	-
Total	$ 435,755	$ 58,187

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$172,022 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, 2024. 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:		
2024	$	33,931
2025		39,100
2026		30,338
2027		47,854
2028		32,136
Thereafter		22,187
	$	205,546

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, 2023, the County reported a liability of $2,969,061 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward to the measurement date of 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, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion was 0.24658% as compared to 0.24092% at June 30, 2021.

For the year ended June 30, 2023, the participating employer recognized GLI OPEB expense of $91,681. 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, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 235,112	$ 119,112
Change in assumptions	110,741	289,198
Changes in Proportionate Share	71,811	85,665
Net difference between projected and actual earnings on OPEB plan investments	-	185,523
Employer contributions subsequent to the measurement date	310,409	-
Total	$ 728,073	$ 679,498

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$310,409 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, 2024. 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:		
2024	$	(58,393)
2025		(60,758)
2026		(157,438)
2027		23,828
2028		(9,073)
Thereafter		-
	$	(261,834)

Retiree Medical Program – OPEB 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, 2023 actuarial valuation with measurement date of June 30, 2023. Given this, the information for the Retiree Medical Plan below is one year after the required Employer Disclosures of the Plan as recognized in the Statement of Net Position and discussed in the following pages.

Employees Covered by Benefit Terms – As of the valuation and measurement date of June 30, 2023, the following employees were covered by the benefit terms in the Retiree Medical Plan:

Inactive employees or beneficiaries currently receiving benefits	84
Active employees	1,519
Total covered employees	1,603

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). As of the valuation and measurement date of June 30, 2023, the School System's Retiree Medical Plan's average contribution rate was 0.40% of covered employee payroll. The total amount contributed was $370,501.

Net School System OPEB Plan Liability – The net School System OPEB Plan Liability (NOL) for the Retiree Medical Plan represents its total Net School System Plan liability calculated by the actuary in accordance with GASB Statement No. 74 less the fiduciary net position. The total School System Plan liability used to calculate the net School System Plan liability was determined by an actuarial valuation performed as of June 30, 2023. At June 30, 2023, the Retiree Medical Plan reported a net OPEB liability of $5,622,748.

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	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022	$ 7,129,004	$ 1,448,370	$ 5,680,634
Changes for the year:			
Service cost	378,451	-	378,451
Interest	552,815	-	552,815
Changes of assumptions	-	-	-
Difference between expected and actual experience	(499,198)	-	(499,198)
Contribution - employer	-	370,501	(370,501)
Net investment income	-	121,516	(121,516)
Benefit payments, including refunds of member contributions	(278,211)	(278,211)	-
Administrative expense	-	(2,063)	2,063
Net Changes	153,857	211,743	(57,886)
Balances at June 30, 2023	$ 7,282,861	$ 1,660,113	$ 5,622,748

Fiduciary Net Position as a Percentage of Total OPEB Liability 22.79%

Net OPEB Expense – For the valuation and measurement date of June 30, 2023, the School System Retiree Medical Plan recognized School System Plan expense of $587,344.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – As of the valuation and measurement date of June 30, 2023, the School System Plan reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,961,618
Net difference between projected and actual earnings on OPEB plan investments	59,843	-
Change in assumptions	371,953	2,587,955
Total	$ 431,796	$ 4,549,573

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the School System's Retiree Medical Plan will be recognized in Retiree Medical Plan expense as follows:

Year ended June 30:	
2024	$ (1,414,869)
2025	(631,251)
2026	(582,807)
2027	(634,591)
2028	(632,681)
Thereafter	(221,578)
	$ (4,117,777)

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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Core Bonds	5.00%	2.58%	0.13%
Core Plus	11.00%	2.89%	0.32%
Liquid Absolute Return	4.00%	3.25%	0.13%
Large Cap Equity (Domestic)	21.00%	7.17%	1.51%
Small Cap Equity (Domestic)	10.00%	8.61%	0.86%
International Equity (Developed)	13.00%	8.06%	1.05%
Emerging Markets	5.00%	9.33%	0.47%
Long/Short Equity	6.00%	5.77%	0.35%
Private Equity	10.00%	10.55%	1.06%
Core Real Estate	10.00%	6.54%	0.65%
Opportunistic Real Estate	5.00%	9.54%	0.48%
Total	100.00%		7.01%
		Inflation	2.75%
		Expected arithmetic nominal return	9.76%

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, 2023.

Sensitivity of the School System Plan OPEB Liability to Changes in the Discount Rate – The following presents the Retiree Medical Plan's net School System's Plan 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:

	1.00% Decrease (6.50%)	Current Rate (7.50%)	1.00% Increase (8.50%)
Net OPEB Liability	$ 6,088,886	$ 5,622,748	$ 5,178,373

Sensitivity of the School System Plan 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 5 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 5 years) or one percentage point higher (8.50% decreasing to 5.50% over 5 years) than the current rate:

	1.00% Decrease (6.50% decreasing to 3.50% over 5 years)	Current Rate (7.50% decreasing to 4.50% over 5 years)	1.00% Increase (8.50% decreasing to 5.50% over 5 years)
Net OPEB Liability	$ 4,974,100	$ 5,622,748	$ 6,372,649

Actuarial Assumptions – The total School System Plan OPEB liability was based on an actuarial valuation date of June 30, 2023, 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, 2023 per annum

Salary increases .... 3.50% per annum plus a step-rate/promotional component based on the VRS actuarial valuation as of June 30, 2023

Investment rate of return .... 7.50% per annum

Medical .... 7.50% graded down to 4.50% over 5 years beginning in 2024

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, 2023:

- Health care trend rates have been updated from 7.50% graded down to 4.50% over 10 years beginning in 2022 to 7.00% graded down to 4.50% over 5 years beginning in 2024.

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Retiree Medical Program – 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, 2023 School System Retiree Medical Plan balances are based on the June 30, 2022 actuarial valuation with a measurement date of June 30, 2022.

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	84
Active employees	1,519
Total covered employees	1,603

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 year ended June 30, 2023, the School System's average contribution rate was 0.80% 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.

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, 2023, the Retiree Medical Plan reported a net OPEB liability of $5,680,634.

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	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%

OPEB Expense – For the year ended June 30, 2023, the School System recognized OPEB expense of $663,220, based on the actuarial valuation and measurement date ended June 30, 2022.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – At June 30, 2023, the School System reported deferred outflows of resources and deferred inflows of resources related to the Retiree Medical Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
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
Employer contributions subsequent to the measurement date	370,501	-
Total	$ 869,802	$ 5,517,037

$370,501 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, 2024. 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:

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Year ended June 30:	
2023	$ (1,351,344)
2024	(1,357,490)
2025	(573,872)
2026	(525,428)
2027	(577,211)
Thereafter	(632,391)
	$ (5,017,736)

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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
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%
Long/Short Equity	6.00%	5.68%	0.34%
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%
Private Core Real Estate	10.00%	6.60%	0.66%
Opportunistic Real Estate	5.00%	9.60%	0.48%
Total	100.00%		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:

	1.00% Decrease (6.50%)	**Current Rate** (7.50%)	**1.00% Increase** (8.50%)
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:

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

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 .... 7.50% graded down to 4.50% over 10 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

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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 5.50% over 8 years beginning in 2021 to 7.50% graded down to 4.50% over 10 years beginning in 2022.

VRS Health Insurance Credit and Group Life Insurance Programs – 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**
Eligible Members		
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.

Health Credit Program		Group Life Program
Teacher Plan	**Non-Professional Plan**	**Both**
Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent (professional) salaried employees of public school divisions covered under VRS.	Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent salaried employees of the participating political subdivision who are covered under VRS.	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.
Benefit Amounts		
The Health Credit Program provides the following benefits for eligible employees. **At Retirement** 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. **Disability Retirement** 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: • $4.00 per month, multiplied by twice the amount of service credit, or • $4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.	The Health Credit Program provides the following benefits for eligible employees. **At Retirement** 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. **Disability Retirement** 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. **Natural Death Benefit** The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. **Accidental Death Benefit** The accidental death benefit is double the natural death benefit. **Other Benefit Provisions** In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: • Accidental dismemberment benefit • Safety belt benefit • Repatriation benefit • Felonious assault benefit • Accelerated death benefit option

Health Credit Program		Group Life Program
Teacher Plan	**Non-Professional Plan**	**Both**
Program Notes		
The monthly Health Insurance Credit benefit cannot exceed the individual premium amount. 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.	The monthly Health Insurance Credit benefit cannot exceed the individual premium amount. 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. 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.	**Reduction in Benefit Amounts** 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. **Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)** 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.

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 2022 VRS ACFR may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2022-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, 2022 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	166
Active employees	76
Total covered employees	242

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 for the Teacher plan and. § 51.1-1402(E) of the *Code of Virginia*, as amended for the Non-Professional Plan. 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 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, 2023, was 1.21% and 2.18% 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, 2021. 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, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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, 2022 and June 30, 2023, 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%	$ 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		$ 2,221,943		$ 88,387	$ 2,310,330
Health Credit Program	1.21%	$ 1,125,781	1.44%	$ 79,696	$ 1,205,477
Group Life Program - Employee	0.80%	747,933	0.80%	29,277	777,210
Group Life Program - Employer	0.54%	504,828	0.54%	19,762	524,590
For the year ended June 30, 2023		$ 2,378,542		$ 128,735	$ 2,507,277

In June 2022, the Commonwealth made a special contribution of approximately $12 million to the VRS Teacher Health Insurance Credit Program and $30.4 million to the Group Life Insurance plan. These special payments were authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act and is classified as a non-employer contribution.

Payable to the VRS OPEB Plan – The Teacher Plan and Non-Professional Plan reported payables of $18,311 and $5,505, respectively, for the outstanding amount of contributions to the Health Care Programs required for the year ended June 30, 2023. The Teacher Plan and Non-Professional Plan reported payables of $20,278 and $3,384, respectively, for the outstanding amount of contributions to the Group Life Programs required for the year ended June 30, 2023. Of these payables, the Teacher Plan and Non-Professional Plan included $8,172 and $1,364, respectively, for the required employer contribution. The difference is the employee component the School System elected to pay on behalf of the employee. At June 30, 2023 the total combined total payable to the VRS OPEB was $23,662.

Net VRS OPEB Liabilities – – At June 30, 2023, the School System reported a liability of $11,667,718 for its proportionate share of the Teacher Plan Health Credit Program Net VRS OPEB Liability. 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, 2021 and rolled forward to the measurement date of 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, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the School System's proportion of the Health Credit Program was 0.93413% as compared to 0.926470% at June 30, 2022.

At June 30, 2023, the School System reported a liability of $4,829,752 and $176,280 for its proportionate share of the Group Life Program Net VRS OPEB Liability for teachers and non-professional employees, respectively. The Group Life Program Net VRS OPEB Liability was measured as of June 30, 2022, and the total Group Life Program VRS OPEB Liability used to calculate the Group Life Program Net VRS OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the Group Life Program Net VRS 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, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the participating employer's proportion was 0.40111% and 0.01464% for teachers and non-professional employees, respectively, as compared to 0.39775% and 0.01422% for teachers and non-professional employees, respectively, at June 30, 2022.

At June 30, 2023, the School System reported $671,553 for its Non-Professional Health Credit Program Net VRS OPEB Liability. The changes in the Non-Professional Health Credit Program Net OPEB Liability were as follows:

	Total VRS OPEB Liability (a)	Fiduciary Net Position (b)	Net VRS OPEB Liability (a) - (b)
Health Credit Program Non-Professional Balances at June 30, 2022	$ 677,750	$ 47,627	$ 630,123
Changes for the year:			
Service cost	3,738	-	3,738
Interest	44,594	-	44,594
Changes in assumptions	33,083	-	33,083
Difference between expected and actual experience	5,885	-	5,885
Contribution - employer	-	45,709	(45,709)
Net investment income	-	(199)	199
Benefit payments, including refunds of member contributions	(41,676)	(41,676)	-
Administrative expense	-	(78)	78
Other changes	-	438	(438)
Net Changes	45,624	4,194	41,430
Balances at June 30, 2023	$ 723,374	$ 51,821	$ 671,553

As of June 30, 2023, total combined Net VRS OPEB Liability was $17,345,303.

	Total VRS OPEB Liability (a)	Fiduciary Net Position (b)	Net VRS OPEB Liability (a) - (b)
Health Credit Program Teacher Balances at June 30, 2023	$ 13,740,035	$ 2,072,317	$ 11,667,718
Health Credit Program Non-Professional Balances at June 30, 2023	723,374	51,821	671,553
Group Life Program Teacher Balances at June 30, 2023	14,729,102	9,899,350	4,829,752
Group Life Program Non-Professional Balances at June 30, 2023	537,594	361,314	176,280
Combined VRS OPEB Balances	$ 29,730,105	$ 12,384,802	$ 17,345,303

Detailed information about the OPEB Plan's fiduciary net position is available in the separately issued VRS 2022 ACFR, which was previously referenced.

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.

VRS OPEB Expense – For the year ended June 30, 2023, the School System recognized Health Credit Program OPEB expense of $905,860 and $74,832 for the Teacher Plan and Non-Professional Plan, respectively. For the year ended June 30, 2023, the School System recognized Group Life Program OPEB expense (benefit) of $154,243 and ($408) for teachers and non-professional employees, respectively. Total VRS OPEB Expense for all plans combined was $1,134,527 for the year ended June 30, 2023.

Since there was a change in proportionate share between measurement dates, a portion of the Health Care Program for both the Teacher Plan and Non-Professional Plan Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions. Since there was a change in proportionate share between measurement dates, a portion of the Group Life Program expense was related to deferred amounts from changes in proportion.

VRS OPEB Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2023, the School System reported deferred outflows of resources and deferred inflows from the following sources:

	Health Credit Program		Group Life Program		
	Teacher Plan	Non-Professional Plan	Teacher Plan	Non-Professional Plan	Total
Deferred Outflows of Resources					
Differences between expected and actual experience	$ -	$ 2,882	$ 382,455	$ 13,959	$ 399,296
Changes in assumptions	340,874	16,726	180,142	6,575	544,317
Changes in proportion and differences between employer contributions and proportionate share of contributions	242,204	-	139,639	4,943	386,786
Net difference between projected and actual earnings on investments	-	373	-	-	373
Employer contributions subsequent to the measurement date	1,125,781	79,696	504,828	19,762	1,730,067
Total	$ 1,708,859	$ 99,677	$ 1,207,064	$ 45,239	$ 3,060,839
Deferred Inflows of Resources					
Differences between expected and actual experience	$ 475,595	$ -	$ 193,758	$ 7,072	$ 676,425
Changes in assumptions	29,796	-	470,437	17,170	517,403
Net difference between projected and actual earnings on plan investments	11,711	-	301,788	11,015	324,514
Changes in proportion and differences between employer contributions and proportionate share of contributions	315,807	-	150,934	17,798	484,539
Total	$ 832,909	$ -	$ 1,116,917	$ 53,055	$ 2,002,881

In the Health Credit Program, $1,125,781 and $79,696 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, 2024, for the Teacher Plan and Non-Professional Plan, respectively.

