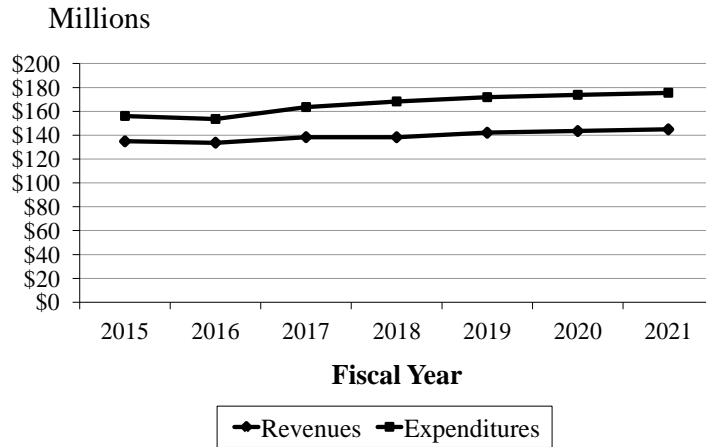


Three Year Forecast Revenues and Expenditures Special Revenue Fund



Fiscal Years 2018 through 2021 are estimated. Revenues exclude transfers from other funds.

SPECIAL REVENUE FUND

(Fund 11)

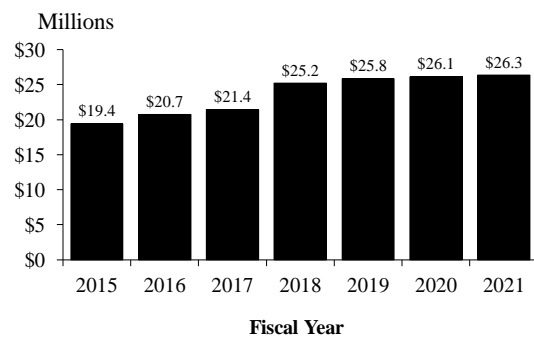
The Special Revenue Fund accounts for proceeds from revenue sources that legally restrict expenditures to specified purposes. Henrico County's Special Revenue Fund includes the Department of Public Utilities' Solid Waste and Street Lighting operations; Public Works' Watershed and Best Management Practices programs; Schools' Cafeteria Programs; Mental Health; Social Services; State and Federal grants for various educational and County programs; certain aspects of the Economic Development Authority; asset forfeitures; and the Police Metro Aviation Unit. The Special Revenue Fund budget for FY2018-19 is \$171,906,724, which represents an increase of \$3,579,807, or 2.1 percent, from the current fiscal year. No area of this budget grew by as much as 5.0 percent. The expenditure budget for Mental Health increased by approximately \$1.8 million, or 4.7 percent, while the allocation for Social Services expanded by \$1.2 million, which represents a 3.7 percent increase. The expense budgets for School Cafeteria and Solid Waste each decreased by less than 1.0 percent.

Revenues

Assumptions

School Cafeteria revenues support the operations of all County public school cafeterias. Funding is received from specific State and Federal government grant programs as well as revenues generated by the school lunch program. Receipts for FY2018-19 are estimated at \$25,819,205 compared to \$25,184,075 in FY2017-18, which is a 2.5 percent increase. FY2019-20 and FY2020-21 revenue estimates of \$26,077,397 and \$26,338,171, respectively, reflect projected increases of 1.0 percent based on anticipated growth in cafeteria operations.

School Cafeteria Revenue



Fiscal Years 2018 through 2021 are estimated.

State, Federal and Other Grants revenue funds various programs, principally those related to Education, the Capital Region Workforce Partnership (CRWP), the Community Corrections Services Program (CCP), the Community Development Block Grant (CDBG), and the Virginia Juvenile Community Crime Control Act (VJCCCA). Grant funding for FY2018-19 totals \$56,506,881. In the event additional grant funding is received during the fiscal year, the County will recognize the revenue only after official notification has been received from the State or Federal government, and approval has been obtained in the form of a budget amendment from the Board of Supervisors. The forecasts for FY2019-20 and FY2020-21 each reflect annual increases in revenues of 1.0 percent.

