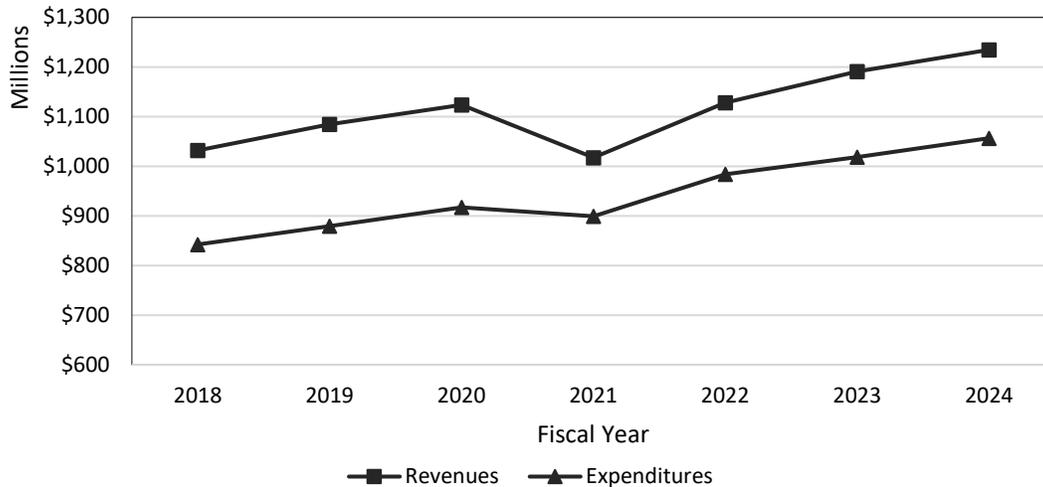


Three Year Forecast Revenues and Expenditures General Fund



Note: Fiscal years 2021 through 2024 are estimated. Revenues depicted are prior to transfers to other funds.

GENERAL FUND

(Fund 01)

The General Fund reflects all revenues and expenditures of the County not required to be accounted for in another fund. Local revenues are primarily derived from Real and Personal Property Taxes, Business License Taxes, Local Sales Tax, Charges for Services, and Use of Money and Property. Revenues are received from the State for education, public safety, constitutional officers, and road maintenance. Revenues from the Federal Government are largely used for social services and education.

Major expenditures include the cost of general government services such as education, public safety, streets and roadways, public health, social services, recreation, libraries, and transfers to other funds (primarily to fund the County's debt service requirements and capital projects.)

Revenues

Assumptions

Total estimated General Fund revenue for FY2021-22, prior to transfers to other funds, is \$1,128,158,240. This reflects an increase of \$110,644,599, or 10.9 percent above FY2020-21 estimates. General Fund revenues for the County of Henrico are classified into three broad categories: Local Tax Revenue, Other Local Revenue, and State and Federal Revenue. The table below summarizes General Fund revenue by category. Following is a brief discussion of each revenue component, including graphs, depicting historical trends compared with future projections.

<u>General Fund Revenue</u>	<u>FY2019-20</u> <u>Actual</u>	<u>FY2020-21</u> <u>Original</u>	<u>FY2021-22</u> <u>Approved</u>	<u>Increase</u> <u>(Decrease)</u>
Local Tax Revenue	\$ 649,487,815	\$ 638,555,000	\$ 701,930,000	\$ 63,375,000
Other Local Revenue	40,856,183	22,575,700	32,191,200	9,615,500
State and Federal Revenue	433,268,276	356,382,941	394,037,040	37,654,099
Total General Fund Revenue	<u>\$ 1,123,612,274</u>	<u>\$ 1,017,513,641</u>	<u>\$ 1,128,158,240</u>	<u>\$ 110,644,599</u>

Local Tax Revenue:

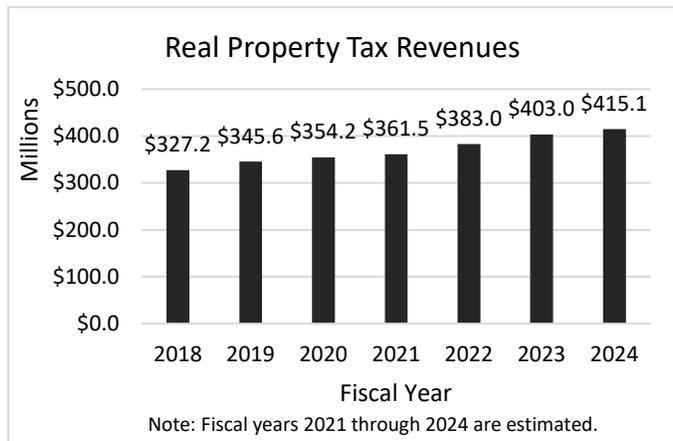
Local Tax Revenue represents Henrico County’s principal source of local revenue. County tax revenue is projected to total \$701.9 million, or 62.2 percent, of total General Fund revenue for FY2021-22. This represents an increase of 9.9 percent, or \$63.4 million above the current fiscal year. Local Tax Revenue includes:

Local Tax Revenue	FY2020-21 Original	FY2021-22 Approved	Increase (Decrease)	Percent Change	Pct. Of Category
Real Property Tax	\$ 370,500,000	\$ 393,000,000	\$ 22,500,000	6.1%	56.0%
Personal Property Tax	124,170,000	125,070,000	900,000	0.7%	17.8%
Other Property Tax	4,475,000	13,250,000	8,775,000	196.1%	1.9%
Local Sales Tax	55,000,000	70,000,000	15,000,000	27.3%	10.0%
Business License Tax	34,000,000	36,000,000	2,000,000	5.9%	5.1%
Motor Vehicle License Tax	7,000,000	7,400,000	400,000	5.7%	1.1%
Consumer Utility Tax	2,750,000	2,750,000	-	0.0%	0.4%
Hotel/Motel Tax	8,000,000	8,000,000	-	0.0%	1.1%
Bank Franchise Tax	7,500,000	15,000,000	7,500,000	100.0%	2.1%
Food & Beverage (Meals) Tax	19,000,000	24,000,000	5,000,000	26.3%	3.4%
Other Local Taxes	6,160,000	7,460,000	1,300,000	21.1%	1.1%
Total Local Tax Revenue	\$ 638,555,000	\$ 701,930,000	\$ 63,375,000	9.9%	100.0%

The majority, 73.8 percent, of the \$701.9 million in Local Tax revenues is derived from Real and Personal Property Tax, which are estimated to generate approximately \$518 million, or 45.9 percent, of total General Fund revenue. Projected Local Sales Tax revenue was increased \$15 million, or 27.3 percent, in FY2021-22 and makes up 10 percent of Local Tax revenue. Business & Professional License (BPOL) Tax revenue is projected to increase \$2 million, or 5.9 percent, in FY2021-22, in part because of the successful increase in the BPOL Tax exemption which now stands at \$500,000 of gross receipts.

The Motor Vehicle License Tax revenue is projected to increase \$0.4 million, or 5.7 percent, in FY2021-22. The Consumer Utility (electric only) Tax revenue estimate of \$2.75 million is projected to remain flat. Revenue from the 8.0 percent Hotel/Motel Tax, estimated to total only \$8.0 million, unchanged from FY2020-21 as that sector is still recovering from impacts of the COVID-19 pandemic. Hotel/Motel collections are pledged to the Greater Richmond Convention Center Authority (GRCCA) during FY2021-22, and the Convention Center will return \$2.0 million (one fourth of the 8.0 percent levy) to the County at the end of FY2021-22. The assumptions used when preparing the FY2022-23 – FY2023-24 revenue estimates for each of these taxes are described in greater detail in the following pages.

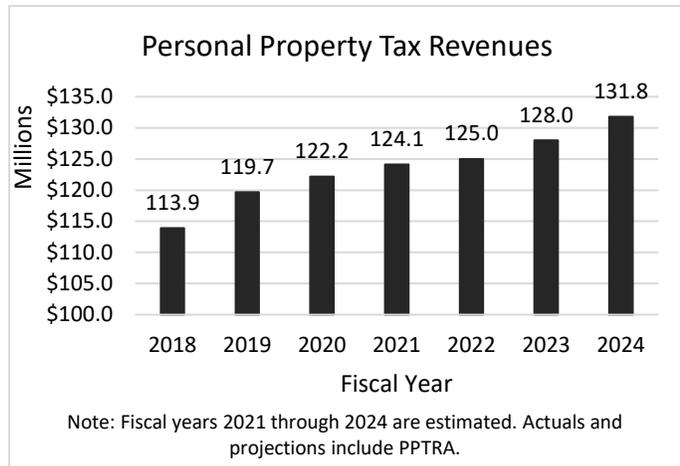
Real Property Taxes are estimated to generate \$393 million, or 34.8 percent, of the County’s total General Fund revenue in FY2021-22. This revenue estimate increased by \$22.5 million in FY2021-22. Included within this total is revenue derived from current real estate taxes and real estate taxes paid by public service corporations. The FY2021-22 budget is balanced within the tax rate of \$0.87 per \$100 of assessed value for CY2021.



Assessment information for January 2021 indicates real estate assessments total \$44.1 billion, reflecting an increase of approximately \$1.5 billion, or 13.4 percent, from the January 2020 assessed values. The increase was driven by reassessments with a residential growth of 5.7 percent and commercial decline of 1.2 percent. The commercial percentage of the tax base equated to 31.1 percent in January 2021, a decrease of 1.4 percent when compared to January 2020.

Yearly projections for countywide assessments are based on a forecast model factoring in changes in both residential and commercial values as well as the addition of new residential and commercial construction. The FY2022-23 and FY2023-24 projections assume increases to the County’s real property tax collections of 5.2 percent and 3.0 percent, respectively.

Personal Property Taxes are levied on the tangible property of individuals and businesses. For individuals, this tax is primarily on automobiles and recreational vehicles. Business personal property includes motor vehicles, machines, furniture, computers, fixtures, and tools. The approved budget maintains the following Personal Property Tax rates: \$3.50 per \$100 of assessed value for tangible personal property; \$0.30 per \$100 of assessed value for machinery and tools; \$0.50 per \$100 of assessed value on airplanes; \$1.00 per \$100 of assessed value for one vehicle for rescue squad volunteers and \$0.40 per \$100 of assessed value for computer and peripheral equipment used in Data Centers. Also included is the Personal Property Tax rate of \$0.01 per \$100 of assessed value for tangible personal property owned by disabled veterans and vehicles equipped for the physically handicapped.