In the Group Life Program, $504,828, and $19,762 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, 2024, for Teacher Plan and Non-Professional Plan, respectively.

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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		
	Teacher Plan	**Non-Professional Plan**	**Teacher Plan**	**Non-Professional Plan**	**Total**
2024	$ (62,210)	$ 19,495	$ (105,786)	$ (8,387)	$ (156,888)
2025	(72,431)	(113)	(101,527)	(7,695)	(181,766)
2026	(80,519)	(115)	(238,803)	(11,818)	(331,255)
2027	(3,429)	714	59,741	665	57,691
2028	(9,046)	-	(28,306)	(343)	(37,695)
Thereafter	(22,196)	-	-	-	(22,196)
	$ (249,831)	$ 19,981	$ (414,681)	$ (27,578)	$ (672,109)
Deferred Outflows of Resources	$ 1,708,859	$ 99,677	$ 1,207,064	$ 45,239	$ 3,060,839
Employer contributions subsequent to the measurement date	(1,125,781)	(79,696)	(504,828)	(19,762)	(1,730,067)
Deferred Inflows of resources	(832,909)	-	(1,116,917)	(53,055)	(2,002,881)
	$ (249,831)	$ 19,981	$ (414,681)	$ (27,578)	$ (672,109)

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 employer contributions will be in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees.

Through the fiscal year ending June 30, 2022, 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 funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022, 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.

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The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
Multi-asset Public Strategies	6.00%	3.73%	0.22%
Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.83%

*The above allocation provides a one-year return of 7.83%. 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 6.72% 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 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%.

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:

	1.00% Decrease (5.75%)	Current Rate (6.75%)	1.00% Increase (7.75%)
Health Credit Program Teacher	$ 13,149,652	$ 11,667,718	$ 10,411,520
Health Credit Program Non-Professional	742,211	671,553	625,363
Group Life Program Teacher	7,027,853	4,829,752	3,053,384
Group Life Program Non-Professional	256,508	176,280	111,445
Combined VRS OPEB Balances	$ 21,176,224	$ 17,345,303	$ 14,201,712

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, 2021, 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.

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

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, 2021 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 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

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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 year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

(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:

Years of Service	Vested Percentage
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	174
Retired and Beneficiaries	249
Total	423

The program is closed to new entrants.

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Total Pension Liability

The County's total LOSAP pension liability of $9,722,339 was measured as of July 31, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of August 1, 2021 rolled forward to July 31, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	0.00%
Salary increases	Not applicable
Investment rate of return	3.51%, 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 3.51% as of July 31, 2022 (the disclosure date).

Changes in the Total Pension Liability

	Total Pension Liability
Balance at August 1, 2021	$ 12,533,736
Charges for the year:	
Service cost	6,800
Interest	431,526
Differences between expected and actual experience	(123,261)
Changes of assumptions	(2,640,584)
Benefit payments	(485,878)
Net changes	(2,811,397)
Balance at July 31, 2022	$ 9,722,339

Changes in assumptions reflect change in the discount rate from 1.84% to 3.51%.

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 (2.51%) or 1-percentage point higher (4.51%) than the current discount rate:

	1% Decrease (2.51%)	Current Discount Rate (3.51%)	1% Increase (4.51%)
Total Pension Liability	$ 11,075,830	$ 9,722,339	$ 8,618,614

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

For the year ended July 31, 2022, the LOSAP recognized pension expense of ($2,325,519). At July 31, 2022, 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, 2023:

	County	Component Units
Grant Revenue	$ 14,167,114	$ 738,185
Prepaid Adult and Student Food	-	183,009
Registration and Other Fees	818,513	11,403
Contractor Escrows	1,218,583	-
Rental Income & STARS Revenue	101,683	-
Total	$ 16,305,893	$ 932,597

Unavailable revenues in the fund financial statements at June 30, 2023 were comprised of the following:

	General Fund
Opioid Abatement Settlement*	$ 1,320,844
Sales tax	1,329,677
Other local tax	215,408
Total	$ 2,865,929

*Virginia and its cities and counties joined and signed a final Distributors Settlement agreement and the Janssen Settlement agreement as of July 21, 2021. Additionally, Virginia and the cities and counties entered into and signed the Virginia statewide MOU on August 20, 2021. These actions resulted in an exchange transaction creating an event that results in a revenue accrual. Roanoke County continues to evaluate the impact of this settlement to their financial statements, and has recorded their expected future direct distribution amount. These funds are classified as Restricted fund balance and deemed unavailable for spending.

(16) Commitments, Contingencies, and Other Information

Encumbrances – The County had $10,481,216 of encumbrances reported as restricted and committed under the general governmental funds and $3,814,286 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.

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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, 2023.

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.

- 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, 2023 totaled $176,058.

- 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, 2023 totaled $613,137, which included contributions for debt related principal and interest payments of $363,137 and operating support of $250,000.

- 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, 2023 totaled $366,613.

- On September 20, 2023, the Roanoke County Economic Development Authority (EDA) consented to the assignment to, and assumption by, Friendship Foundation (Friendship) of Richfield Living's (Richfield) obligations under its Series 2019 financing through the EDA. Friendship and Richfield have entered into a purchase agreement for the Richfield County-facilities and are working towards closing on the transaction in October 2023. As part of this transaction, Friendship intends to assume certain Richfield Series 2019 indebtedness in the aggregate principal amount of $93,520,000, and the Series 2019 bondholders, acting in concert with the bond trustee, have agreed to this debt assumption. This assumption will not disturb existing provisions of the underlying documents with respect to the annual fee paid to the EDA, the EDA's consent rights, or the borrower's indemnification obligations, which will become binding upon Friendship following the assumption and assignment.

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(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, 2023, the County remitted $2,149,402 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.

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, 2023 was $575,904. 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, development disabilities, 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, 2023 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.

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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, or city to maintain or cause an animal shelter to be maintained and allows one or more local governing bodies to operate a single animal shelter 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, 2023, the County's share was $606,454.

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 Animal Shelter. 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, 2023, the County's share of principal and interest was $15,269.

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, 2023, the County's share was approximately $2,653,921.

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, 2023 totaled $613,137, which included contributions for debt-related payments of $363,137 and operating support of $250,000.

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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, 2023, the County share of principal and interest was $366,613.

(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, 2023, the County abated taxes and fees totaling $317,599 through such agreements. A summary of the key provisions of each major 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 $21,254 and Town of Vinton local tax revenues in the amount of $1,365 were reimbursed to the Company in the form of an Economic Development Incentive Grant during the year ended June 30, 2023.

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 $50,214 and Town of Vinton local tax revenues in the amount of $3,225 were reimbursed to the Company in the form of an Economic Development Incentive Grant during the year ended June 30, 2023.

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, 2023.

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, 2023. Additionally, tax revenues in the amount of $35,869 were reimbursed to the Town of Vinton during the year ended June 30, 2023.

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. Tax revenues in the amount of $80,131 were reimbursed to the Company in the form of an Economic Development Incentive Grant during the year ended June 30, 2023.

On May 2nd, 2023, the Authority, in conjunction with the Town of Vinton, approved an agreement with CMart Holdings, LLC, whereby the Company shall acquire the former Cleveland Mart building and redevelop, renovate, and convert the building into a mixed-use building with residential and commercial components. The agreement calls for the Authority, with funds provided by the Town of Vinton, to provide an Economic Development Incentive Grant of $250,000 for expenses associated with infrastructure improvements, site engineering and development, and facade enhancements. No reimbursement has been made under this agreement.

On May 2nd, 2023, the Authority, in conjunction with the Town of Vinton, approved an agreement with South Pollard Improvement LLC, whereby the Company shall acquire the former Star City Playhouse building to redevelop, renovate, and convert the building into a restaurant. The agreement calls for the Authority, with funds provided by the Town of Vinton, to provide an Economic Development Incentive Grant of $205,000 for installation of a fire suppression system, costs directly related to upgrading the building's plumbing system, and costs directly related to renovations to the building's exterior façade and parking and site improvements. No reimbursement has been made under this agreement.

(19) Accounting Change and Restatements

The County implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements*, effective July 1, 2022. This statement established a process for governments to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability for their subscription-based information technology arrangements. The impact of this statement is incorporated in Exhibits I, II, III, and IV and details can be found in Notes 8, 9, and 10. The retroactive implementation of this statement resulted in a restatement of the prior period net position for the fiscal year ended June 30, 2022. As a result, net position has been adjusted accordingly:

Net Position, June 30, 2022, as previously reported	$ 68,050,819
Prior period adjustment - implementation of GASB 96:	
Change in capital assets	2,931,917
Change in long term liabilities	(2,852,205)
Total prior period adjustment	79,712
Net Position, June 30, 2022, as restated	$ 68,130,531

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Required Supplementary Information

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Exhibit XII

COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023
(Unaudited)

	Original Budget	Final Budget, as Amended	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
General property taxes	$ 154,247,500	$ 145,867,643	$ 147,192,868	$ (1,325,225)
Other local taxes	38,148,132	42,698,132	44,447,888	(1,749,756)
Permits, fees, and licenses	1,174,267	1,174,267	954,121	220,146
Fines and forfeitures	407,000	407,000	460,492	(53,492)
Use of money and property	282,297	301,192	1,169,371	(868,179)
Charges for services	9,830,679	10,131,811	9,530,791	601,020
Intergovernmental revenues	24,747,656	78,207,271	45,769,518	32,437,753
Miscellaneous	3,433,056	3,978,492	3,827,923	150,569
Total revenues	232,270,587	282,765,808	253,352,972	29,412,836
Expenditures:				
General government:				
Board of Supervisors	395,565	463,073	427,028	36,045
County Administrator	405,219	467,067	554,673	(87,606)
Community Relations	290,008	310,977	343,174	(32,197)
Internal Auditor	158,499	169,688	144,648	25,040
Human resources	1,021,459	1,160,129	1,143,816	16,313
County Attorney	688,609	746,825	769,915	(23,090)
Commissioner of Revenue	940,791	1,040,645	1,054,237	(13,592)
Assessor	954,541	1,049,834	1,062,086	(12,252)
Treasurer	1,097,968	1,203,362	1,222,377	(19,015)
Assistant County Administrator - Management services	294,601	313,343	245,419	67,924
Finance	1,704,782	1,890,603	2,011,199	(120,596)
Management and budget	350,344	372,010	281,039	90,971
Procurement	546,432	570,761	529,869	40,892
Electoral Board and officials	551,823	901,300	835,352	65,948
Judicial administration:				
Circuit Court	307,068	307,068	340,976	(33,908)
General District Court	103,440	103,440	57,828	45,612
Special magistrates	1,590	1,590	1,021	569
Juvenile and Domestic Relations Court	39,086	39,086	32,496	6,590
Clerk of the Circuit Court	1,250,920	1,268,258	1,238,662	29,596
Commonwealth's Attorney	1,582,993	1,737,679	1,782,971	(45,292)
Public safety:				
Sheriff and police	17,092,840	22,271,550	20,472,280	1,799,270
E911 maintenance	3,936,570	4,047,695	4,035,602	12,093
Fire and rescue services	20,607,906	27,420,919	24,416,778	3,004,141
Confinement and care of prisoners	10,171,275	10,376,294	9,923,868	452,426
Court service unit	495,500	495,500	578,680	(83,180)
VJCCCA grant	273,665	275,519	244,982	30,537
Animal control	1,108,527	1,110,974	1,028,214	82,760

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

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Exhibit XII
(continued)

COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023
(Unaudited)

	Original Budget	Final Budget, as Amended	Actual	Variance with Final Budget Positive (Negative)
Public works:				
General services administration	$ 915,589	$ 8,565,441	$ 3,899,640	$ 4,665,801
Refuse disposal	5,614,988	5,652,862	6,088,848	(435,986)
Maintenance of general buildings and grounds	5,758,750	5,809,559	5,830,452	(20,893)
Engineering	2,293,778	6,117,490	3,313,252	2,804,238
Inspections	1,106,824	1,133,120	1,080,838	52,282
Health and welfare:				
Public health	579,181	579,181	610,508	(31,327)
Social services administration	8,446,784	9,413,212	8,945,298	467,914
Comprehensive Services Act	7,901,802	7,901,802	11,566,264	(3,664,462)
Public assistance	4,918,666	4,918,666	4,449,853	468,813
Parks, recreation and cultural:				
Assistant County Administrator - Human Services	247,027	267,275	260,613	6,662
Parks and recreation	7,360,544	25,991,902	9,234,994	16,756,908
Library	4,534,330	5,874,933	5,633,326	241,607
Community development:				
Planning and zoning	1,528,552	4,373,716	1,945,271	2,428,445
Cooperative extension program	87,097	87,097	110,783	(23,686)
Economic development	557,437	3,146,600	897,810	2,248,790
Public transportation	766,284	1,389,431	861,361	528,070
Nondepartmental:	15,694,524	14,439,820	8,001,666	6,438,154
Total Expenditures	134,684,178	185,777,296	147,509,967	38,267,329
Excess of revenues over expenditures	97,586,409	96,988,512	105,843,005	8,854,493
Other Financing Sources (Uses):				
Transfers in	-	975,920	975,920	-
Transfers out	(101,031,051)	(110,868,360)	(110,870,133)	(1,773)
Total other financing uses, net	(101,031,051)	(109,892,440)	(109,894,213)	(1,773)
Net change in fund balances	(3,444,642)	(12,903,928)	(4,051,208)	8,852,720
Fund balances at beginning of the year	47,192,272	4,761,191	49,976,404	(45,215,213)
Fund balances at end of year	$ 43,747,630	$ (8,142,737)	$ 45,925,196	$ (36,362,493)

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

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COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Year Ended June 30, 2023
(Unaudited)

Exhibit XIII

Virginia Retirement System	County of Roanoke Employees								
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Measurement Date:	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total pension liability:									
Service Cost	$ 6,274,546	$ 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	19,386,561	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	(1,812,659)	(1,551,230)	3,198,412	1,203,647	(2,793,363)	283,025	156,418	(3,178,877)	-
Impact in change on proportion	1,129,897	202,032	(516,831)	(703,792)	(86,209)	(1,732,097)	(182,776)	(1,384,013)	-
Benefit payments, including refunds of employee contributions	(14,047,566)	(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	10,930,779	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	286,827,646	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)	$ 297,758,425	$ 286,827,646	$ 267,434,918	$ 255,065,152	$ 237,988,886	$ 231,406,018	$ 223,668,447	$ 213,899,209	$ 208,744,662
Plan fiduciary net position:									
Impact in change on proportion	1,047,525	160,715	(433,938)	(609,022)	(73,075)	(1,393,043)	(154,093)	(1,171,025)	-
Contributions - employer	7,000,627	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	2,454,311	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	(286,549)	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	(14,047,566)	(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	(166,173)	(144,991)	(139,386)	(135,811)	(126,070)	(125,909)	(112,789)	(110,989)	(131,901)
Other	6,154	5,236	(4,797)	(8,548)	(12,782)	(19,169)	(1,320)	(1,682)	1,281
Net change in plan fiduciary net position	(3,991,671)	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	265,917,291	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)	$ 261,925,620	$ 265,917,291	$ 212,742,511	$ 214,156,164	$ 205,942,307	$ 196,150,319	$ 179,885,909	$ 180,331,544	$ 176,620,656
Total net pension liability - beginning	20,910,355	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)	$ 35,832,805	$ 20,910,355	$ 54,692,407	$ 40,908,988	$ 32,046,579	$ 35,255,699	$ 43,782,538	$ 33,567,665	$ 32,124,006
Plan fiduciary net position as a percentage of total pension liability	87.97%	92.71%	79.55%	83.96%	86.53%	84.76%	80.43%	84.31%	84.61%
Covered payroll	$ 50,034,238	$ 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	71.62%	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 2023 is the ninth year for this presentation, only eight 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.

