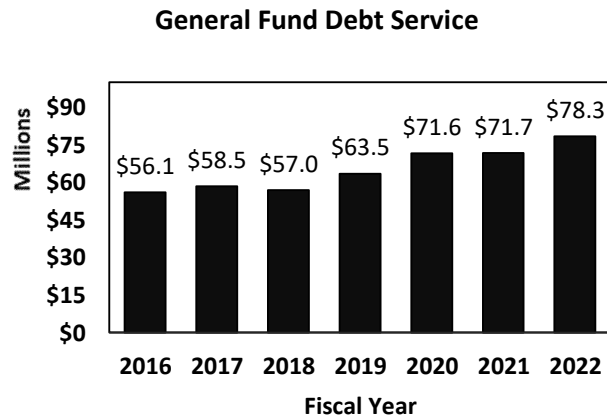
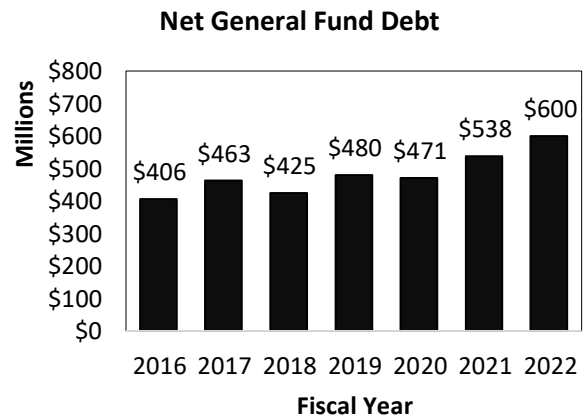


## Three Year Forecast Revenues and Expenditures Debt Service Fund



Fiscal Years 2019 through 2022 are estimated.



Fiscal Years 2019 through 2022 are estimated.

### DEBT SERVICE FUND

#### (Fund 71)

The Debt Service Fund accounts for the accumulation of financial resources for payment of interest and principal on all governmental fund long-term debt, except accrued compensated absences and capital lease obligations, which are paid by the fund incurring these expenses. Debt Service Fund resources can include transfers from the General Fund and Capital Projects Fund. Miscellaneous revenue includes capitalized interest and reimbursements from other localities and the State. Debt service requirements for bonds issued by the County's Water and Sewer Utility are accounted for in the Enterprise Fund. Debt service on bonds issued by the James River Juvenile Detention Center Commission (JRJDC), for construction of the facility, is accounted for in the JRJDC Agency Fund. However, the outstanding principal and debt service of the JRJDC are considered County obligations when calculating the County's debt ratios.

#### Revenues

##### **Assumptions**

**(To) From General Fund** represents the transfer of local resources to support debt service requirements. Debt service requirements in fiscal years 2019 through 2022 are calculated on existing debt service and anticipated debt service. The County citizens approved a General Obligation (G.O.) Bond referendum that was included on the November 2000 ballot. The referendum included School construction projects totaling \$170,500,000, and General Government projects totaling \$66,500,000. The G.O. Bond funding for these projects was issued between FY2001 and FY2007. The County citizens again approved a G.O. Bond referendum that was included on the March 2005 ballot. The referendum included School construction projects totaling \$220,000,000, and General Government projects totaling \$129,300,000. The funding for these projects was anticipated from seven G.O. Bond issues between FY2006 and FY2013. In November 2016, the County citizens approved a General Obligation (G.O.) Bond referendum in the amount of \$419,800,000. This referendum included School construction projects totaling \$272,600,000; Recreation and Parks projects totaling \$87,100,000; Library project totaling \$24,000,000; Fire projects totaling \$22,100,000 and Road projects totaling \$14,000,000.