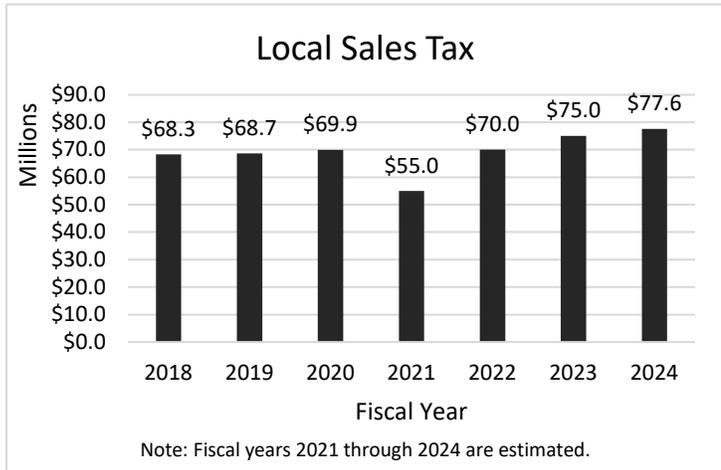
In an effort to enhance the County’s economic development efforts, several personal property tax rates have been reduced. The FY2015-16 budget reduced the machinery and tools tax rate from \$1.00 per \$100 to \$0.30 per \$100 of assessed value. The FY2016-17 Approved Budget reduced the tax rate on aircraft from \$1.60 per \$100 assessed value to \$0.50 per \$100. In the FY2017-18 Approved Budget the tax of \$0.40 per \$100 of assessed value was established for computer and peripheral equipment used in Data Centers at a rate lower than allowed by State code.

FY2021-22 marks the twenty-fourth year of the Personal Property Tax Relief Act (PPTRA) enacted by the General Assembly in 1998, although actual reimbursements to localities were capped by the State in the 2004 legislative session. Due to the State payment cap, the amount of tax relief will vary by year and locality. The amount of funding Henrico will receive on an annual basis is \$37.0 million. For Henrico residents owning qualifying individual vehicles assessed at or below \$1,000, the State’s reimbursement is intended to pay 100.0 percent of the CY2021 tax levy. For qualifying individual vehicles assessed between \$1,001 and \$20,000, the State will pay Henrico County 48.0 percent of the CY2021 tax levy. With qualifying individual vehicles valued at \$20,001 or more, the State will pay Henrico County 52.0 percent of the CY2021 tax levy for the first \$20,000 of value only. The PPTRA payments from the State are included in the actual and projected revenues shown in the graph above. Henrico’s payment from the State will remain constant at \$37.0 million, so as personal property values increase over time, the actual percentage of State reimbursement will decrease as the share paid by taxpayers will increase.

Personal Property Tax revenue is estimated at \$125.1 million for FY2021-22. This represents 11.1 percent of total General Fund revenue. This revenue includes taxes from current personal property, taxes on personal property owned by public service corporations, and PPTRA. It is projected that Personal Property Tax receipts will increase by 2.4 percent in FY2022-23 and 3.0 percent in FY2023-24.

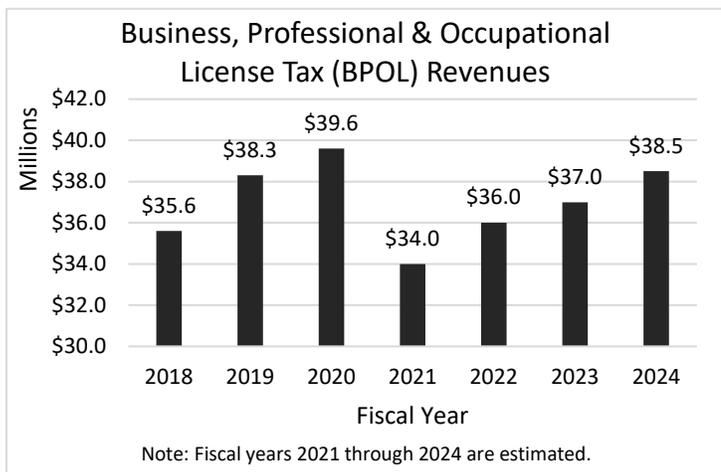
Other General Property Tax revenue includes delinquent real estate and personal property taxes, land redemptions and interest, and penalties on delinquent taxes.

Local Sales Tax revenue is considered an elastic revenue source because it is responsive to changes in the economy. Effective July 1, 2013, Virginia’s Sales Tax rate was increased from 5.0 percent to 5.3 percent, with the State retaining 4.3 percent, and 1.0 percent returned to the locality. Effective October 1, 2021 the Sales and Use tax rate in Central Virginia increased 0.7 percent to 6.0 percent to provide a funding source for transportation projects through the Central Virginia Transportation Authority. This projection only includes the 1 percent remitted to Henrico County. Local Sales Tax revenue is projected to generate \$70.0 million in FY2021-22, an increase of \$15.0 million, or 27.3 percent, from the current fiscal year budget.