Solid Waste revenues support the operation and maintenance of the County's solid waste disposal services. A portion of the funding is user charges from customers who receive County refuse removal service. Revenue is also collected from landfill user fees paid by commercial trash hauling companies and County residents. The cost of providing curbside recycling, bagged leaf collection, neighborhood cleanup, and bulky waste services throughout the County will be funded by a General Fund subsidy to the Solid Waste Fund. The amount of the General Fund subsidy will be net of any user fee revenue generated by these services. No incremental increases in the General Fund subsidy are projected during the forecast period.

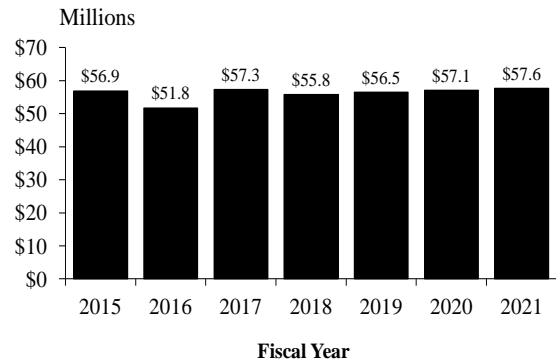
In FY2018-19, the revenue generated by fees related to the disposal of solid waste is forecasted to increase by \$574,685, or 5.5 percent. The forecasts for FY2019-20 and FY2020-21 each reflect annual revenue increases of 1.0 percent.

Street Lighting revenues fund the operation and maintenance of the street lighting districts throughout the County. Funding is provided by a specific annual surcharge levied on each property within a street light district. Street lighting revenue estimates throughout the forecast period support operating costs of existing streetlights.

Mental Health revenues are restricted to providing community based mental health, developmental, and substance abuse services to the residents of Henrico, Charles City, and New Kent counties. Budgeted revenues for Mental Health total \$23,734,401 for FY2018-19. State revenues are projected to be \$9,240,509, while federal revenues of \$1,723,774, fee revenues of \$11,528,958, Mental Health grant reserve funding of \$700,000, and \$290,000 of contract revenues from Sheltered Employment, are also anticipated. Additionally, Henrico is budgeted to receive a total of \$251,160 of fee revenues from Charles City and New Kent counties. A 1.0 percent increase in Mental Health revenues is projected for both FY2019-20 and FY2020-21. The forecast is based on modest anticipated increases in State and Federal grant funding. MH/DS/SA receives funding through State and Federal Aid programs including the Reinvestment Program, Community Care Funds from the State, and the Part C Grant program. It is expected that these funding sources will continue in the future.

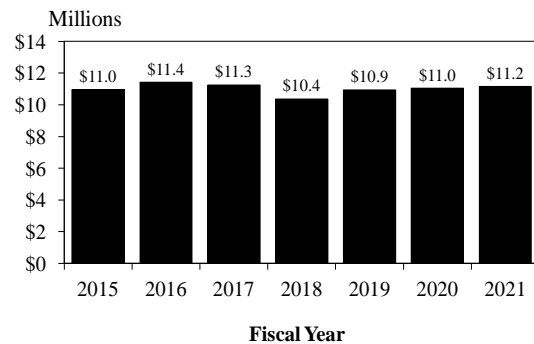
The Police Metro Aviation Unit is a regional multi-jurisdictional effort that includes the City of Richmond, along with Chesterfield and Henrico counties. It is projected that each locality will contribute \$127,334 in FY2018-19, FY2019-20, and FY2020-21. It is anticipated that the State Supreme Court will reimburse the Metro Aviation Unit \$80,000 for costs incurred to extradite prisoners in each year of the forecast period.

State, Federal, and Other Grant Revenue



Fiscal Years 2018 through 2021 are estimated. Revenues do not include transfers from other funds.

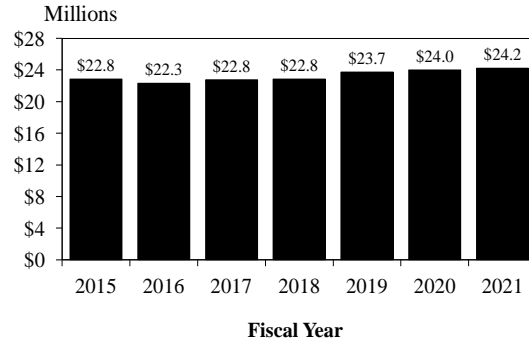
Solid Waste Revenue



Fiscal Years 2018 through 2021 are estimated. Revenues do not include transfers from other funds.