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COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
For the Year Ended June 30, 2023
(Unaudited)

	School System Non-Professional Employees								
Virginia Retirement System	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Measurement Date:	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total pension liability:									
Service Cost	$ 257,913	$ 272,235	$ 295,894	$ 300,766	$ 298,984	$ 318,248	$ 326,990	$ 590,031	$ 642,968
Interest	2,202,865	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	(716,275)	(241,202)	(471,339)	190,670	(282,722)	(496,773)	(1,113,216)	76,137	-
Benefit payments, including refunds of employee contributions	(2,564,541)	(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	(820,038)	954,266	(681,803)	1,288,083	83,278	(121,660)	(560,338)	719,286	792,298
Total pension liability - beginning	33,659,388	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)	$ 32,839,350	$ 33,659,388	$ 32,705,122	$ 33,386,925	$ 32,098,842	$ 32,015,564	$ 32,137,224	$ 32,697,562	$ 31,978,276
Plan fiduciary net position:									
Contributions - employer	47,011	45,833	47,759	50,964	147,119	144,668	209,100	206,447	306,710
Contributions - employee	145,313	136,658	145,004	144,753	153,729	150,511	152,767	152,195	293,796
Net investment income	1,492	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	(2,564,541)	(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	(24,442)	(22,930)	(23,385)	(23,221)	(21,956)	(22,797)	(20,892)	(21,377)	(25,570)
Other	842	784	(729)	(1,365)	(2,107)	(3,259)	(231)	(305)	241
Net change in plan fiduciary net position	(2,394,325)	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	38,229,695	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)	$ 35,835,370	$ 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	(4,570,307)	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)	$ (2,996,020)	$ (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)	109.12%	113.58%	98.80%	102.38%	105.75%	104.16%	97.73%	99.50%	102.74%
Covered payroll	$ 3,170,647	$ 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	-94.49%	-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 2023 is the ninth year for this presentation, only eight 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 Supplemental Information
Schedule of Employer's Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2023
(Unaudited)

	School System Teacher Retirement Plan								
Virginia Retirement System	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Measurement Date:	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Schools System's proportion of the net pension liability	0.94158%	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	$ 89,644,053	$ 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	$ 87,024,278	$ 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	103.01%	89.22%	167.58%	158.30%	146.13%	156.60%	183.80%	169.28%	165.29%
Plan fiduariary net position as a percentage of the total pension liability	82.61%	85.46%	71.47%	73.51%	74.81%	72.92%	68.28%	70.68%	70.88%

Note:
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See accompanying independent auditor's report.

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COUNTY OF ROANOKE, VIRGINIA
Required Supplemental Information
Schedule of Contributions
For the Year Ended June 30, 2023
(Unaudited)

Exhibit XV

Year Ended	Actuarial Valuation Date	Contractually Required Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution (Deficiency) Excess	Covered Payroll	Contributions as a % of Covered Payroll
County of Roanoke Retirement Plan:						
June 30, 2023	June 30, 2021	$ 9,140,578	$ 9,140,578	$ -	$ 56,543,268	16.17%
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%
School System Teacher Retirement Plan:						
June 30, 2023	June 30, 2021	$ 15,471,050	$ 14,828,794	$ (642,256)	$ 93,086,943	15.93%
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	11,296,009	12,566,803	1,270,794	77,053,264	16.31%
June 30, 2017	June 30, 2016	10,790,448	11,251,117	460,669	76,745,715	14.66%
June 30, 2016	June 30, 2014	10,477,507	10,159,568	(317,939)	72,258,672	14.06%
June 30, 2015	June 30, 2014	8,233,743	10,238,755	2,005,012	70,615,294	14.50%
School System Non-Professional Retirement Plan:						
June 30, 2023	June 30, 2021	$ 76,406	$ 22,646	$ (53,760)	$ 3,655,780	0.62%
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	65,673	153,066	87,393	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 - 5.95%
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 2023 is the ninth year for this presentation, only eight additional years of data are available
However, additional years will be included as they become available.

See accompanying independent auditors' report.

Exhibit XVI

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, 2023
(Unaudited)

	2023	2022	2021	2020	2019	2018	2017
Measurement Date:	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Actuarial Valuation Date:	7/31/2022	7/31/2021	7/31/2020	7/31/2019	7/31/2019	7/31/2018	7/31/2017
Total pension liability:							
Service cost	$ 6,800	$ 6,800	$ 6,370	$ 6,440	$ 6,440	$ 6,050	$ 5,613
Interest on total pension liability	431,526	219,678	252,591	300,425	343,290	354,080	295,965
Changes of assumptions ①	(123,261)	533,301	1,671,210	912,720	455,355	1,562,137	(574,306)
Differences between expected and actual experience	(2,640,584)	59,171	(124,425)	44,042	19,496	-	-
Benefit payments	(485,878)	(441,686)	(429,471)	(405,360)	(405,360)	(422,801)	(347,975)
Net change in total pension liability	(2,811,397)	377,264	1,376,275	858,267	419,221	1,499,466	(620,703)
Total pension liability - beginning	$ 12,533,736	$ 12,156,472	$ 10,780,197	$ 9,921,930	9,502,709	8,003,243	8,623,946
Total pension liability - ending	$ 9,722,339	$ 12,533,736	$ 12,156,472	$ 10,780,197	$ 9,921,930	$ 9,502,709	$8,003,243
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	N/A

① Changes of assumptions reflect change in the discount rate from 1.84% to 3.51% 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 2023 is the seventh year for this presentation, only six 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, 2023
(Unaudited)

Exhibit XVII

	County of Roanoke Members						
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Measurement Date:	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB liability:							
Service Cost	$ 179,047	$ 209,532	$ 213,572	$ 237,164	$ 497,351	$ 891,598	$ 849,141
Interest	769,088	765,723	848,803	998,382	940,257	1,024,059	943,357
Differences between expected and actual experience	451,426	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	(1,513,096)	(896,096)	(667,798)	(819,674)	(917,093)	(1,204,285)	(1,493,500)
Net change in total OPEB liability	(113,535)	378,277	(991,612)	(2,045,350)	520,515	(507,984)	712,061
Total OPEB liability - beginning	10,818,333	10,440,056	11,431,668	13,477,018	12,956,503	13,464,487	12,752,426
Total OPEB liability - ending (a)	$ 10,704,798	$ 10,818,333	$ 10,440,056	$ 11,431,668	$ 13,477,018	$ 12,956,503	$ 13,464,487
Plan fiduciary net position:							
Contributions - employer	1,634,921	1,017,921	789,623	941,499	1,038,918	823,789	1,219,282
Contributions - employee	-	-	-	-	-	502,321	470,020
Net investment income	675,162	(883,928)	2,190,495	214,926	305,644	560,627	661,110
Benefit payments, including refunds of employee contributions	(1,513,096)	(896,096)	(667,798)	(819,674)	(917,093)	(1,204,285)	(1,493,500)
Administrative expense	(9,509)	(10,760)	(8,731)	(8,209)	(7,567)	(7,071)	(6,596)
Net change in plan fiduciary net position	787,478	(772,863)	2,303,589	328,542	419,902	675,381	850,316
Plan fiduciary net position - beginning	8,810,778	9,583,641	7,280,052	6,951,510	6,531,608	5,856,227	5,005,911
Plan fiduciary net position - ending (b)	$ 9,598,256	$ 8,810,778	$ 9,583,641	$ 7,280,052	$ 6,951,510	$ 6,531,608	$ 5,856,227
Total net OPEB liability - beginning	2,007,555	856,415	4,151,616	6,525,508	6,424,895	7,608,260	7,746,515
Total net OPEB liability - ending (a - b)	$ 1,106,542	$ 2,007,555	$ 856,415	$ 4,151,616	$ 6,525,508	$ 6,424,895	$ 7,608,260
Plan fiduciary net position as a percentage of total OPEB liability	89.66%	81.44%	91.80%	63.68%	51.58%	50.41%	43.49%
Covered payroll	$ 36,256,134	$ 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	3.05%	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 2023 is the seventh year for this presentation, only six additional years of data are available. However, additional years will be included as they become available.

(continued)

See accompanying independent auditor's report.

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COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios
For the Year Ended June 30, 2023
(Unaudited)

Exhibit XVII
(continued)

	School System Members						
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Measurement Date:	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB liability:							
Service Cost	$ 378,451	$ 300,875	$ 298,947	$ 889,124	$ 593,436	$ 977,606	$ 931,053
Interest	552,815	503,205	516,619	351,384	323,704	471,102	476,676
Differences between expected and actual experience	(499,198)	(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	(278,211)	(521,121)	(581,415)	(572,183)	(487,194)	(1,785,359)	(684,162)
Net change in total OPEB liability	153,857	464,624	(210,373)	(4,311,514)	429,946	(4,921,043)	789,275
Total OPEB liability - beginning	7,129,004	6,664,380	6,874,753	11,186,267	10,756,321	15,677,364	14,888,089
Total OPEB liability - ending (a)	$ 7,282,861	$ 7,129,004	$ 6,664,380	$ 6,874,753	$ 11,186,267	$ 10,756,321	$ 15,677,364
Plan fiduciary net position:							
Contributions - employer	370,501	613,411	673,705	664,473	671,774	846,172	682,154
Contributions - employee	-	-	-	-	-	939,187	94,298
Net investment income	121,516	(143,013)	326,848	30,365	35,334	65,111	74,106
Benefit payments, including refunds of employee contributions	(278,211)	(521,121)	(581,415)	(572,183)	(487,194)	(1,785,359)	(684,162)
Administrative expense	(2,063)	(2,100)	(1,728)	(1,592)	(1,370)	(1,263)	(1,169)
Net change in plan fiduciary net position	211,743	(52,823)	417,410	121,063	218,544	63,848	165,227
Plan fiduciary net position - beginning	1,448,370	1,501,193	1,083,783	962,720	744,176	680,328	515,101
Plan fiduciary net position - ending (b)	$ 1,660,113	$ 1,448,370	$ 1,501,193	$ 1,083,783	$ 962,720	$ 744,176	$ 680,328
Total net OPEB liability - beginning	5,680,634	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)	$ 5,622,748	$ 5,680,634	$ 5,163,187	$ 5,790,970	$ 10,223,547	$ 10,012,145	$ 14,997,036
Plan fiduciary net position as a percentage of total OPEB liability	22.79%	20.32%	22.53%	15.76%	8.61%	6.92%	4.34%
Covered payroll	$ 88,536,358	$ 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	6.35%	7.82%	6.07%	7.05%	19.24%	18.84%	22.97%

Note:
Schedule is intended to show information for 10 years. Since 2023 is the seventh year for this presentation, only six additional years of data are available. However, additional years will be included as they become available.

See accompanying independent auditor's report.

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COUNTY OF ROANOKE, VIRGINIA
Required Supplemental Information
Schedule of Employer Contributions
Other Postemployment Benefits Plan
For the Year Ended June 30, 2023
(Unaudited)

Year Ended	Actuarial Valuation Date	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution (Deficiency) Excess	Percentage Contributed	Employer's Covered Payroll	Contributions as a % of Covered Payroll
County of Roanoke Members:							
June 30, 2023	June 30, 2022	$ 419,906	$ 1,634,921	$ 1,215,015	389.35%	$ 36,256,134	4.51%
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%
School System Members:							
June 30, 2023	June 30, 2022	$ 1,050,378	$ 370,501	$ (679,877)	35.27%	$ 88,536,358	0.42%
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	15 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	7.00% 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% per annum plus a step-rate/promotional component
Investment rate of return	7.50%
Healthcare cost trend rate	7.00% 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 2023 is the seventh year for this presentation, only six additional years of data ar available. However, additional years will be included as they become available.

See accompanying independent auditors' report.

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Exhibit XIX

COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Schedule of Investment Returns
Other Postemployment Benefits Plan
For the Year Ended June 30, 2023
(Unaudited)

	County of Roanoke						
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Annual money-weighted rate of return, net of investment expense:	TBD	7.01%	6.95%	6.43%	6.31%	9.52%	13.04%

	School System						
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Annual money-weighted rate of return, net of investment expense:	TBD	7.01%	6.95%	6.43%	6.31%	9.52%	13.04%

Note:
Schedule is intended to show information for 10 years. Since 2023 is the seventh year for this presentation, only six 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.

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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, 2023
(Unaudited)

	County of Roanoke					
	2023	**2022**	**2021**	**2020**	**2019**	**2018**
Measurement Date:	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB liability:						
Service Cost	$ 43,711	$ 36,903	$ 36,822	$ 33,450	$ 33,005	$ 32,415
Interest	121,137	114,770	111,918	110,052	108,211	107,974
Differences between expected and actual experience	(38,344)	4,441	35,707	27,799	(3,870)	-
Changes of assumptions	216,177	38,904	-	42,641	-	(42,521)
Benefit payments, including refunds of employee contributions	(145,861)	(142,933)	(141,476)	(114,650)	(107,448)	(81,531)
Net change in total OPEB liability	196,820	52,085	42,971	99,292	29,898	16,337
Total OPEB liability - beginning	1,823,845	1,771,760	1,728,789	1,629,497	1,599,599	1,583,262
Total OPEB liability - ending (a)	$ 2,020,665	$ 1,823,845	$ 1,771,760	$ 1,728,789	$ 1,629,497	$ 1,599,599
Plan fiduciary net position:						
Contributions -- employer	159,730	148,766	155,620	142,727	142,874	135,458
Net investment income	207	179,365	13,657	39,488	37,774	50,806
Benefit payments, including refunds of employee contributions	(145,861)	(142,933)	(141,476)	(114,650)	(107,448)	(81,531)
Administrative expense	(1,602)	(2,151)	(1,290)	(862)	(941)	(905)
Other changes	59,250	-	(6)	(47)	(2,370)	2,370
Net change in plan fiduciary net position	71,724	183,047	26,505	66,656	69,889	106,198
Plan fiduciary net position -- beginning	862,312	679,265	652,760	586,104	516,215	410,017
Plan fiduciary net position -- ending (b)	$ 934,036	$ 862,312	$ 679,265	$ 652,760	$ 586,104	$ 516,215
Total net OPEB liability -- beginning	961,533	1,092,495	1,076,029	1,043,393	1,083,384	1,173,245
Total net OPEB liability -- ending (a - b)	$ 1,086,629	$ 961,533	$ 1,092,495	$ 1,076,029	$ 1,043,393	$ 1,083,384
Plan fiduciary net position as a percentage of total OPEB liability	46.22%	47.28%	38.34%	37.76%	35.97%	32.27%
Covered payroll	$ 50,034,238	$ 46,381,208	$ 47,123,041	$ 45,853,501	$ 45,263,004	$ 43,733,860
Net OPEB liability as a percentage of covered payroll	2.17%	2.07%	2.32%	2.35%	2.31%	2.48%

Note:
Schedule is intended to show information for 10 years. Since 2023 is the sixth year for this presentation for the County, 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 auditor's report.