Local Sales Tax revenues are projected to increase by 7.1 percent in FY2022-23 and 3.5 percent FY2023-24. Henrico County’s retailers continue to lead the Richmond Metropolitan Area in the generation of Local Sales Tax revenue. As of May 2021, Henrico County is recording 36.7 percent of the Local Sales Tax dollars redistributed to localities in the Richmond Metropolitan Area by the State. Additionally, Henrico leads the largest localities in Virginia in per capita taxable sales for CY2020.

Business & Professional License (BPOL) Taxes are levied on businesses operating in the County. All County businesses must hold a valid business license, but that license may or may not be taxable. In January 1996, Henrico County embarked on the most ambitious BPOL tax reduction strategy in Virginia in an effort to continue to attract economic development to the County. This strategy, completed with the FY1999-00 Annual Fiscal Plan, resulted in the exemption of the first \$100,000 of gross receipts for County businesses. In FY2017-18, FY2018-19, FY2019-20, and FY2020-21 the county increased this exemption by \$100,000 each year, now exempting the first \$500,000 of gross receipts.

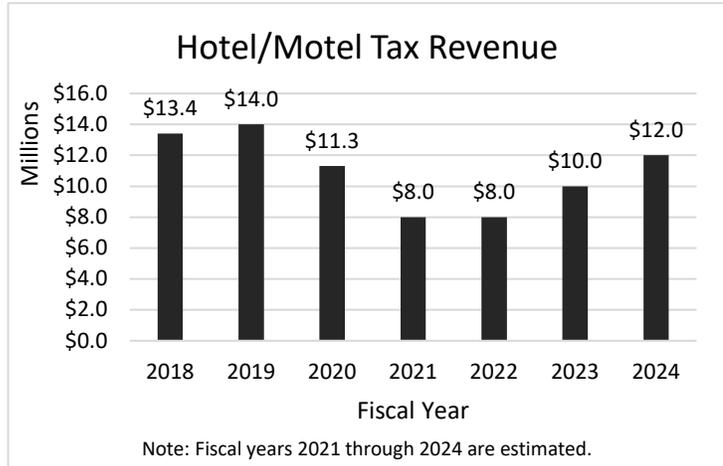


This exemption is different from the “threshold” tax reduction in other Virginia localities. For Henrico County businesses, the first \$500,000 of gross receipts is exempt from the BPOL tax – regardless of total gross receipts. In a “threshold” locality, if a business exceeds \$500,000 in gross receipts, all gross receipts become taxable as the tax reduction only applies to businesses with total gross receipts below the \$500,000 threshold. In addition, the FY2021-22 budget maintains a maximum uniform BPOL tax rate of \$0.20/\$100 of gross receipts for all business categories. Taking this increase to the BPOL tax exemption into consideration, the FY2022-23 and FY2023-24 forecast estimates BPOL tax receipts will increase to a level of \$37.0 million and \$38.5 million, respectively.

Motor Vehicle License Taxes are collected for every motor vehicle or trailer normally garaged, stored or parked in the County. This tax is projected to increase to \$8.0 million during the forecast period.

Consumer Utility Taxes are estimated to be \$2.75 million in FY2021-22, increasing to \$2.9 million by FY2022-23 and \$3.0 million by FY2023-24. The Code of Virginia authorizes localities to impose a tax on the consumers of public utilities (not the same as a tax on utility providers). Residential consumers of public utilities are taxed \$0.70 plus the rate of \$0.007537 per kilowatt hour not to exceed \$1.00 per month. Commercial consumers are taxed \$1.15 plus the rate of \$0.00713 per kilowatt hour not to exceed \$10.00 per month. Industrial consumers are taxed \$1.15 plus the rate of \$0.007603 per kilowatt hour not to exceed \$10.00 per month.

Hotel/Motel Taxes under the Code of Virginia are defined as “transient occupancy taxes.” These taxes are similar to the Sales Tax in that they are based on the value of a purchase, which in this case is a motel or hotel room. The Hotel/Motel Tax rate in the Richmond Metropolitan Area is 8.0 percent, all of which is transferred to the Greater Richmond Convention Center Authority (GRCCA.) At the end of the fiscal year, Henrico County’s local 2.0 percent component for tourism expenses will be returned from the GRCCA. Due to continuing impacts of the pandemic on all forms of travel, FY2021-22 revenue estimates for the Hotel/Motel Tax total \$8.0 million. It is anticipated that revenues will increase by 25.0 percent in FY2022-23 as visitors return to Henrico County and 20.0 percent in FY2023-24, both below pre-pandemic collection levels.



Food & Beverage (Meals) Tax represents revenue generated by the passage of the Meals Tax in November 2013. As pledged to the voters in Henrico, the ordinance passed by the Board of Supervisors in February 2014 states the Meals Tax revenue will be earmarked for School’s operating, capital, and debt service needs. The FY2021-22 forecast is \$24.0 million driven by improvements to conditions for local businesses still coping with impacts of the recent public health emergency, and it is projected that this revenue will improve to \$26.0 million in FY2022-23 and \$28.0 million in FY2023-24.