Social Services revenues support an array of community services. Among them are supplemental nutrition, assistance for needy families, medical assistance, protective services, and assistance with foster care and adoption. Additionally, the Comprehensive Services Act (CSA) is funded within this department. The Social Services revenues for FY2018-19 total \$23,745,565, of which \$7,662,934 is directed toward CSA and the remaining \$16,082,631 support all other Social Services efforts. Of the total revenues forecasted for these programs, State revenues are projected to total \$12,479,600 while federal revenues of \$11,215,401 and other local revenues of \$50,564 are also anticipated. A 1.0 percent increase in revenues is projected for both FY2019-20 and FY2020-21, based on anticipated increases in State and Federal funding.

Social Services Revenue



Fiscal Years 2018 through 2021 are estimated. Revenues do not include transfers from other funds.

Best Management Practice devices are basins for treating storm water to improve water quality. The Department of Public Works is responsible for the long-term maintenance of Best Management Practice (BMP) devices in single family residential subdivisions within Henrico County. The BMP maintenance fee of \$100 per lot is paid by developers at the time subdivisions are recorded. **The Watershed Management Program** provides alternatives to construction of BMPs in certain areas and will reduce the number of BMPs constructed in the future. The fee for the environmental fund is \$8,000 per pound of pollutant removal required and is paid by developers prior to POD approval and subdivision recordation.

(To) From General Fund represents local revenues, received by the General Fund and transferred to the Special Revenue Fund. Several State and Federal programs require a commitment of local funds before the locality is eligible to receive grant funds.

In FY2018-19, the transfer of \$30,394,705 includes the County's contribution of \$1,453,448 to fund the Community Corrections Programs, the Capital Region Workforce Partnership (CRWP), the Special Drug Prosecutor, Virginia Juvenile Community Crime Control Act (VJCCCA), and the State Victim/Witness Program. Additional transfers are distributed as follows: \$127,332 for Henrico County's portion of the regional Police Metro Aviation Unit; \$3,018,511 in support of Solid Waste programs; \$10,341,571 in local support of Social Services, which includes funding for the CSA; and \$15,453,883 for Mental Health. The total transfer from the General Fund is projected to increase to \$31,306,587 in FY2019-20 and \$32,245,785 in FY2020-21.

(To) From School Cafeteria Fund Balance is a reserve, accumulated from the operation of the school cafeterias. The School Board's practice has been to charge enough for cafeteria meals to cover the cost of providing the service to County students. Expenditure projections are based on prior experience and student enrollment. It is anticipated that \$222,452 will be added to the School Cafeteria Fund balance in FY2018-19.

(To) From Solid Waste Fund Balance is a reserve, which has accumulated over time from the Solid Waste operations to fund expansion and closure projects related to County owned landfills. It is the County's practice to ensure Solid Waste charges are sufficient to cover operating expenditures. Occasionally, operational costs exceed revenues and a use of reserves is required. The budget for FY2018-19 anticipates the addition of \$323,389 to the Solid Waste Fund balance. The forecast for FY2019-20 and FY2020-21 reflects anticipation of further increases to the fund balance.

Expenditures

Assumptions

The development of the FY2018-19 Special Revenue Fund budget assumes recurring revenues will support recurring expenditures in future years. Special Revenue Fund resources and requirements for FY2019-20 and FY2020-21 are expected to grow at an average rate of 1.0 percent respectively. The modest growth rate in grant related revenue is predicated on the basis that ongoing Federal and State budgetary constraints will limit substantial increases in grant funding.

Ending Special Revenue Fund Balance is the sum of fund balances in all sub-funds, which are expected to remain on June 30th of each of the forecasted fiscal years, within the School Cafeteria Fund, Solid Waste Fund, and Street Light Fund. The State and Federal Grants fund balance and the Economic Development Authority Fund balance are forecasted to be zero in FY2017-18 through FY2020-21. If a balance exists on June 30th, it is the County's policy to carry those funds forward to the next fiscal year.