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COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Virginia Retirement System Health Insurance Credit Program Non-Professional Plan
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2023
(Unaudited)

	School System		
	2023	**2022**	**2021**
Measurement Date:	6/30/2022	6/30/2021	6/30/2020
Total OPEB liability:			
Service Cost	$ 3,738	$ 5,056	$ -
Interest	44,594	41,180	-
Differences between expected and actual experience	5,885	21,430	-
Changes of assumptions	33,083	-	-
Contributions -- employee	-	-	-
Benefit payments	(41,676)	-	-
Other	-	-	610,084
Net change in total OPEB liability	45,624	67,666	610,084
Total OPEB liability - beginning	677,750	610,084	-
Total OPEB liability - ending (a)	$ 723,374	$ 677,750	$ 610,084
Plan fiduciary net position:			
Contributions -- employer	45,709	42,267	-
Contributions -- employee	-	-	-
Net investment income	(199)	5,547	-
Benefit payments	(41,676)	-	-
Administrative expense	(78)	(187)	-
Other changes	438	-	-
Net change in plan fiduciary net position	4,194	47,627	-
Plan fiduciary net position -- beginning	47,627	-	-
Plan fiduciary net position -- ending (b)	$ 51,821	$ 47,627	$ -
Total net OPEB liability -- beginning	630,123	610,084	-
Total net OPEB liability -- ending (a - b)	$ 671,553	$ 630,123	$ 610,084
Plan fiduciary net position as a percentage of total OPEB liability	7.16%	7.03%	0.00%
Covered payroll	$ 3,170,647	$ 2,914,661	$ 3,051,242
Net OPEB liability as a percentage of covered payroll	21.18%	21.62%	19.99%

Note:
Schedule is intended to show information for 10 years. Since 2023 is the third year for this presentation for the School System, only two 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 Health Insurance Credit Program
Schedule of Employer Contributions
For the Year Ended June 30, 2023
(Unaudited)

Year Ended	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution (Deficiency) Excess	Employer's Covered Payroll	Contributions as a % of Covered Payroll
County of Roanoke Employees:					
June 30, 2023	$ 172,022	$ 172,022	$ -	$ 56,543,268	0.30 %
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
School System Employees - Teacher Plan:					
June 30, 2023	$ 1,126,352	$ 1,125,781	$ (571)	$ 93,086,943	1.21 %
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
School System Employees - Non-Professional Plan:					
June 30, 2023	$ 79,696	$ 79,696	$ -	$ 3,655,780	2.18 %
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 2023 is the third year for this presentation for the Non-Professional Plan, only three 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.

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Exhibit XXII

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, 2023
(Unaudited)

	2023	2022	2021	2020	2019	2018
Measurement Date:	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Employer's proportion of the Net GLI OPEB Liability	0.24658%	0.24092%	0.24455%	0.24848%	0.25166%	0.25093%
Employer's proportionate share of the Net GLI OPEB Liability	$ 2,969,061	$ 2,804,962	$ 4,081,139	$ 4,043,431	$ 3,822,000	$ 3,776,000
Employer's covered payroll	$ 41,475,756	$ 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	7.16%	5.64%	8.38%	8.45%	8.26%	8.45%
Plan Fiduariary Net Position as a percentage of the Total GLI OPEB Liability	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

Note:
Schedule is intended to show information for 10 years. Since 2023 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 auditor's report.

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Exhibit XXIII

COUNTY OF ROANOKE, VIRGINIA
Required Supplementary Information
Virginia Retirement System Group Life Insurance Program
Schedule of Employer Contributions
For the Year Ended June 30, 2023
(Unaudited)

Year Ended	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution (Deficiency) Excess	Employer's Covered Payroll	Contributions as a % of Covered Payroll
County of Roanoke Employees:					
June 30, 2023	$ 310,409	$ 310,409	$ -	$ 46,907,682	0.66 %
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
School System Employees:					
June 30, 2023	$ 522,411	$ 524,590	$ 2,179	$ 96,742,723	0.54 %
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

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

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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, 2023
(Unaudited)

	2023	2022	2021	2020	2019	2018
Measurement Date:	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
VRS Health Insurance Credit Program - Teacher Plan						
Employer's proportion of the Net GLI OPEB Liability	0.93413%	0.92647%	0.91684%	0.92539%	0.95240%	0.97245%
Employer's proportionate share of the Net GLI OPEB Liability	$ 11,667,718	$ 11,891,883	$ 11,960,329	$ 12,114,255	$ 12,093,000	$ 12,337,000
Employer's covered payroll	$ 87,024,278	$ 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	13.41%	14.62%	14.88%	15.63%	15.69%	16.08%
Plan Fiduariary Net Position as a percentage of the Total GLI OPEB Liability	15.08%	13.15%	9.95%	8.97%	8.08%	7.04%
VRS Group Life Insurance Program - Teacher Plan						
Employer's proportion of the Net GLI OPEB Liability	0.04011%	0.39775%	0.38934%	0.39603%	0.40541%	0.41724%
Employer's proportionate share of the Net GLI OPEB Liability	$ 4,829,752	$ 4,630,890	$ 6,497,448	$ 6,444,462	$ 6,157,000	$ 6,279,000
Employer's covered payroll	$ 87,024,278	$ 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	5.55%	5.69%	8.08%	8.32%	7.99%	8.18%
Plan Fiduariary Net Position as a percentage of the Total GLI OPEB Liability	67.21%	52.64%	52.64%	52.00%	51.22%	48.86%
VRS Group Life Insurance Program - Non-Professional Plan						
Employer's proportion of the Net GLI OPEB Liability	0.01464%	0.01422%	0.01471%	0.01544%	0.01657%	0.01666%
Employer's proportionate share of the Net GLI OPEB Liability	$ 176,280	$ 165,558	$ 245,485	$ 251,250	$ 252,000	$ 250,000
Employer's covered payroll	$ 3,170,647	$ 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	5.56%	5.68%	8.05%	8.27%	8.10%	8.15%
Plan Fiduariary Net Position as a percentage of the Total GLI OPEB Liability	67.21%	67.45%	52.64%	52.00%	51.22%	48.98%

Note:
Schedule is intended to show information for 10 years. Since 2023 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 auditor's report.

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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 2022-2023 budget appropriation on May 10, 2022.

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 $2.5 million for fiscal year 2022-2023. 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, 2021 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:

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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, 2023:

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 7.00% 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.

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General Employees / Non-Hazardous Duty:

Changes of assumptions – The actuarial assumptions used in the June 30, 2021 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

Salary Scale ....No change

Line of Duty Disability....No change

Discount Rate................No change

Mortality rates: 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 2 years

Post-Retirement ....Pub-2010 Amount Weighted General Employee Rates projected generationally; 110% of rates for males set forward 3 years; 105% of rates for females set forward 3 year

Post-Disablement..........Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set forward 3 years; 90% of rates for females set forward 3 years

Public Safety Employees with Hazardous Duty Benefits:

Changes of assumptions – The actuarial assumptions used in the June 30, 2021 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. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

Retirement Rates ....Adjusted rates to better fit experience and changed final retirement age from 65 to 70.

Withdrawal Rates..........Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty.

Disability Rates ....No change

Salary Scale ....No change

Line of Duty Disability....No change

Discount Rate................No change

Mortality rates: 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 with a Modified MP-2020 Improvement Scale; 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 with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

SUPPLEMENTARY INFORMATION

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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.

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COUNTY OF ROANOKE, VIRGINIA
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget as Amended	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Locality Compensation Payment	$ 124,663	$ 124,663	$ 124,663	$ -
Interest Income	-	-	4,603	4,603
Miscellaneous	350,956	350,956	350,956	-
Total Revenues	475,619	475,619	480,222	4,603
Expenditures				
Principal Payments				
General Obligation Bonds				
Schools Virginia Public Schools Authority Bonds	8,043,501	8,043,501	8,043,501	-
Total General Obligation Bonds	8,043,501	8,043,501	8,043,501	-
Lease Revenue Bonds				
General Government	3,800,000	3,800,000	3,800,000	-
Total Lease Revenue Bonds	3,800,000	3,800,000	3,800,000	-
Total Principal Payments	11,843,501	11,843,501	11,843,501	-
Interest Payments				
General Obligation Bonds				
Schools Virginia Public Schools Authority Bonds	3,750,201	3,750,201	3,750,201	-
Total General Obligation Bonds	3,750,201	3,750,201	3,750,201	-
Lease Revenue Bonds				
General Government	2,919,160	2,919,160	2,919,160	-
Total Lease Revenue Bonds	2,919,160	2,919,160	2,919,160	-
Total Interest Payments	6,669,361	6,669,361	6,669,361	-
Miscellaneous Costs	21,523	38,585	9,625	28,960
Total Expenditures	18,534,385	18,551,447	18,522,487	28,960
Excess (deficit) of revenues over (under) expenditures	(18,058,766)	(18,075,828)	(18,042,265)	33,563
Other financing sources (uses):				
Transfers				
Transfer from County General Fund	14,262,853	14,262,853	14,262,853	-
Transfer from School General Fund	4,125,345	4,125,345	4,125,345	-
Transfer (to) County Capital Fund	(175,478)	(175,478)	(175,478)	-
Transfer (to) School Capital Fund	-	(165,193)	(165,193)	-
Total other financing sources, net	18,212,720	18,047,527	18,047,527	-
Net change in fund balance	153,954	(28,301)	5,262	33,563
Fund balance at beginning of year	259,722	261,005	261,006	1
Fund balance at end of year	$ 413,676	$ 232,704	$ 266,268	$ 33,564

See accompanying independent auditor's report.

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COUNTY OF ROANOKE, VIRGINIA
Budgetary Comparison Schedule
Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget as Amended	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 704,378	$ 704,378
Charges for services	-	100,260	114,286	14,026
Intergovernmental revenue	2,294,836	2,718,195	2,693,219	(24,976)
Miscellaneous	100,000	325,082	351,607	26,525
Total revenues	2,394,836	3,143,537	3,863,490	719,953
EXPENDITURES				
Interest and other charges	-	468,242	503,242	(35,000)
Capital outlay	21,680,375	67,812,140	20,961,280	46,850,860
Total expenditures	21,680,375	68,280,382	21,464,522	46,850,860
Excess (deficiency) of revenues over (under) expenditures	(19,285,539)	(65,136,845)	(17,601,032)	(47,535,814)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of bonds	13,000,000	12,660,000	12,660,000	-
Premium on bonds	-	812,376	812,376	-
Proceeds from sale of land, buildings, and equipment	-	-	463,272	463,272
Transfers in	3,159,778	16,276,735	16,276,735	-
Transfers out	-	(974,528)	(974,528)	-
Total other financing sources, net	16,159,778	28,774,583	29,237,855	463,272
Net change in fund balance	(3,125,761)	(36,362,262)	11,636,823	(47,999,086)
Fund balance at beginning of year	3,125,761	38,398,710	34,830,882	-
Fund balance at end of year	$ -	$ 2,036,448	$ 46,467,705	$ (47,999,086)

See accompanying independent auditor's report.

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COUNTY OF ROANOKE, VIRGINIA

Schedule 3

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
For the Year Ended June 30, 2023

	Final Budget as Amended	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
From local sources:			
General property taxes:			
Real property taxes	$ 112,535,000	$ 113,101,924	$ 566,924
Real and personal public service corporation property taxes	4,040,928	3,917,788	(123,140)
Payments in lieu of taxes	180,000	210,650	30,650
Personal property taxes	28,582,643	28,847,918	265,275
Penalties and interest	529,072	1,114,588	585,516
Total general property taxes	145,867,643	147,192,868	1,325,225
Other local taxes:			
Local sales and use taxes	14,967,641	15,086,609	118,968
Business license taxes	7,575,000	8,634,124	1,059,124
Motor vehicle licenses	2,400,000	2,474,534	74,534
Bank franchise taxes	700,000	743,586	43,586
Taxes on recordation and wills	1,800,000	1,364,023	(435,977)
Utility license tax	600,000	533,756	(66,244)
Communications sales and use tax	2,650,000	2,739,072	89,072
Consumer utility tax	3,750,000	3,743,043	(6,957)
E911 tax	330,923	397,343	66,420
Hotel and motel tax	1,349,568	1,613,542	263,974
Tax on prepared food	5,400,000	5,763,605	363,605
Admissions tax	25,000	79,276	54,276
Cigarette tax	1,150,000	1,275,375	125,375
Total other local taxes	42,698,132	44,447,888	1,749,756
Permits, fees, and licenses:			
Animal licenses	42,500	47,260	4,760
Permits and other licenses	1,131,767	906,861	(224,906)
Total permits, fees, and licenses	1,174,267	954,121	(220,146)
Fines and forfeitures	407,000	460,492	53,492
Use of money and property	301,192	1,169,371	868,179
Charges for services:			
Refuse costs	17,200	16,597	(603)
Court costs	88,500	132,019	43,519
Charges for correction and detention	281,132	281,132	-
Charges for parks and recreation	5,472,472	4,677,977	(794,495)
Rescue fees	3,400,000	3,539,164	139,164
Other charges	872,507	883,902	11,395
Total charges for services	10,131,811	9,530,791	(601,020)
Miscellaneous:			
Reimbursements - shared programs	1,524,712	1,710,016	185,304
Miscellaneous	1,432,091	975,543	(456,548)
Legal services	11,250	13,517	2,267
Jail	280,000	380,557	100,557
Welfare department	86,074	88,987	2,913
Resource Authority	59,985	61,985	2,000
WVWA	58,252	46,646	(11,606)
WVRJA	176,128	200,672	24,544
Host locality fee	350,000	350,000	-
Total miscellaneous	3,978,492	3,827,923	(150,569)
Total revenue from local sources	204,558,537	207,583,454	3,024,917

See accompanying independent auditors' report.