Bank Franchise Taxes are derived from the taxation of net capital on banks located in the County. In FY2021-22 Bank Franchise Taxes are estimated at \$15.0 million and will remain flat during the projection period.

Other Local Taxes include funds received for grantor’s taxes, recordation taxes, daily rental tax, and the consumption tax. In total \$7.4 million is budgeted in FY2021-22, which is an increase of 21.1 percent from budgeted collections for the current fiscal year. It is projected that Other Local Taxes will increase to \$8.4 million in FY2022-23 and \$8.8 million in FY2023-24.

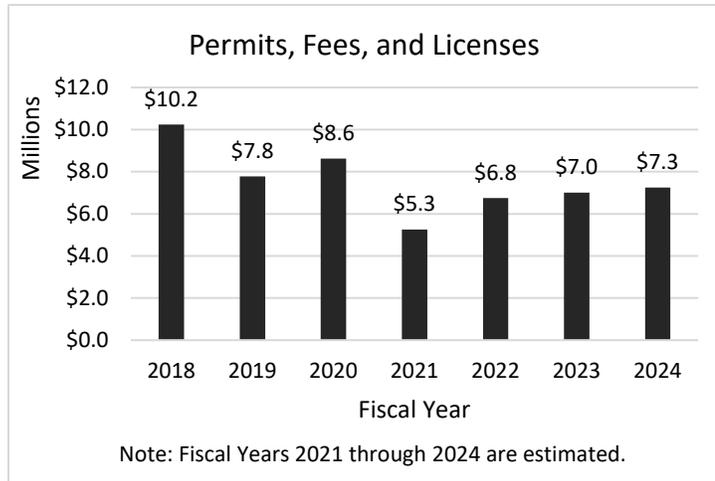
Other Local Revenue:

Other Local Revenue is estimated to generate nearly \$32.2 million in FY2021-22. This represents a \$9,615,500, or a 42.6 percent, increase from FY2020-21 due to readjusting sources previously impacted by the public health emergency. More detailed information on each of these categories of local revenue is included in the pages that follow.

Other Local Revenue	FY2020-21 Original	FY2021-22 Approved	Increase (Decrease)	Percent Change
Permits, Fees, and Licenses	\$ 5,253,500	\$ 6,754,000	\$ 1,500,500	28.6%
Fines and Forfeitures	2,085,000	2,085,000	-	0.0%
Use of Money and Property	3,284,700	11,334,700	8,050,000	245.1%
Charges for Services	3,845,500	3,710,500	(135,000)	(3.5%)
Miscellaneous	8,107,000	8,307,000	200,000	2.5%
Total Other Local Revenue	\$ 22,575,700	\$ 32,191,200	\$ 9,615,500	42.6%

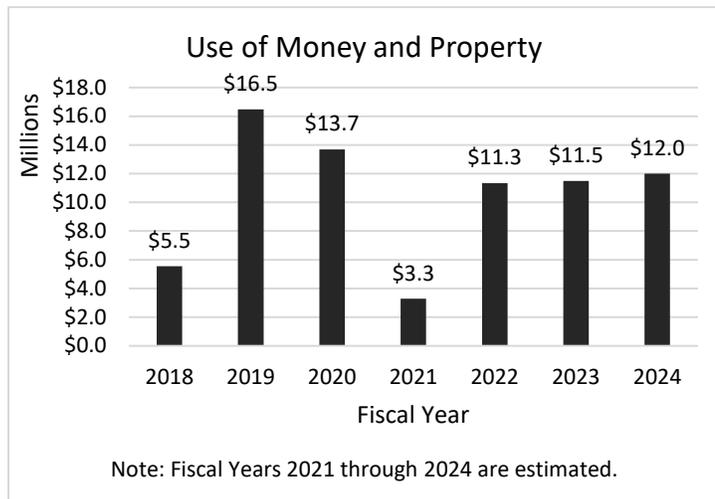
Permits, Fees and Licenses include structure and equipment permits, municipal library fees, zoning application fees, charges for the rental of school facilities, and dog licenses. This revenue category is estimated to generate \$6.8 million in FY2021-22, which represents a \$1.5 million, or 28.6 percent, increase when compared to FY2020-21.

Building Permit Fees, which are an elastic revenue source, account for 76.1 percent of this revenue category in the current budget year. In FY2021-22, Building Permit Fees are estimated to grow to \$5.5 million. The forecast for Permits, Fees and License revenues are projected to increase to \$7.0 million in FY2022-23 and \$7.3 million FY2023-24.



Fines and Forfeitures include revenue for traffic and parking violations, false alarm fees and courthouse maintenance fees. This category is estimated at \$2.1 million for FY2021-22 and is projected to grow to \$2.2 million for FY2022-23 and remain flat in FY2023-24.