Special Revenue Fund Forecast

	FY 16-17 Actual	FY 17-18 Original	FY 18-19 Forecast	FY19-20 Forecast	FY20-21 Forecast
Revenues:					
School Cafeteria	\$ 21,448,473	\$ 25,184,075	\$ 25,819,205	\$ 26,077,397	\$ 26,338,171
State, Federal & Other Grants	57,305,592	55,842,032	56,506,881	57,071,950	57,642,669
Asset Forfeitures	212,191	0	0	0	0
Donations	22,652	0	0	0	0
Revenue from Local Sources - CDA	1,480,000	0	0	0	0
Solid Waste	11,256,266	10,362,315	10,937,000	11,046,370	11,156,834
Street Lighting	75,479	83,100	83,100	83,100	83,100
Mental Health	22,212,234	22,758,903	23,734,401	23,971,745	24,211,462
Metro Aviation/Extradition	274,241	334,668	334,668	334,668	334,668
Social Services	22,754,157	22,840,225	23,745,565	23,983,021	24,222,851
Watershed/Best Management Practices	1,313,287	897,000	897,000	897,000	897,000
Subtotal Revenues	\$138,354,572	\$138,302,318	\$142,057,820	\$143,465,251	\$144,886,755
From General Fund:					
State, Federal & Other Grants	\$ 1,412,679	\$ 1,361,074	\$ 1,453,448	\$ 1,497,051	\$ 1,541,963
Mental Health	13,875,501	14,667,336	15,453,883	\$ 15,917,499	\$ 16,395,024
Metro Aviation	93,646	127,332	127,332	\$ 131,152	\$ 135,087
Social Services	10,241,716	10,015,254	10,341,571	\$ 10,651,818	\$ 10,971,373
Solid Waste	3,018,511	3,018,511	3,018,511	\$ 3,109,066	\$ 3,202,338
Subtotal From General Fund	\$ 28,642,053	\$ 29,189,507	\$ 30,394,745	\$ 31,306,587	\$ 32,245,785
(To) Capital Projects Fund for Solid Waste	(150,000)	(600,000)	0	0	0
(To) Capital Projects Fund for Mental Health	(1,018,500)	(4,869,420)	0	0	0
(To) From Mental Health Fund Balance	1,018,500	4,869,420	0	0	0
(To) From School Cafeteria Fund Balance	(926,038)	575,947	(222,452)	0	0
(To) From Solid Waste Fund Balance	(2,342,665)	859,145	(323,389)	(386,993)	(453,044)
Total Resources	\$163,577,922	\$168,326,917	\$171,906,724	\$174,384,845	\$176,679,496
Expenditures:					
School Cafeteria	\$ 20,522,435	\$ 25,760,022	\$ 25,596,753	\$ 26,077,397	\$ 26,338,171
State, Federal & Other Grants	58,953,114	57,203,106	57,960,329	58,569,001	59,184,632
Economic Development Authority	1,480,000	0	0	0	0
Solid Waste	11,782,112	13,639,971	13,632,122	13,768,443	13,906,128
Street Lighting	75,479	83,100	83,100	83,100	83,100
Mental Health	36,087,735	37,426,239	39,188,284	39,889,245	40,606,487
Metro Aviation/Extradition	367,887	462,000	462,000	465,820	469,755
Social Services	32,995,873	32,855,479	34,087,136	34,634,839	35,194,224
Watershed/Best Management Practices	1,313,287	897,000	897,000	897,000	897,000
Total Expenditures	\$163,577,922	\$168,326,917	\$171,906,724	\$174,384,845	\$176,679,496
Ending Special Revenue Fund Balance:					
Schools	\$ 10,304,205	\$ 9,728,258	\$ 9,950,710	\$ 9,950,710	\$ 9,950,710
State, Federal & Other Grants, Forfeitures *	26,169,892	0	0	0	0
Economic Development Authority **	2,848,001	0	0	0	0
Solid Waste	21,187,929	20,328,784	20,652,173	21,039,166	21,492,210
Street Lighting	803,616	803,616	803,616	803,616	803,616
Total Fund Balance	\$ 61,313,643	\$ 30,860,658	\$ 31,406,499	\$ 31,793,492	\$ 32,246,536

* Forecast assumes miscellaneous grant appropriations will be spent by 6/30/17. Any unspent appropriations will be carried forward into FY2017-18.

** EDA balances will be appropriated annually, through a budget amendment, based on actual receipts.