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	Final Budget as Amended	Actual	Variance with Final Budget Positive (Negative)
From the Commonwealth:			
Non-categorical aid:			
Motor vehicles carriers tax	$ 18,000	$ 18,539	$ 539
Trailer tax	384,000	361,727	(22,273)
Personal property tax relief	12,229,857	12,229,857	-
Total non-categorical aid	12,631,857	12,610,123	(21,734)
Categorical aid:			
Shared expenditures:			
Commonwealth's Attorney	827,811	860,639	32,828
Sheriff	3,705,425	3,916,645	211,220
Commissioner of the Revenue	277,687	297,479	19,792
Treasurer	240,112	344,540	104,428
Registrar/Electoral Board	47,700	92,380	44,680
Clerk of Court	635,391	640,441	5,050
Total shared expenditures	5,734,126	6,152,124	417,998
Other categorical aid:			
EMS	290,812	181,262	(109,550)
Recovered costs - welfare	4,000,727	3,648,298	(352,429)
Confiscated goods	24,316	24,316	-
VJCCCA grant	250,875	210,920	(39,955)
Library	157,095	208,842	51,747
Comprehensive Services Act	3,902,728	6,223,475	2,320,747
Police department grant	2,193,263	2,193,455	192
Other state grants	3,137,242	534,937	(2,602,305)
Total other categorical aid	13,957,058	13,225,505	(731,553)
Total categorical aid	19,691,184	19,377,629	(313,555)
Total from the Commonwealth	32,323,041	31,987,752	(335,289)
From the Federal government:			
Categorical aid:			
Seized goods	29,164	29,164	-
Greenways	14,769,035	826,512	(13,942,523)
Welfare reimbursement	6,300,000	6,223,189	(76,811)
Other federal grants	24,786,031	6,702,901	(18,083,130)
Total categorical aid	45,884,230	13,781,766	(32,102,464)
Total from the Federal government	45,884,230	13,781,766	(32,102,464)
Total Intergovernmental revenues	78,207,271	45,769,518	(32,437,753)
Total revenues	282,765,808	253,352,972	(29,412,836)

See accompanying independent auditor's report.

(continued)

COUNTY OF ROANOKE, VIRGINIA
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2023

	Final Budget as Amended	Actual	Variance with Final Budget Positive (Negative)
Expenditures:			
General government administration:			
Legislative:			
Board of Supervisors	$ 463,073	$ 427,028	$ 36,045
General and financial administration:			
County Administrator	467,067	554,673	(87,606)
Community Relations	310,977	343,174	(32,197)
Internal Auditor	169,688	144,648	25,040
Human Resources	1,160,129	1,143,816	16,313
County Attorney	746,825	769,915	(23,090)
Commissioner of Revenue	1,040,645	1,054,237	(13,592)
Assessor	1,049,834	1,062,086	(12,252)
Treasurer	1,203,362	1,222,377	(19,015)
Assistant County Administrator - Management Services	313,343	245,419	67,924
Finance	1,890,603	2,011,199	(120,596)
Management and Budget	372,010	281,039	90,971
Procurement	570,761	529,869	40,892
Total general and financial administration	9,295,244	9,362,452	(67,208)
Electoral Board and officials	901,300	835,352	65,948
Total general government administration	10,659,617	10,624,832	34,785
Judicial administration			
Courts:			
Circuit Court	307,068	340,976	(33,908)
General District Court	103,440	57,828	45,612
Special magistrates	1,590	1,021	569
Juvenile and Domestic Relations Court	39,086	32,496	6,590
Clerk of the Circuit Court	1,268,258	1,238,662	29,596
Total courts	1,719,442	1,670,983	48,459
Commonwealth's Attorney	1,737,679	1,782,971	(45,292)
Total judicial administration	3,457,121	3,453,954	3,167
Public safety:			
Law enforcement and traffic control:			
Sheriff and Police	22,271,550	20,472,280	1,799,270
E911 maintenance	4,047,695	4,035,602	12,093
Total law enforcement and traffic control	26,319,245	24,507,882	1,811,363
Fire and rescue services:			
Fire and rescue services	27,420,919	24,416,778	3,004,141
Total fire and rescue services	27,420,919	24,416,778	3,004,141
Correction and detention:			
Confinement and care of prisoners	10,376,294	9,923,868	452,426
Court service unit	495,500	578,680	(83,180)
VJCCCA grant	275,519	244,982	30,537
Total correction and detention	11,147,313	10,747,530	399,783
Animal control	1,110,974	1,028,214	82,760
Total public safety	65,998,451	60,700,404	5,298,047

See accompanying independent auditor's report.

(continued)

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COUNTY OF ROANOKE, VIRGINIA
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2023

Schedule 3
(continued)

	Final Budget as Amended	Actual	Variance with Final Budget Positive (Negative)
Public Works:			
General services administration	$ 8,565,441	$ 3,899,640	$ 4,665,801
Refuse disposal	5,652,862	6,088,848	(435,986)
Maintenance of general buildings and grounds	5,809,559	5,830,452	(20,893)
Engineering	6,117,490	3,313,252	2,804,238
Inspections	1,133,120	1,080,838	52,282
Total public works	27,278,472	20,213,030	7,065,442
Health and welfare:			
Public health	579,181	610,508	(31,327)
Social services administration	9,413,212	8,945,298	467,914
Comprehensive Services Act	7,901,802	11,566,264	(3,664,462)
Public assistance	4,918,666	4,449,853	468,813
Total health and welfare	22,812,861	25,571,923	(2,759,062)
Parks, recreation and cultural:			
Assistant County Administrator - Human Services	267,275	260,613	6,662
Parks and recreation	25,991,902	9,234,994	16,756,908
Library	5,874,933	5,633,326	241,607
Cultural enrichment	-	-	-
Total parks, recreation and cultural	32,134,110	15,128,933	17,005,177
Community development:			
Planning and zoning	4,373,716	1,945,271	2,428,445
Cooperative extension program	87,097	110,783	(23,686)
Economic development	3,146,600	897,810	2,248,790
Public transportation	1,389,431	861,361	528,070
Total community development	8,996,844	3,815,225	5,181,619
Nondepartmental:			
Employee benefits	1,108,816	519,885	588,931
Dixie Caverns landfill cleanup	67,000	64,743	2,257
Miscellaneous	7,832,802	5,431,910	2,400,892
Tax relief for the elderly and handicapped	1,610,000	1,759,440	(149,440)
Refuse credit - Town of Vinton	225,000	225,688	(688)
Board contingency	3,596,202	-	3,596,202
Total nondepartmental	14,439,820	8,001,666	6,438,154
Total expenditures	185,777,296	147,509,967	38,267,329
Excess of revenues over expenditures	96,988,512	105,843,005	8,854,493
Other financing uses:			
Transfer to internal service fund	(2,407,704)	(2,407,704)	-
Transfer to debt service fund	(6,594,496)	(6,594,496)	-
Payment to school board	(85,763,511)	(85,765,284)	(1,773)
Transfer to capital projects fund	(15,126,729)	(15,126,729)	-
Total other financing uses	(109,892,440)	(109,894,213)	(1,773)
Net change in fund balance	(12,903,928)	(4,051,208)	8,852,720
Fund balance at beginning of year	4,761,192	49,976,404	45,215,212
Fund balance at end of year	$ (8,142,736)	$ 45,925,196	$ 54,067,932

See accompanying independent auditor's 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.

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Schedule 4

COUNTY OF ROANOKE, VIRGINIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Internal Service Funds			
ASSETS	**Health Insurance**	**Dental Insurance**	**Risk Management**	**Total Internal Service Funds**
Current assets:				
Cash and cash equivalents	$ 2,155,308	$ 78,859	$ 2,482,946	$ 4,717,113
Investments	920,105	33,665	1,059,974	2,013,744
Accounts receivable	583,464	497	59,998	643,959
Prepaid expenses	3,665	-	-	3,665
Total current assets	3,662,542	113,021	3,602,918	7,378,481
LIABILITIES				
Current liabilities:				
Accounts payable	800,133	-	141,270	941,403
Claims payable	855,000	-	1,091,334	1,946,334
Total current liabilities	1,655,133	-	1,232,604	2,887,737
Noncurrent liabilities:				
Claims payable	-	-	1,259,666	1,259,666
Total noncurrent liabilities	-	-	1,259,666	1,259,666
Total liabilities	1,655,133	-	2,492,270	4,147,403
NET POSITION				
Unrestricted	2,007,409	113,021	1,110,648	3,231,078
Total net position	$ 2,007,409	$ 113,021	$ 1,110,648	$ 3,231,078

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	Internal Service Funds			
	Health Insurance	Dental Insurance	Risk Management	Total Internal Service Funds
OPERATING REVENUES				
Charges for services	$ 10,992,889	$ 822,464	$ 1,604,003	$ 13,419,356
Total operating revenues	10,992,889	822,464	1,604,003	13,419,356
OPERATING EXPENSES				
Purchased services	1,147,446	-	933,641	2,081,087
Personal services	-	-	3,472	3,472
Claims	11,974,704	807,353	1,044,521	13,826,578
Total operating expenses	13,122,150	807,353	1,981,634	15,911,137
Operating income/(loss)	(2,129,261)	15,111	(377,631)	(2,491,781)
NONOPERATING REVENUES				
Investment income	-	1,893	120,267	122,160
Total nonoperating revenues	-	1,893	120,267	122,160
Net income/(loss) before transfers	(2,129,261)	17,004	(257,364)	(2,369,621)
TRANSFERS				
Transfers in	2,396,311	12,785	-	2,409,096
Transfers out	(1,344)	(48)	-	(1,392)
Net transfers	2,394,967	12,737	-	2,407,704
Change in net position	265,706	29,741	(257,364)	38,083
Total net position at beginning of year	1,741,703	83,280	1,368,012	3,192,995
Total net position at end of year	$ 2,007,409	$ 113,021	$ 1,110,648	$ 3,231,078

See accompanying independent auditors' report.

Schedule 6

COUNTY OF ROANOKE, VIRGINIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Internal Service Funds			
	Health Insurance	Dental Insurance	Risk Management	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from interfund services provided	$ 10,992,889	$ 822,464	$ 1,604,003	$ 13,419,356
Payments to suppliers	(1,093,270)	-	(860,556)	(1,953,826)
Payments to employees	-	-	(3,472)	(3,472)
Claims paid	(11,935,776)	(807,353)	(870,021)	(13,613,150)
Other payments, net	(325,445)	(301)	(58,894)	(384,640)
Net cash used in operating activities	(2,361,602)	14,810	(188,940)	(2,535,732)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	2,396,311	12,785	-	2,409,096
Transfers to other funds	(1,344)	(48)	-	(1,392)
Net cash provided by noncapital financing activities	2,394,967	12,737	-	2,407,704
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	547,790	6,426	682,746	1,236,962
Interest and dividends received	-	1,893	120,267	122,160
Net cash provided by investing activities	547,790	8,319	803,013	1,359,122
Net increase in cash and cash equivalents	581,155	35,866	614,073	1,231,094
Cash and cash equivalents at beginning of the year	1,574,153	42,993	1,868,873	3,486,019
Cash and cash equivalents at end of the year	$ 2,155,308	$ 78,859	$ 2,482,946	$ 4,717,113

Reconciliation of operating income/(loss) to net cash used in operating activities:				
Operating income/(loss)	$ (2,129,261)	$ 15,111	$ (377,631)	$ (2,491,781)
Adjustments to reconcile operating income/(loss) to net cash used in operating activities				
Change in assets and liabilities:				
Accounts receivable	(325,445)	(301)	(58,894)	(384,640)
Prepaid expenses	(3,665)	-	-	(3,665)
Accounts payable	57,841	-	73,085	130,926
Claims payable	38,928	-	174,500	213,428
Net cash used in operating activities	$ (2,361,602)	$ 14,810	$ (188,940)	$ (2,535,732)

See accompanying independent auditors' report.

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.

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COUNTY OF ROANOKE, VIRGINIA
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

	Roanoke Valley Resource Authority	Common-wealth Fund	Special Welfare Fund	Cable TV	Roanoke Valley Greenway Commission	Regional Fire Training Center	Virginia Recreational Facilities Authority	Western Virginia Regional Jail Authority	Regional Center For Animal Care and Protection	Total
ASSETS										
Cash and cash equivalents	$ 12,455,031	$ 7,598	$ 117,562	$ 749,891	$ 92,817	$ (8,203)	$ 19,485	$ 17,524,654	$ 600,198	$ 31,559,033
Equity in investments	3,303,305	-	-	-	-	-	-	-	-	3,303,305
Accounts receivable	1,529,823	7,842	-	-	81	-	-	64,372	1,332	1,603,450
Interest receivable	12,533	-	-	599	74	-	16	14,008	481	27,711
Due from other governments	-	-	-	-	-	-	-	2,110,413	-	2,110,413
Prepaid items	-	-	-	2,326	-	2,738	-	-	-	5,064
Inventory	354,700	-	-	-	-	-	-	66,974	37,635	459,309
Total assets	$ 17,655,392	$ 15,440	$ 117,562	$ 752,816	$ 92,972	$ (5,465)	$ 19,501	$ 19,780,421	$ 639,646	$ 39,068,285
LIABILITIES										
Accounts payable	$ 764,181	$ 2,173	$ -	$ 866	$ 501	$ 5,359	$ -	$ 87,634	$ 21,820	$ 882,534
Accrued payroll	349,121	-	-	50,509	3,226	-	-	1,822,073	31,143	2,256,072
Due to other governments	189,981	-	-	-	-	-	-	-	25	190,006
Total liabilities	$ 1,303,283	$ 2,173	$ -	$ 51,375	$ 3,727	$ 5,359	$ -	$ 1,909,707	$ 52,988	$ 3,328,612
NET POSITION										
Restricted for:										
Individuals, organizations, and other governments	$ 16,352,109	$ 13,267	$ 117,562	$ 701,441	$ 89,245	$ (10,824)	$ 19,501	$ 17,870,714	$ 586,658	$ 35,739,673

See accompanying independent auditors' report.

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COUNTY OF ROANOKE, VIRGINIA
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2023

	Roanoke Valley Resource Authority	Common-wealth Fund	Special Welfare Fund	Cable TV	Roanoke Valley Greenway Commission	Regional Fire Training Center	Virginia Recreational Facilities Authority	Western Virginia Regional Jail Authority	Regional Center For Animal Care and Protection	Total
ADDITIONS										
Custodial fund additions	$ 53,034,285	$ 4,333,343	$ 137,738	$ 608,582	$ 200,898	$ 354,456	$ 16,628	$ 60,629,546	$ 5,696,824	$ 125,012,299
Total additions	53,034,285	4,333,343	137,738	608,582	200,898	354,456	16,628	60,629,546	5,696,824	125,012,299
DEDUCTIONS										
Custodial fund payments and withdrawals	51,304,282	4,333,343	78,089	708,853	204,068	370,527	12,509	60,577,393	5,871,881	123,460,944
Total deductions	51,304,282	4,333,343	78,089	708,853	204,068	370,527	12,509	60,577,393	5,871,881	123,460,944
Change in fiduciary net position	1,730,003	-	59,649	(100,271)	(3,170)	(16,071)	4,119	52,153	(175,057)	1,551,355
Total net position - beginning	14,622,106	13,267	57,913	801,712	92,415	5,247	15,382	17,818,561	761,715	34,188,318
Total net position - ending	$ 16,352,109	$ 13,267	$ 117,562	$ 701,441	$ 89,245	$ (10,824)	$ 19,501	$ 17,870,714	$ 586,658	$ 35,739,673

See accompanying independent auditors' report.

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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.