Use of Money and Property is estimated to generate \$11.3 million in FY2021-22, an increase of \$8.1 million, or 245.1 percent. This revenue category includes receipts from the sale of County property and interest on County investments. The County generates revenue from the prudent and timely investment of cash reserves in Banker’s Acceptances, Certificates of Deposit, Commercial Paper and Treasury Notes. Adherence to stringent cash management principles requires investing public funds in instruments that are safe, liquid, and generate adequate yields (See “Financial Guidelines”). Revenue from the use of money and property is projected to increase to \$11.5 million in FY2022-23 and \$12.0 million in FY2023-24.



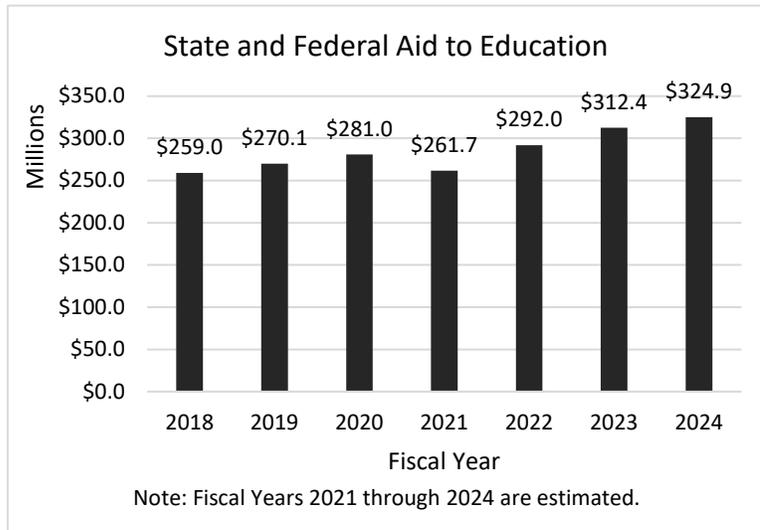
Charges for Services are revenues paid by users of various County services including participation fees for Recreation and Parks special interest classes and sports leagues, charges for overdue and lost books, cafeteria receipts, and charges for data processing services. Revenue from Charges for Services is estimated at \$3.7 million in FY2021-22 and is projected to increase about 5.1 percent in FY2022-23 and 2.7 percent in FY2023-24.

State and Federal Revenue:

State and Federal revenue is estimated at \$394.0 million in FY2021-22, which represents 35.0 percent of total General Fund revenue. This is a projected increase of approximately 10.6 percent over the current fiscal year, primarily due to restoring funds previously removed over stability concerns from prior experience with this funding source. This category is comprised of revenue for General Government programs totaling \$102.0 million and Education funding of \$292.0 million.

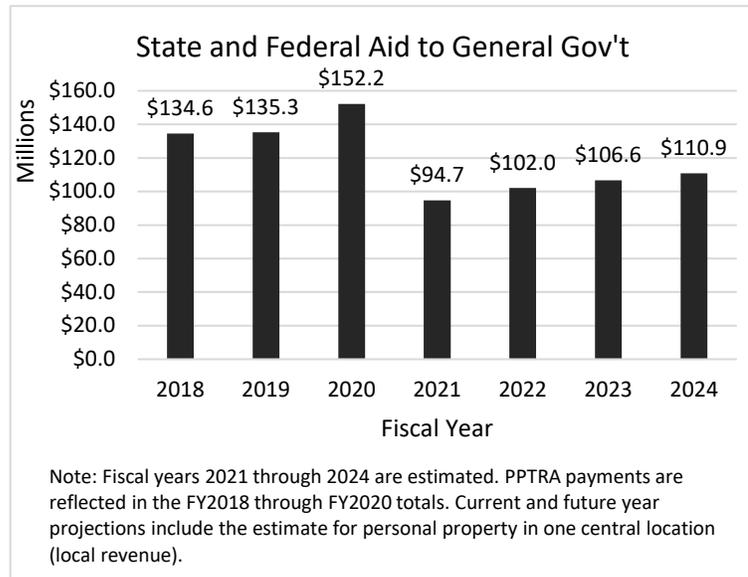
State and Federal Aid to Education is expected to increase from \$261.7 million projected in FY2020-21 to \$292.0 million in FY2021-22. This represents an increase of \$29.3 million, or 11.6 percent. The projection assumes an increase of 7.0 percent in FY2022-23 and 4.0 percent in FY2023-24.

Federal reimbursements for Education have a minimal impact on the level of total appropriations in the General Fund as all the Federal grants awarded to HCPS are recognized in the County’s Special Revenue Fund. In FY2021-22, Federal funding in the General Fund for Education totals \$385,000 and is forecast to remain constant in FY2022-23 and FY2023-24.



State and Federal Aid to General Government is estimated at \$102.0 million in FY2021-22. This represents an increase of \$7.3 million, or 7.7 percent, when compared to the FY2020-21 budget. General Government programs for which Henrico County receives State and Federal funding include street and highway maintenance, police, and partial payments for the salaries and benefits of constitutional officers and their employees. These are projected to increase 4.5 percent in FY2022-23 and 4.0 percent in FY2023-24.

The largest component of State and Federal Aid to General Government is gas tax revenue. Henrico is projected to receive \$48.5 million for road maintenance in FY2021-22. This includes the recalibration of the lane mile rate for which Henrico’s gasoline tax allocation is calculated. This recalibration was part of the 2013 Omnibus Transportation package passed by the General Assembly. This forecast projects these funds to grow at a rate of 1.0 percent per year.