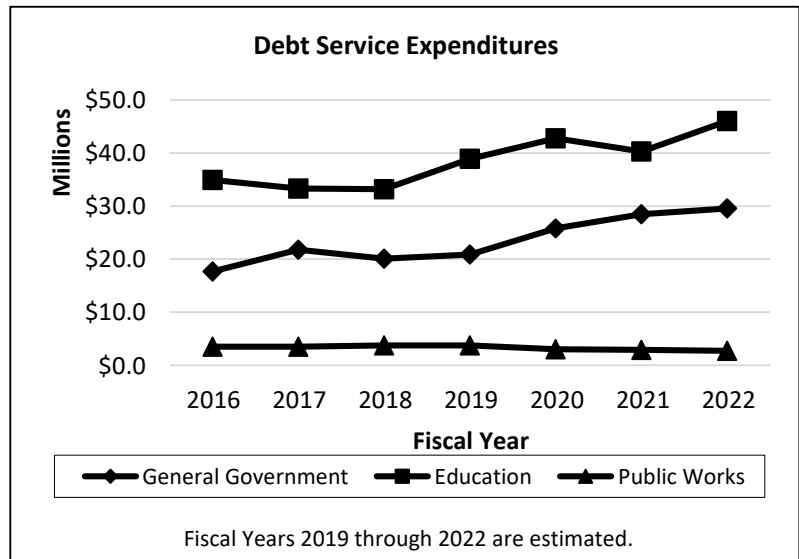
Also included in these assumptions is the issue of \$34,000,000 of debt for the replacement of the 800 MHz Communication System used by Henrico's public safety agencies. This ten-year debt was issued in February of 2016.

**Meals Tax Revenues** represents additional resources that were recognized as a partial funding source to pay for the debt service obligations on the school projects in the 2016 Bond Referendum. As a result of the 2016 Bond Referendum, Henrico citizens approved the debt issuance of \$104,500,000 for new school projects and \$168,100,000 for school renovations.

**(To) From Fund Equity** represents the use of resources accumulated as a result of differences in actual versus projected debt service costs. The savings results from two factors, which are difficult to predict in projecting debt service payments for anticipated bond issues. One is the timing and structure of the actual bond issue and the other factor is the favorable interest rates the County receives as a result of Henrico’s triple AAA bond rating. Fund equity provides an additional source of funding for debt service or pay-as-you-go funding source for capital projects.

**(To) Capital Projects Fund** represents the transfer of excess accumulated debt service fund equity for funding pay-as-you-go capital projects. It could also represent the utilization of interest earnings from bond proceeds to help offset debt service payments.

**GRCCA Reimbursement** represents the reimbursement of Hotel/Motel tax collections from the Greater Richmond Convention Center Authority. This funding has been designated to fund the debt service obligations related to the debt issued for the large park projects of the 2016 Bond Referendum. This includes the planned debt issuance for Glover Park, Taylor Park, and Tuckahoe Park.



**Expenditures**

**Assumptions**

**Debt Service - General Government** includes principal and interest payments on General Obligation (G.O.) Bond issues and Industrial Development Authority (IDA) Lease Revenue Bond issues. These obligations fund a variety of projects including parks, libraries, fire stations, a radio communication system, a parking deck, a communication/training facility, as well as technology initiatives.

**Debt Service - Education** includes principal and interest payments on Education General Obligation (G.O.) Bonds, Virginia Public School Authority (VPSA) Bonds, and Literary Fund Loans. These obligations support construction and improvement of facilities operated by the County's School System.

**Debt Service - Public Works** includes principal and interest payments on General Obligation (G.O.) Bonds issued to support road improvements throughout the County.

**Debt Service Fund Forecast**

	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>
	<b>Actual</b>	<b>Approved</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Revenues:</b>					
(To) From General Fund	\$ 55,373,058	\$ 54,070,501	\$ 59,881,412	\$ 56,781,671	\$ 62,171,655
Meals Tax Revenue	2,591,174	9,000,000	9,000,000	9,000,000	9,000,000
(To) From Fund Equity	(975,825)	0	0	0	0
(To) From Capital Projects Fund		0	0	0	0
GRCCA Reimbursement	0	397,950	2,688,864	5,892,846	7,121,827
<b>Total Revenues</b>	<b>\$ 56,988,407</b>	<b>\$ 63,468,451</b>	<b>\$ 71,570,276</b>	<b>\$ 71,674,517</b>	<b>\$ 78,293,482</b>
<b>Expenditures:</b>					
Debt Service - General					
Government	\$ 20,085,953	\$ 20,828,418	\$ 25,802,987	\$ 28,503,703	\$ 29,560,617
Debt Service - Education	33,183,143	38,893,751	42,754,724	40,265,110	46,033,088
Debt Service - Public Works	3,719,311	3,746,282	3,012,565	2,905,704	2,699,777
<b>Total Expenditures</b>	<b>\$ 56,988,407</b>	<b>\$ 63,468,451</b>	<b>\$ 71,570,276</b>	<b>\$ 71,674,517</b>	<b>\$ 78,293,482</b>
Fund Equity*	\$ 1,178,658	\$ 1,178,658	\$ 1,178,658	\$ 1,178,658	\$ 1,178,658

\*Represents balance that has accumulated in the Debt Service Fund over a period of years.