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COUNTY OF ROANOKE, VIRGINIA
Component Unit
Roanoke County Public Schools
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Cash and cash equivalents	$ 32,732,867
Investments	8,970,087
Accounts receivable	682,522
Due from other governments	8,116,842
Inventory	592,803
Prepaid and other assets	143,241
Net asset from pension	2,996,020
Capital assets, net	86,885,845
Total assets	141,120,227
Deferred outflows of resources	
Pension	24,672,091
Other postemployment benefit provided by Virginia Retirement System	3,060,839
Other postemployment benefit provided by Roanoke County Public Schools	869,802
Total deferred outflows of resources	28,602,732
Liabilities	
Accounts payable	2,677,153
Accrued liabilities	8,048,603
Unearned revenues	932,597
Long-term liabilities due or payable within one year:	
Lease obligations	3,435,415
Right to use subscription asset	1,794,602
Compensated absences	922,733
Claims payable	1,591,001
Long-term liabilities due or payable after one year:	
Lease obligations	4,155,448
Right to use subscription asset	1,880,861
Compensated absences	1,985,868
Claims payable	605,999
Net liability from pension	89,644,053
Net liability from other postemployment benefit provided by Virginia Retirement System	17,345,303
Net liability from other postemployment benefit provided by Roanoke County Public Schools	5,680,634
Total liabilities	140,700,270
Deferred inflows of resources	
Pension	20,516,234
Other postemployment benefit provided by Virginia Retirement System	2,002,881
Other postemployment benefit provided by Roanoke County Public Schools	5,517,037
Total deferred inflows of resources	28,036,152
Net Position	
Restricted for net asset from pension	75,619,519
Restricted for net investment in capital assets	2,996,020
Unrestricted deficit	(77,629,002)
Total net position	$ 986,537

See accompanying independent auditors' report.

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COUNTY OF ROANOKE, VIRGINIA
Component Unit
Roanoke County Public Schools
Statement of Activities
For the Year Ended June 30, 2023

		Program Revenues			Net Revenue (Expense) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Functions/Programs					
Instruction	$ 130,524,110	$ 1,384,940	$ 45,724,206	$ 7,588,355	$ (75,826,609)
Support services:					
Administration	4,348,862	-	-	-	(4,348,862)
Attendance and health	2,988,663	-	-	-	(2,988,663)
Transportation	7,965,673	29,106	-	-	(7,936,567)
Operations and maintenance	17,587,291	61,983	-	24,484	(17,500,824)
Technology	11,884,404	-	-	-	(11,884,404)
Nutrition	7,211,946	1,933,069	5,017,067	-	(261,810)
Student activities	4,500,304	6,057	-	-	(4,494,247)
Interest	1,342,234	-	-	-	(1,342,234)
Payment for future capital	2,900,000	-	-	-	(2,900,000)
Total governmental activities	$ 191,253,487	$ 3,415,155	$ 50,741,273	$ 7,612,839	(129,484,220)
General revenues:					
Roanoke County					80,427,743
Non-categorical State aid					63,390,172
Gain on sale of assets					234,792
Miscellaneous					6,084,892
Total general revenues					150,137,599
Change in net position					20,653,379
Total net position, beginning					(19,666,842)
Total net position, ending					$ 986,537

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Component Unit
Roanoke County Public Schools
Balance Sheet
Governmental Funds
June 30, 2023

	General	Grant	Nutrition	Student Activity	Capital Projects	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 6,820,268	$ -	$ 5,268,081	$ 2,569,814	$ 8,923,706	$ 23,581,869
Investments	2,911,586	-	2,248,954	-	3,809,547	8,970,087
Accounts receivable	78,576	74,570	106,009	-	819	259,974
Due from other governments	3,332,870	4,573,912	33,753	-	88,252	8,028,787
Due from other fund	3,364,102	-	-	38,041	-	3,402,143
Inventory	336,079	-	256,724	-	-	592,803
Prepaid and other assets	112,806	26,770	-	-	-	139,576
Total assets	$ 16,956,287	$ 4,675,252	$ 7,913,521	$ 2,607,855	$ 12,822,324	$ 44,975,239
Liabilities						
Accounts payable	$ 646,278	$ 182,247	$ 24,858	$ 132,564	$ 1,649,081	$ 2,635,028
Accrued liabilities	7,423,226	418,682	206,398	-	-	8,048,306
Unearned revenues	-	738,185	183,009	-	-	921,194
Due to other fund	20,336	3,336,138	-	45,669	-	3,402,143
Total liabilities	8,089,840	4,675,252	414,265	178,233	1,649,081	15,006,671
Deferred inflows of resources						
Unavailable revenue	1,363,630	-	-	-	-	1,363,630
Total deferred inflows of resources	1,363,630	-	-	-	-	1,363,630
Fund balances						
Nonspendable:						
Inventory	336,079	-	256,724	-	-	592,803
Prepaid expenses	112,806	26,770	-	-	-	139,576
Restricted for:						
Grants	-	(26,770)	-	-	-	(26,770)
Committed to:						
Emergency contingency	2,000,000	-	-	-	-	2,000,000
Instruction	1,098,541	-	-	-	-	1,098,541
Transportation	1,308,567	-	-	-	-	1,308,567
Operations and maintenance	160,440	-	-	-	-	160,440
Technology	333,666	-	-	-	-	333,666
Capital Outlay	2,152,718	-	-	-	11,173,243	13,325,961
Assigned to:						
Nutrition	-	-	7,242,532	-	-	7,242,532
Student activities	-	-	-	2,429,622	-	2,429,622
Total fund balances	7,502,817	-	7,499,256	2,429,622	11,173,243	28,604,938
Total liabilities, deferred inflows of resources, and fund balances	$ 16,956,287	$ 4,675,252	$ 7,913,521	$ 2,607,855	$ 12,822,324	$ 44,975,239

See accompanying independent auditors' report.

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COUNTY OF ROANOKE, VIRGINIA
Component Unit
Roanoke County Public Schools
Reconciliation of the Balance Sheet
to the Statement of Net Position
June 30, 2023

Total fund balances - total governmental funds	$ 28,604,938
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.	7,414,441
Capital assets used in governmental activities are not considered current financial resources and, therefore, are not reported in the governmental funds.	86,885,845
Revenues earned but not considered available are not current financial resources and, therefore, are not reported in the governmental funds.	1,363,630
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	2,996,020
Lease obligations	(7,590,863)
Right-to-use subscription liabilities	(3,675,463)
Compensated absences	(2,908,601)
Net liability from pension	(89,644,053)
Net liability from other postemployment benefit provided by Virginia Retirement System	(17,345,303)
Net liability from other postemployment benefit provided by Roanoke County Public Schools	(5,680,634)
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the governmental funds:	
Deferred outflows of resources:	
Pension	24,672,091
Other postemployment benefit provided by Virginia Retirement System	3,060,839
Other postemployment benefit provided by Roanoke County Public Schools	869,802
Deferred inflows of resources:	
Pension	(20,516,234)
Other postemployment benefit provided by Virginia Retirement System	(2,002,881)
Other postemployment benefit provided by Roanoke County Public Schools	(5,517,037)
Net position of governmental activities	$ 986,537

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, 2023

	General	Grant	Nutrition	Student Activity	Capital Projects	Total Governmental Funds
Revenues						
Intergovernmental:						
Roanoke County	$ 80,427,743	$ -	$ -	$ -	$ 845,357	$ 81,273,100
Commonwealth of Virginia	96,555,533	2,041,074	230,283	-	4,645,330	103,472,220
Federal government	1,142,238	11,986,582	5,114,312	-	-	18,243,132
Charges for services	128,265	39,310	1,933,094	702,249	-	2,802,918
Investment income	317,314	-	137,252	-	-	454,566
Miscellaneous	531,957	96,108	148,700	4,558,658	165,070	5,500,493
Total revenues	179,103,050	14,163,074	7,563,641	5,260,907	5,655,757	211,746,429
Expenditures						
Current:						
Instruction	124,016,617	11,652,133	-	898,726	40,563	136,608,039
Administration	4,405,832	19,622	-	16,589	-	4,442,043
Attendance and health	2,906,524	307,122	-	-	-	3,213,646
Transportation	7,588,244	222,125	-	-	-	7,810,369
Operations and maintenance	16,396,449	859,055	-	-	2,637,285	19,892,789
Technology	12,118,380	898,442	49,939	4,323	315,000	13,386,084
Nutrition	74,421	1,272	7,338,905	-	-	7,414,598
Student activities	-	-	-	4,442,220	-	4,442,220
Debt service:						
Principal	2,813,554	-	-	-	-	2,813,554
Interest	1,311,791	-	-	-	-	1,311,791
Payment for future capital	2,900,000	-	-	-	-	2,900,000
Capital outlay	208,851	1,404	-	11,857	7,749,296	7,971,408
Total expenditures	174,740,663	13,961,175	7,388,844	5,373,715	10,742,144	212,206,541
Excess (deficiency) of revenues over (under) expenditures	4,362,387	201,899	174,797	(112,808)	(5,086,387)	(460,112)
Other financing sources (uses)						
Proceeds from sale of property	197,556	-	375	-	36,861	234,792
Transfers in	1,275,086	7,572	-	1,312,030	2,778,028	5,372,716
Transfers out	(3,845,134)	(209,471)	-	(1,306,242)	(11,869)	(5,372,716)
Total other financing sources (uses), net	(2,372,492)	(201,899)	375	5,788	2,803,020	234,792
Net change in fund balances	1,989,895	-	175,172	(107,020)	(2,283,367)	(225,320)
Total fund balances, beginning	5,512,922	-	7,324,084	2,536,642	13,456,610	28,830,258
Total fund balances, ending	$ 7,502,817	$ -	$ 7,499,256	$ 2,429,622	$ 11,173,243	$ 28,604,938

See accompanying independent auditors' report.

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Schedule 13

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, 2023

Net change in fund balances - total governmental funds	$ (225,320)
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.	316
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.	
Capital outlay	8,956,869
Right to use leased equipment	5,110,596
Right to use subsciption asses, including beginning balance of $3,844,732	5,616,347
Capital donated by County and Parent Organizations	24,484
Depreciation and amortization expense	(11,385,202)
Loss on disposal of assets	(139,867)
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.	(279,967)
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	(1,057,504)
Right to use Subscription asset	(3,675,463)
Compensated absences	(277,150)
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	(3,505,693)
Cost of benefits earned net of employee contributions	19,623,457
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	(46,081)
Cost of benefits earned net of employee contributions	879,836
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	256,391
Cost of benefits earned net of employee contributions	777,330
Change in net position of governmental activities	$ 20,653,379

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Component Unit
Economic Development Authority of Roanoke County, Virginia
Balance Sheet
Governmental Fund
June 30, 2023

Assets		
Cash and cash equivalents	$	845,443
Restricted Cash		45,000
Interest receivable		552
Land held for resale		4,817,324
Total assets	$	5,708,319
Liabilities		
Accounts payable	$	199,399
Accrued wages		645
Total liabilities		200,044
Deferred inflows of resources		
Deferred revenues		45,000
Fund balances		
Unassigned		5,463,275
Total fund balances		5,463,275
Total liabilities, deferred inflows of resources, and fund balances	$	5,708,319

See accompanying independent auditors' report.

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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, 2023

REVENUES		
Bondholders' assessments	$	65,562
Roanoke County contributions:		
Roland E Cook Project		21,254
Waukeshaw/William Byrd		50,214
Mack Truck		80,131
Vinyard Station		35,869
Broadband incentive grants		343,791
Other projects		4,860
Town of Vinton contributions:		
Roland E. Cook Project		1,365
Waukeshaw/William Byrd		3,225
Vindos LLC-Macados		50,000
Vinyard Station		50,000
Gish Mill		15,541
Investment income		12,085
Total revenues		733,897
EXPENDITURES		
Professional fees		6,439
Miscellaneous		1,728
Project disbursements:		
Roland E Cook Project		22,619
Waukeshaw/William Byrd		53,439
Vindos LLC-Macados		50,000
Vinyard Station		85,869
Vinton Façade		10,000
Mack Truck		80,131
Gish Mill		15,541
Broadband incentive grants		343,791
Total operating expenditures		669,557
Excess of revenues over expenditures		64,340
Net change in fund balance		64,340
Fund balance at beginning of year		5,398,935
Fund balance at end of year	$	5,463,275

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, 2023

Bondholders/Noteholders	Date Issued	Original Issue	Balance June 30, 2023	Type of Project
Richfield Retirement Community	01/01/19	$ 93,520,000	$ 93,520,000	Richfield Residential Care Facility
		$ 93,520,000	$ 93,520,000	

See accompanying independent auditors' report.

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COUNTY OF ROANOKE, VIRGINIA
Component Unit
South Peak Community Development Authority
Statement of Net Position
June 30, 2023

Assets	
Current assets:	
Due from Primary Government	$ 1,008,474
Total current assets	1,008,474
Noncurrent assets:	
Capital assets	5,330,063
Total noncurrent assets	5,330,063
Total assets	6,338,537
Liabilities	
Current liabilities:	
Accounts payable	5,500
Accrued interest payable	81,810
Current portion of long-term debt	343,000
Total current liabilities	430,310
Noncurrent liabilities:	
Bonds payable	5,078,000
Total noncurrent liabilities	5,078,000
Total liabilities	5,508,310
Net Position	
Net investment in capital assets	(90,937)
Unrestricted	921,164
Total net position	$ 830,227

See accompanying independent auditors' report.

COUNTY OF ROANOKE, VIRGINIA
Component Unit
South Peak Community Development Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2023

Operating Revenues	
Incremental tax revenues	$ 810,808
Total operating revenues	810,808
Operating Expenses	
Administrative fees	16,775
Legal fees	5,000
Insurance expenses	1,456
Accounting and audit fees	4,500
Total operating expenses	27,731
Operating income	783,077
Non-Operating Revenues/(Expenses)	
Note interest expense	(252,718)
Interest and dividend income	7,608
Total Non-Operating Revenues/(Expenses)	(245,110)
Change in Net Position	537,967
Net Position, Beginning of Year	292,260
Net Position, End of Year	$ 830,227

See accompanying independent auditors' report.

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COUNTY OF ROANOKE, VIRGINIA
Component Unit
South Peak Community Development Authority
Statement of Cash Flows
For the Year Ended June 30, 2023

Cash Flows from Operating Activities	$ -
Cash Flows from Capital and Related Financing Activities	-
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 Activities:	
Operating income	$ 783,077
Adjustments to reconcile operating income to net cash used in Operating Activities	
Increase in accrued revenues	(228,788)
Increase in accounts payable	5,500
Accrued interest on County holdings	7,608
Accrued revenues used for debt service	(567,397)
Net cash used in operating activities	$ -

See accompanying independent auditors' report.

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STATISTICAL SECTION

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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

COUNTY OF ROANOKE, VIRGINIA
Net Position by Component
Last Ten Fiscal Years
(unaudited)
(accrual basis of accounting)

Table 1

	Fiscal Year									
	2023 ①	**2022**	**2021**	**2020**	**2019**	**2018** ②	**2017**	**2016**	**2015** ③	**2014**
Governmental activities										
Net investment in capital assets	$ 92,395,719	$ 79,559,484	$ 93,376,262	$ 90,616,318	$ 94,294,227	$ 108,276,652	$ 111,249,469	$ 117,285,621	$ 130,671,059	$ 127,038,171
Restricted	6,161,085	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
Unrestricted	(12,075,591)	(16,309,619)	(17,525,145)	(25,633,275)	(23,228,047)	(30,574,414)	(11,844,228)	(1,370,979)	(4,712,743)	36,965,323
Total governmental activities net position	$ 86,481,213	$ 68,130,531	$ 68,551,653	$ 74,462,942	$ 81,720,357	$ 102,963,803	$ 121,143,420	$ 132,260,929	$ 171,110,145	$ 169,984,150

① Fiscal year 2022 net position was restated in fiscal year 2023 due to the implementation of GASB Statement 96, "Subscription-Based Information Technology Arrangements."