Another significant portion of State Aid to General Governments resulted from legislation approved by the General Assembly in 2006, which passed the Virginia Communications Sales & Use Tax (HB568). This bill changed the way certain communication mediums are taxed in Virginia by removing the taxing authority from localities and placing a statewide tax on certain services. With the passage of HB568, localities no longer administer several local taxes and fees such as the Consumer Utility taxes on landline telephones, the mobile phone utility tax, local E-911, and cable franchise fees. This does not affect the Consumer Utility Tax as it applies to electric and gas companies, as well as Wireless E-911 fees received by the County from the State. In FY2005-06 the County collected \$14.6 million in the four local revenues. While the Communications Sales and Use Tax was supposed to be ‘revenue neutral’, the projection for FY2021-22 is \$10.0 million.

This forecast projects no Federal Aid to General Government in FY2021-22 as all budgeted sources of Federal Aid are included in the Special Revenue Fund.

Expenditures

Assumptions

While developing the FY2021-22 Annual Fiscal Plan, difficult decisions were required to bring the budget into balance and maintain the real estate tax rate at \$0.87 per \$100 of assessed value in CY2021. These decisions were reached after careful review and planning by the Board of Supervisors. County leaders consistently and intentionally establish a balance between the County's recurring revenues and expenditures being mindful of impacts to future years. The FY2021-22 General Fund Budget of \$983.9 million represents an increase of \$84.8 million or 9.4 percent, which is discussed below and in greater detail in the County Manager's Budget Message and respective department narratives.

Education is the top priority of the Board of Supervisors. In FY2021-22, the Education budget represents 57.0 percent of General Fund expenditures. General Fund Education expenditures total \$560.9 million in the Annual Fiscal Plan, which represents an increase of \$51.0 million, or 10.0 percent. Of the total expenditures in Education, 46.7 percent are funded with locally generated revenues and 53.3 percent are funded with State and Federal funding. It must be noted that the totals above do not include Debt Service costs for Education, which are entirely a local responsibility (see the Debt Service Fund Forecast).

For General Government, the total for the FY2021-22 Annual Fiscal Plan is \$423.0 million, which represents an increase of \$33.8 million, or 8.7 percent. The focus continues to remain on Public Safety, which received a total increase of \$18.4 million of new resources. For the Police Division, \$8.3 million was added for salary increases ensuring Henrico's place as the regional pay leader. Similarly, the Division of Fire gained \$5.5 million for salary increases. Additionally, \$0.9 million, partially from the Division of Fire, was provided for Emergency Management efforts.

General Fund expenditures are forecasted to grow by 3.0 percent in FY2022-23 and 3.0 percent in FY2023-24. The proposed levels of operational funding restored some structure removed last year, ensuring all departments have the greater of last year's allocation or the level of FY2018-19 funding to support the continuation of existing service levels as well as capital projects approved by the Board of Supervisors. In addition, funding has been dedicated for capital projects for Schools, various road maintenance, drainage, and construction projects.

The FY2021-22 Capital Budget, excluding Water & Sewer projects that are reflected in the Water & Sewer Fund Forecast, totals \$201.9 million. The five-year Capital Improvement Program for FY2022 through FY2026 includes requests of \$2.1 billion. The County of Henrico will continue to ensure necessary Capital Projects are funded in a manner that maintains the County's AAA/AAA/Aaa bond ratings (See "Financial Guidelines"). Included in the FY2021-22 Capital Budget, is \$9.0 million that provides the first year allocation of funding needed for creation of a \$12 million Transitional Recovery Center providing support to efforts combating opioid and other addictions.

As a means of ensuring the County does not rely too heavily on debt financing for required infrastructure improvements, the FY2021-22 Annual Fiscal Plan includes \$45.6 million in pay as you go funding from a variety of sources. The FY2020-21 transfer includes a \$9.1 million allocation from the Designated General Fund balance for school roof replacements and technology projects, county mechanical, roof, pavement, and energy projects, \$12.4 million from Designated General Fund reserves for school and firehouse land acquisitions and the first year allocation for the addiction recovery center, \$5.0 million of Meals Tax revenues for school projects, \$4.0 million of Meals Tax Reserves also for school needs, \$2.3 million of dedicated General Fund Stormwater revenues for MS4 compliance, \$1.8 million in Motor Vehicle License Fees slated for drainage projects, and \$11.0 million in General Fund reserves for school and county vehicle replacement.

To (From) Debt Service Fund represents the forecast of General Fund support to the Debt Service Fund. The debt service levels through FY2023-24 are calculated on new, existing and projected debt service requirements. The forecast period is based on projected debt service costs arising from all prior debt issues, including debt authorized in prior referenda in 2005, and 2016.

To (From) Capital Projects is projected at \$45.6 million for FY2021-22, for pay-as-you-go projects discussed above. Projections for anticipated capital projects in FY2022-23 and FY2023-24 include transfers of \$43.2 million and \$51.2 million respectively.