② Fiscal year 2017 net position was restated in fiscal year 2018 due to the implementation of GASB Statement 75, "Accounting and Finacial Reporting for Postemployment Benefits Other Than Pensions."

③ 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."

COUNTY OF ROANOKE, VIRGINIA
Changes in Net Position, Last Ten Fiscal Years
(unaudited)
(accrual basis of accounting)

Table 2

	Fiscal Year									
Governmental activities:	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Expenses										
General government	$ 18,228,347	$ 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
Judicial administration	3,516,597	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
Public safety	59,118,500	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
Public works	25,350,793	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
Library	6,513,658	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
Health and welfare	26,105,934	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
Parks, recreation, and culture	9,274,334	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
Community development	4,566,969	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
Education	86,828,357	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
Interest and other charges	6,688,890	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
Total governmental activities' expenses	246,192,379	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
Program Revenues										
Charges for services:										
General government	1,680,906	1,574,899	1,280,835	1,400,415	1,437,214	1,136,666	844,265	675,994	569,654	439,139
Judicial administration	1,029,609	1,065,252	935,752	813,853	987,506	957,315	884,334	1,058,476	1,110,870	1,131,167
Public safety	4,483,157	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
Public works	453,219	362,564	365,251	368,915	368,628	367,506	367,076	328,883	316,412	325,220
Library	115,259	108,959	99,642	268,317	356,175	366,911	383,560	53,919	59,325	74,108
Health and welfare	2,648,662	1,158,972	1,190,877	1,010,080	953,319	1,601,167	673,735	854,523	717,266	801,325
Parks, recreation, and culture	4,677,977	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
Community development	653,877	745,828	698,617	597,158	754,811	445,432	468,198	474,818	509,108	454,035
Operating grants and contributions	40,443,751	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
Total governmental activities' revenues	56,186,417	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
Net (Expense)/Revenue	(190,005,962)	(202,854,395)	(171,742,251)	(181,135,868)	(179,254,627)	(174,749,843)	(173,343,019)	(173,156,497)	(159,769,143)	(152,602,068)
General Revenues and Other Changes in Net Position										
Taxes										
Real estate and personal property	146,351,084	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
Local share of sales tax	15,212,693	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
Other local taxes	30,274,468	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
Non-categorical state aid	12,229,857	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
Gain on sale of capital assets	463,272	130,978	203,351	227,275	253,267	219,762	792,488	1,618,880	123,232	90,862
Investment earnings	3,028,056	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
Miscellaneous	797,214	986,819	548,019	690,853	827,575	280,514	194,716	332,822	79,381	115,337
Total general revenues and other changes in net position	208,356,644	191,625,909	182,469,902	175,224,579	171,997,212	165,350,755	163,787,348	162,038,988	157,202,025	154,449,805
Change in Net Position	$ 18,350,682	$ (11,228,486)	$ 10,727,651	$ (5,911,289)	$ (7,257,415)	$ (9,399,088)	$ (9,555,671)	$ (11,117,509)	$ (2,567,118)	$ 1,847,737

Table 3

COUNTY OF ROANOKE, VIRGINIA
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(unaudited)
(modified accrual basis of accounting)

	Fiscal Year									
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
General Fund:										
Nonspendable	$ 333,888	$ 821,059	$ 247,591	$ 346,501	$ 224,057	$ 400,304	$ 182,259	$ 283,984	$ 189,474	$ 239,384
Restricted	5,158,111	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
Committed	15,367,231	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
Assigned	680,358	916,278	530,893	418,302	926,701	1,084,220	1,046,647	1,108,425	1,801,280	1,951,749
Unassigned	24,385,608	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
Total General Fund	$ 45,925,196	$ 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
All Other Governmental Funds:										
Nonspendable	$ -	$ 26,417	$ 200,549	$ 31,255	$ 181,422	$ -	$ -	$ -	$ -	$ -
Restricted	1,885,039	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
Committed	45,851,908	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
Total All Other Governmental Funds	$ 47,736,947	$ 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
Total fund balances - all governmental funds	$ 93,662,143	$ 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

COUNTY OF ROANOKE, VIRGINIA
Changes in Fund Balances
Governmental Funds
(unaudited)
Last Ten Fiscal Years

Table 4

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
General property taxes	$ 147,465,672	$ 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
Other local taxes	44,985,891	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
Permits, fees, and licenses	954,121	1,015,324	935,262	837,800	1,005,537	722,265	710,051	796,474	743,224	713,047
Fines and forfeitures	460,492	527,158	407,824	364,007	512,634	478,764	452,348	497,757	549,582	567,686
Use of money and property	1,885,960	393,775	272,778	782,131	1,044,290	544,563	388,978	836,201	726,956	714,616
Charges for services	9,645,077	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
Intergovernmental revenue	52,588,082	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
Locality compensation payments	124,663	124,438	125,371	124,444	124,894	125,284	124,301	124,624	124,568	124,459
Miscellaneous	4,530,486	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
Total revenues	262,640,444	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
EXPENDITURES										
General government	18,626,498	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
Judicial administration	3,453,954	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
Public safety	60,700,404	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
Public works	20,213,030	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
Library	5,633,326	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
Health and welfare	25,571,923	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
Parks, recreation, and culture	9,495,607	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
Community development	3,842,956	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
Education	78,096,927	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
Debt service:										
Principal	12,153,501	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
Interest and other charges	7,604,817	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
Capital outlay	20,961,280	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
Total expenditures	266,354,223	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
(Deficiency) excess of revenues over/(under) expenditures	(3,713,779)	(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

(continued)

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COUNTY OF ROANOKE, VIRGINIA
Changes in Fund Balances
Governmental Funds
(unaudited)
Last Ten Fiscal Years

Table 4
(continued)

	Fiscal Year									
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
OTHER FINANCING SOURCES (USES)										
Issuance of bonds	$ 12,660,000	$ 19,910,000	$ -	$ 9,025,000	$ 27,875,000	$ 6,440,000	$ -	$ 44,175,000	$ 17,835,000	$ 32,898,586
Premium on bonds	812,376	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	463,272	130,978	203,351	227,275	253,267	219,762	792,488	1,618,880	123,232	90,862
Transfers in	31,515,508	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
Transfers out	(33,923,212)	(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)
Total other financing sources, net	11,527,944	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
Net change in fund balances	$ 7,814,165	$ 15,169,431	$ 5,781,259	$ (12,534,275)	$ 16,430,569	$ 1,689,414	$ (768,004)	$ (15,538,846)	$ (5,360,752)	$ 10,856,442
Debt service as a percentage of noncapital expenditures	8.1%	7.8%	9.4%	9.9%	9.6%	9.8%	10.2%	9.9%	11.7%	11.8%

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Table 5

COUNTY OF ROANOKE, VIRGINIA
Assessed Value and Estimated Actual Value of Taxable Property
(Unaudited)
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Public Service Corporation	Total Taxable Assessed Value	Real Property Total Direct Tax Rate	Personal Property Tax Rate		Estimated Actual Taxable Value
						Tangible	Machinery & Tools	
2023	$ 11,077,450,150	$ 1,361,223,414	$ 354,591,260	$ 12,793,264,824	$1.06	$3.40	$2.80	$ 13,905,722,635
2022	9,970,489,000	1,434,678,329	352,643,100	11,757,810,429	1.09	3.50	2.85	13,361,148,215
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

Source: Roanoke County Real Estate Land Books

Note: Property in Roanoke County is assessed annually and is assessed at approximately 76% of actual value for fiscal year 2023 and at approximately 93.4% for fiscal years 2014-2022. 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 = $3.40 for Personal Property; $2.80 for Machinery and Tools. Real Estate Tax Rate = $1.06

COUNTY OF ROANOKE, VIRGINIA
Direct and Overlapping Property Tax Rates
(Unaudited)
Last Ten Fiscal Years

Table 6

	Direct Rates					Overlapping Rates		
	County of Roanoke					Town of Vinton		
Fiscal	Real Property			Personal Property		Real	Personal Property	
Year	First Half	Second Half	Total	Tangible	Machinery & Tools	Property	Tangible	Machinery & Tools
2023	$0.530	$0.530	$1.06	$3.40	$2.80	$0.07	$1.00	$1.00
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

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.

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COUNTY OF ROANOKE, VIRGINIA
Principal Property Tax Payers
(unaudited)
Fiscal Years 2023 and 2014

Table 7

Taxpayer	2023 Taxable Assessed Value (Millions)	2023 Rank	2023 Percentage of Total County Taxable Assessed Value	2014 Taxable Assessed Value (Millions)	2014 Rank	2014 Percentage of Total County Taxable Assessed Value
Appalachian Power Company	$ 303	1	2.37 %	$ 143	1	1.60 %
Kroger Limited Partnership	45	2	0.35	39	2	0.44
Roanoke Gas Company	45	3	0.35	21	7	0.23
Roanoke Owner 1 LLC (Formerly Pebble Creek, LLC)	42	4	0.33		-	-
Cellco Partnership dba Verizon Wireless	37	5	0.29	22	6	0.25
Edward Rose Development Company LLC	34	6	0.27		-	-
Walmart Real Estate Business Trust	27	7	0.21	29	3	0.32
Tanglewood Venture LLC (Formerly Roanoke Tanglewood LLC)	27	8	0.21	27	4	0.30
Norfolk and Western Railway Company	22	9	0.17	20	8	0.23
Mikeone EK Roanoke LLC	22	10	0.17		-	-
Verizon Virginia, Inc.	-	-	-	25	5	0.28
Integrity Windows, Inc.	-	-	-	19	9	0.21
Wells Fargo Operations Center	-	-	-	18	10	0.20
Total	$ 604		4.72 %	$ 363		4.06 %

Source: County Real Estate Assessment Department

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COUNTY OF ROANOKE, VIRGINIA
Property Tax Levies and Collections
(Unaudited)
Last Ten Fiscal Years

Table 8

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collections In Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2023	$ 156,189,953	$ 151,059,235	96.98 %	$ -	$ 151,059,235	96.98 %
2022	145,560,336	139,498,315	95.84	4,802,497	144,300,812	99.13
2021	140,649,604	134,677,508	95.75	5,972,096	140,649,604	100.00
2020	136,412,657	129,752,896	95.12	5,756,505	135,509,401	99.34
2019	131,812,099	126,869,715	96.25	4,942,384	131,812,099	100.00
2018	127,332,705	123,195,790	96.75	4,136,915	127,332,705	100.00
2017	125,144,056	120,899,417	96.61	4,244,639	125,144,056	100.00
2016	123,023,949	118,615,971	96.42	4,073,229	122,689,200	99.73
2015	120,224,376	116,398,283	96.82	3,051,768	119,450,051	99.36
2014	118,192,461	113,964,831	96.42	3,132,149	117,096,980	99.07

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

	Governmental Activities							Component Unit	Percentage of		
Fiscal Year	General Obligation Debt	Lease Revenue Bonds	VPSA School Bonds	State Literary Bonds	Capital Leases	Bond Premiums	Total Primary Government	School Board Capital Lease	Assessed Value of Taxable Property ①	Percentage Of Personal Income ②	Per Capita Personal Income ②
2023	$ -	$ 82,760,000	$ 77,829,551	$ -	$ -	$ 12,147,305	$ 172,736,856	$ -	1.35 %	2.47 %	$ 1,788
2022	-	73,900,000	85,873,052	-	-	12,384,805	172,157,857	-	1.46	2.46	1,783
2021	-	77,530,000	74,515,490	-	-	10,777,149	162,822,639	-	1.51	2.32	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	484,939	1.79	2.83	1,797
2016	4,497,704	77,275,000	88,460,767	-	-	10,564,744	180,798,215	937,225	1.96	3.14	1,938
2015	5,332,236	74,886,582	97,117,015	1,825,775	741,516	9,256,934	189,160,058	1,358,518	2.09	3.31	2,036
2014	6,150,390	76,993,268	87,191,051	2,273,592	849,437	7,636,915	181,094,653	1,750,401	2.04	3.36	1,972

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.

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

Table 10

	General Bonded Debt Outstanding - Governmental Activities ①						Percentage of Actual Value of Taxable Property ②	Per Capita Personal Income ③
Fiscal Year	General Obligation Debt	Lease Revenue Bonds	VPSA School Bonds	State Literary Bonds	Bond Premiums	Total		
2023	$ -	$ 82,760,000	$ 77,829,551	$ -	$12,147,305	$ 172,736,856	1.35 %	$ 1,788
2022	-	73,900,000	85,873,052	-	12,384,805	172,157,857	1.46	1,783
2021	-	77,530,000	74,515,490	-	10,777,149	162,822,639	1.51	1,680
2020	948,122	81,000,000	83,061,766	-	11,716,653	176,726,541	1.71	1,884
2019	1,866,987	75,035,000	91,947,188	-	11,356,388	180,205,563	1.80	1,924
2018	2,765,175	77,970,000	72,194,043	-	9,929,441	162,858,659	1.68	1,737
2017	3,640,935	74,535,000	80,301,667	-	9,832,624	168,310,226	1.78	1,792
2016	4,497,704	77,275,000	88,460,767	-	10,564,744	180,798,215	1.95	1,928
2015	5,332,236	74,886,582	97,117,015	1,825,775	9,256,934	188,418,542	2.06	2,014
2014	6,150,390	76,993,268	87,191,051	2,273,592	7,636,915	180,245,216	2.01	1,944

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

	Fiscal Year									
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
General bonded debt outstanding ①										
General Obligation Bonds	$ -	$ -	$ -	$ 948,122	$ 1,866,987	$ 2,765,175	$ 3,640,935	$ 4,497,704	$ 5,332,236	$ 6,150,390
Lease Revenue Bonds	82,760,000	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
VPSA School Bonds	77,829,551	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
State Literary Bonds	-	-	-	-	-	-	-	-	1,825,775	2,273,592
Bond Premiums	12,147,305	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
Total net debt applicable to debt limits	$172,736,856	$172,157,857	$ 162,822,639	$176,726,541	$180,205,563	$162,858,659	$168,310,226	$180,798,215	$188,418,542	$180,245,576
Ratio of net debt to assessed taxable property value ②										
Actual	1.35%	1.46%	1.51%	1.71%	1.80%	1.68%	1.78%	1.95%	2.06%	2.01%
Debt limit per policy	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Ratio of net debt per capita ③										
Actual	$ 1,788	$ 1,783	$ 1,680	$ 1,884	$ 1,924	$ 1,737	$ 1,792	$ 1,928	$ 2,014	$ 1,944
Debt limit per policy	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,500
Ratio of net debt to general fund governmental expenditures ④										
Actual	5.17%	5.60%	6.35%	6.76%	6.26%	6.57%	6.78%	7.57%	7.14%	7.20%
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)

Fiscal Year	Population ①	Personal Income (thousands of dollars) ②	Per Capita Personal Income ②	School Enrollment ③	Unemployment Rate ④
2023	96,605	$ 7,004,787	$ 57,434	13,353	2.60 %
2022	96,546	7,004,787	57,434	13,236	2.60
2021	96,929	7,004,787	57,434	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

Sources:

① Weldon Cooper Center for Public Service, Demographics Research Group, www.coopercenter.org/demographics

② Personal Income & Per Capita Personal Income from the Bureau of Economic Analysis. Latest information available is for 2021. The figures for 2022 and 2023 have not been updated.

③ Roanoke County Public School's Administration Department

④ Virginia Employment Commission and the U.S. Bureau of Labor Statistics

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COUNTY OF ROANOKE, VIRGINIA
Principal Employers
(unaudited)
Fiscal Years 2023 and 2014

Table 13

	2023			2014		
Employer	**Rank**	**Ownership**	**Number of Employees**	**Rank**	**Ownership**	**Number of Employees**
Roanoke County Schools	1	Local Govt.	2,000+	1	Local Govt.	1,000+
Wells Fargo Operations Center	2	Private	2,000+	2	Private	1,000+
County of Roanoke	3	Local Govt.	1,000+	3	Local Govt.	1,000+
Kroger	4	Private	500-999	4	Private	500-999
Friendship Manor	5	Private	500-999	6	Private	500-999
Richfield Recovery & Care Center	6	Private	500-999	5	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	7	Private	500-999
Walmart	10	Private	250-499	8	Private	250-499
Medeco	-	-	-	9	Private	250-499
ITT Exelis	-	-	-	10	Private	250-499

Source: Roanoke County Economic Development Department

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Table 14

COUNTY OF ROANOKE, VIRGINIA
Full-time Equivalent County Government Employees by Function/Program
(unaudited)
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	**2023**	**2022**	**2021***	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
General government										
Legislative	7	6	6	6	6.5	6.5	6	7	7	7
General and financial administration	71	71	71	71	70.5	70.5	72	69	70	69
Other	66	63	63	63	63	62	61	61	61	57
Judicial administration										
Courts	16	16	16	16	16	16	16	16	16	16
Commonwealth attorney	15	15	15	14	14	14	14	14	14	14
Public safety										
Sheriff	89	89	87	87	87	87	86	86	85	84
Police	156	156	156	156	156	156	156	154	154	154
Emergency Communication Center	42	42	42	42	42	42	42	42	42	44
Fire & rescue	203	203	203	188	177	168	164	164	159	153
Public works										
General services administration	5	4	4	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	19	18	18	21
Garage	13	13	13	12	12	12	12	11	11	11
Engineering and inspections	34	34	34	31	32	33	33	32	32	32
Library	43	43	43	43	43	43	43	42	39	41
Health and welfare	123	118	115	113	107	103	103	101	99	98
Parks, recreation, and culture	72	72	72	74	75	69	69	69	69	69
Community development	20	19	19	21	19	19	19	19	19	19
Total	1028	1017	1012	993	976	957	952	942	932	926

Source: Roanoke County Budget Division

* As Amended

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COUNTY OF ROANOKE, VIRGINIA
Operating Indicators by Function/Program
(Unaudited)
Last Ten Fiscal Years

Table 15

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government										
Number of sales	1,318	1,640	1,617	1,443	1,388	1,183	1,114	1,029	938	953
Median assessment/sales ratio	90.50%	90.60%	92.70%	94.10%	94.10%	91.86%	92.23%	92.73%	92.87%	94.00%
Coefficient of dispersion	6.98%	7.26%	6.48%	5.67%	5.64%	7.20%	6.82%	6.62%	6.44%	7.18%
Judicial administration										
Circuit Court civil cases concluded*	720	766	641	2,710	2,943	2,286	722	836	883	998
General District Court concluded	25,968	23,569	21,315	25,846	25,233	21,032	22,025	23,045	24,118	26,029
Juvenile and Domestic cases concluded	4,749	4,895	4,531	5,390	4,400	4,533	4,902	5,313	5,038	4,940
Public safety										
Physical arrests	3,468	3,261	3,995	4,376	4,736	3,818	3,710	3,633	3,403	3,611
Calls for service police	33,476	88,153	91,800	83,363	81,500	74,200	76,100	79,600	79,200	75,500
Calls for service fire	14,182	17,472	15,131	15,047	15,923	16,060	15,502	15,177	14,770	13,857
Fire inspections	2,151	1,853	1,875	1,432	1,516	1,137	1,194	1,109	1,218	1,158
Public works										
New business licenses	508	569	486	446	572	834	465	475	690	785
New prospect inquires Economic Development	43	61	62	45	43	44	77	56	54	40
Waste tonnage to RVRA	40,025	39,936	42,606	42,524	41,503	39,268	37,970	39,070	40,070	40,003
Library										
Patrons registered	62,714	89,337	95,124	93,387	90,082	90,917	84,374	75,067	76,847	70,670
Total circulation	912,249	812,902	497,948	740,205	968,246	1,088,190	1,250,670	1,349,997	1,352,031	1,330,625
Health and welfare										
Individuals enrolled in Medicaid**	23,320	28,826	18,488	17,560	15,231	14,783	14,699	14,167	12,795	11,158
Households receiving Supplemental Nutrition Assistance	4,534	3,873	3,327	2,957	2,892	3,113	3,199	3,503	3,736	4,087
Number of children in foster care	106	130	168	107	105	89	92	98	165	144
Community development										
Building permits issued	1,084	1,085	1,119	1,002	1,138	1,111	1,075	1,011	1,110	1,097

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

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	Fiscal Year									
General Government										
Administration Buildings	8	8	8	8	8	8	8	8	9	9
Judicial Administration										
Courthouses	1	1	1	1	1	1	1	1	1	1
Public Safety										
Fire Stations	11	11	11	12	12	12	12	12	12	12
Rescue Stations	13	13	13	13	13	11	11	11	11	11
Fire Units	28	28	27	27	28	28	28	28	27	28
Ambulances	20	20	21	21	21	20	24	24	24	24
Jails	1	1	1	1	1	1	1	1	1	1
Law Enforcement Vehicles	170	156	155	159	158	156	153	145	145	143
Public Works										
Refuse Collection Trucks	23	23	20	23	26	28	26	25	24	23
Libraries	6	6	6	6	6	6	6	6	6	6
Parks, Recreation, and Tourism										
Parks	38	38	38	36	31	31	31	30	30	30
Park Acreage	2,679	2,679	2,662	2,346	2,090	2,090	2,090	2,160	2,160	2,160
Recreation Centers	2	2	2	2	3	3	3	3	3	3
Park District Maintenance Centers	4	4	4	3	3	3	3	3	3	3
Education										
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

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COMPLIANCE SECTION

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COUNTY OF ROANOKE, VIRGINIA
Schedule of Expenditures of Federal Awards
Fiscal Year Thru June 30, 2023

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
Department of Agriculture							
Passed Through the Commonwealth of Virginia:							
Department of Agriculture and Consumer Services							
Non-Cash Assistance: National School Lunch Program - Commodities	10.555 [1]	Child Nutrition Cluster		**$ 487,732**			
Department of Education							
School Breakfast Program	10.553	Child Nutrition Cluster		**987,396**			
National School Lunch Program	10.555 [1]	Child Nutrition Cluster		**3,636,049**			
Summer Food Service Program for Children	10.559	Child Nutrition Cluster		**-**			
Pandemic EBT Administrative Costs	10.649	Child Nutrition Cluster		**3,135**			
Department of Social Services							
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	SNAP Cluster		**1,600,785**			
Forest Service							
Schools and Roads - Grants to States	10.665	Forest Service Schools and Roads Cluster		**3,109**			
Total for Child Nutrition Cluster (10.553, 10.555, 10.559, 10.649)					$ 5,114,312		
Total for SNAP Cluster (10.561)					1,600,785		
Total for Forest Service Schools and Roads Cluster (10.665)					3,109		
1 - Total for National School Lunch Program (10.555)						$ 4,123,781	
Department of Justice							
Direct Awards:							
Bulletproof Vest Partnership Program	16.607			**15,745**			
Edward Byrne Memorial Justice Assistance Grant Program	16.738 [2]		15PBJA-22-GG-02653-JAGX 15PBJA-21-GG-01943-JAGX	**20,586**			
Equitable Sharing Program	16.922			**23,689**			
Passed Through the Commonwealth of Virginia:							
Department of Criminal Justice Services							
Crime Victim Assistance	16.575		23-O1210VW19	**145,725**			
2 - Total for Edward Byrne Memorial JAG Program (16.738)						20,586	
Department of Transportation							
Passed Through the Commonwealth of Virginia:							
Department of Rail and Public Transportation							
Enhanced Mobility of Seniors & Individuals with Disabiliti	20.513	Transit Services Programs Cluster	44023-04 44023-22	**538,000**			
Department of Motor Vehicles							
State and Community Highway Safety	20.600	Highway Safety Cluster	FSC-2022-52300-22300 FOP-2022-52299-22299 BPT-2023-53330-23330	**43,850**			
Alcohol Open Container Requirements	20.607		154AL-2022-52276-22276 ENF_AL-2023-53303-23303	**64,146**			
Department of Transportation							
Highway Planning and Construction	20.205		UPC 91191 UPC 97171 UPC 111356 UPC 111366	**1,084,675**			

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.

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
			UPC 113567				
			UPC T26802				
Federal Lands Access Program	20.224		UPC 110155	**21,769**			
Total for Highway Safety Cluster (20.600)					$ 43,850		
Total for Transit Services Programs Cluster (20.513)					538,000		
United States Department of the Treasury							
Direct Awards:							
Coronavirus State and Local Fiscal Recovery Funds	21.027			**6,144,858**			$ 1,333,609
Local Assistance and Tribal Consistency Fund	21.032			**100,000**			
Fedral Communications Commission							
Direct Awards:							
Universal Service Fund - Schools and Libraries	32.004			**584,406**			
Emergency Connectivity Fund Program	32.009			**161,262**			
Department of Education							
Passed Through the Commonwealth of Virginia:							
Department of Education							
Adult Education - Basic Grants to States	84.002		V002A220047	**39,184**			
Title I Grants to Local Educational Agencies	84.010		S010A200046	**1,474,123**			
			S010A210046				
			S010A220046				
Special Education_Grants to States	84.027	Special Education Cluster	H027A200107	**3,390,623**			
			H027A210107				
			H027A220107				
			H027X210107				
Career and Techincal Education -- Basic Grants to States	84.048		V048A210046	**158,362**			
			V048A220046				
Special Education_Preschool Grants	84.173	Special Education Cluster	H173A210112	**136,507**			
			H173A220112				
			H173X220112				
English Language Acquisition State Grants	84.365		S365A210046	**37,982**			
			S365A220046				
Supporting Effective Instruction State Grants	84.367		S367A200044	**334,978**			
			S367A210044				
			S367A220044				
Student Support and Academic Enrichment Program	84.424		S424A200048	**124,011**			
			S424A210048				
			S424A220048				
COVID-19 Elementary and Secondary School Emergency Relief (ESSER)	84.425D		S425D200008	**3,474,177**			
			S425D210008				
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief	84.425U		S425U210008	**717,173**			
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W		S425W210048	**23,918**			

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.

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COUNTY OF ROANOKE, VIRGINIA
Schedule of Expenditures of Federal Awards
Fiscal Year Thru June 30, 2023

Federal Grantor/Pass-Through Entity/Program Title	CFDA Number	Cluster Name	Pass-Through Entity Identifying Number	Expenditures	Total Cluster	Total Program	Passed Through to Subrecipients
Total for Special Education Cluster (IDEA) (84.027, 84.173)					3,527,130		
Department of Health and Human Services							
Direct Awards:							
Provider Relief Fund	93.498			**100,564**			
Public Health Crisis Response	93.354		NU90TP922153	**83,278**			
Passed Through the Commonwealth of Virginia:							
Department of Social Services							
Guardianship Assistance	93.090			**340**			
Title IV-E Prevention Program	93.472			**15,216**			
Promoting Safe and Stable Families	93.556			**70,662**			
Temporary Assitance for Needy Families	93.558			**521,465**			
Refugee and Entrant Assistance_State Administered Programs	93.566			**7,076**			
Low-Income Home Energy Assitance	93.568			**96,255**			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CCDF Cluster		**119,795**			
Chafee Education and Training Vouchers Program	93.599			**10,000**			
Adoption and Legal Guardianship Incentive Payments	93.603			**3,349**			
Stephanie Tubbs Jones Child Welfare Services Program	93.645			**722**			
Foster Care_Title IV-E	93.658			**754,630**			
Adoption Assistance	93.659			**1,623,223**			
Social Services Block Grant	93.667			**544,686**			
Chafee Foster Care Independence Program	93.674			**26,462**			
Children's Health Insurance Program	93.767			**6,885**			
Medical Assistance Program	93.778	Medicaid Cluster		**1,379,471**			
Total for CCDF Cluster (93.596)					119,795		
Total for Medicaid Cluster (93.778)					1,379,471		
Executive Office of the President							
Passed Through Washington/Baltimore HIDTA:							
High Intensity Drug Trafficking Areas Program	95.001		G22WB0004A G23WB0004A	**32,440**			
Department of Homeland Security							
Direct Awards:							
Staffing for Adequate Fire and Emergency Response	97.083		EMW-2019-FF-00795	**1,020,669**			
Passed Through the Commonwealth of Virginia:							
Department of Emergency Management							
Emergency Management Performance Grant Program	97.042		85	**21,282**			
				$ 32,016,424			$ 1,333,609

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, 2023

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 $487,732 from the U.S. Department of Agriculture during fiscal year 2023. These in-kind contributions are included in the basic financial statements.

4) Indirect Costs

For fiscal year 2023, 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.

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BROWN EDWARDS
certified public accountants

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 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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 27, 2023. Our report includes 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 opinion 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 or significant deficiencies may exist that were not 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 or other matters 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 County'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, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
November 27, 2023

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BROWNEDWARDS
certified public accountants

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, 2023. 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, 2023.

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 judgment 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, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
November 27, 2023

COUNTY OF ROANOKE, VIRGINIA

SUMMARY OF COMPLIANCE MATTERS
June 30, 2023

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

Code of Virginia

Budget and Appropriation Laws
Cash and Investment Laws
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

State Agency Requirements

Education
Social Services

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.

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COUNTY OF ROANOKE, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2023

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **No significant deficiencies and no material weaknesses** relating to the audit of the financial statements were 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 and no material weaknesses** 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:

Name of Program	ALN #
Coronavirus State and Local Fiscal Recovery Funds	21.027
Title I Grants to Local Educational Agencies	84.010
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561
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
Medical Assistance Program	93.778
Adoption Assistance	93.659

8. The **threshold** for distinguishing Type A and B programs was **$942,961**.
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.

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