To (From) Water and Sewer Enterprise Fund represents the annual transfer to pay for the debt service costs associated with \$32.0 million in debt for infrastructure improvements made at the Elko Industrial Tract for current and future economic development prospects. The FY2021-22 estimate of these costs is \$1.9 million and the costs for FY2022-23 totaling \$1.9 million and FY2023-24 totaling \$2.2 million.

To (From) Risk Management Fund is the transfer of funds to support risk management operations. The fund was established in FY2004-05. The FY2021-22 transfer is for \$9.5 million to support the County's Risk Management operations, which includes the cost of the County's self-insurance program (excluding healthcare, which is a separate Internal Service Fund), the cost to purchase insurance policies, and funding the administrative costs of the operation. The anticipated transfer to fund the cost of the County's Risk Management operation is estimated to increase to \$10.5 million in FY2022-23 and \$11.5 million in FY2023-24 to minimize mid-year budget amendments for this area.

To (From) Special Revenue Fund is the anticipated local requirement from the General Fund to support a variety of State and Federal grant programs including the Capital Region Workforce Partnership (CRWP – formerly CATC), the Community Corrections Services Program (CCP), the Department of Social Services including the Children's Services Act (CSA) program, and the Virginia Juvenile Community Crime Control Act (VJCCCA). Also included in the transfer is the County's funding for the curbside-recycling program in the Solid Waste Division and the County's funding for the Department of Mental Health and Developmental Services. The transfer to the Special Revenue Fund is estimated at \$36.9 million in FY2021-22. The projections over the forecast period are \$38.0 million in FY2022-23 and \$39.1 million in FY2023-24 and were determined after analyzing all the individual components of the Special Revenue Fund.

To (From) JRJDC Agency Fund represents the transfer to pay for Henrico County's share of the operating costs and debt service requirements associated with the James River Juvenile Detention Center (JRJDC). The JRJDC Agency Fund accounts for the James River Juvenile Detention Center budget. Henrico County, as the majority partner serves as the fiscal agent for the James River Juvenile Detention Center Commission. The JRJDC Agency Fund accounts for the Commission's revenues from participating localities, operating and debt service expenditures. As the forecast indicates, the transfer to the JRJDC Agency Fund is anticipated at \$3.4 million for FY2021-22 increasing to \$3.6 million in FY2022-23 and \$3.7 million in FY2023-24.

(To) From OPEB - GASB 45 represents the anticipated funding for the costs associated with the accounting requirement issued by the Government Accounting Standards Board (GASB) known as GASB 45. A new fiduciary fund was created in FY2006 with an allocation of \$6.7 million. The transfer will allow the County to budget for the annual cost of public employee non-pension benefits, all outstanding obligations and commitments related to Other Post-Employment Benefits (OPEB) in the same manner as reporting financial information for pensions. Projections for FY2021-22 through FY2023-24 total \$2.7 million each year, which is anticipated to fully fund the County's obligation.

(To) From Line of Duty represents the anticipated funding needed for expenses associated with the Line of Duty payments. The Line of Duty Fiduciary Fund was created in the FY2012-13 Annual Fiscal Plan because of a mandate from the Commonwealth of Virginia that requires localities to pay the cost of this State approved benefit. Projections for FY2021-22 are \$1.3 million, FY2022-23 are \$1.3 million and \$1.4 million in FY2023-24.

(To) From Long Term Disability represents the anticipated funding needed for expenses associated with the payments for County-provided long-term disability benefit for eligible General Government and Schools employees. In January 2017, the county contracted with Metropolitan Life Insurance Company to fully insure and administer a long-term disability program. Projections for FY2021-22 through FY2023-24 remain flat at \$600,000 each year, which will fund the County's obligation in this area.

(To) From Fund Balance – General encompasses any money used to fund capital projects in 4 areas: Capital Projects, Capital Reserves (including Meals Tax exclusively for education), Assigned, and Unassigned. Funding decreases from \$34.5 million in FY2021-22 to \$10.8 million in FY2022-23 to \$10.5 in FY2023-24. As cited above, the 2021-22 figure incorporates \$7.1 million in pay as you go construction for Capital Projects and \$12.4 in a Capital Reserve for specific projects cited above, plus \$4.0 million for meals tax reserve for education projects, and \$11.0 million in Assigned fund balance for vehicle and apparatus replacements. The 2022-23 figure incorporates \$10.0 million in pay as you go construction for specific Capital Projects, and \$0.8 in Unassigned fund balance. The 2023-24 figure incorporates \$10.0 million in pay as you go construction for Capital Projects, and \$0.5 in Unassigned fund balance.

(To) From State Revenue Stabilization Fund is used to offset reduced State revenues in the event of a future recession. Since recession has not occurred, in FY2021-22 no funds will be added, but the total fund balance is \$4.5 million contained in County reserves.

From Sinking Fund – Bond Ops are funds held in reserve to offset increases in future operating costs associated with schools, parks, fire facilities, and libraries that will be constructed with General Obligation Bond funds authorized by the voters in the November 2016 referendum. The use of the designated fund balance is an allocation from the Sinking Fund reserve, which was first created by the Board of Supervisors in FY2002 to pay for Bond Referendum operating costs. In FY2021-22, \$4.6 million was included for the opening of Highland Springs and Tucker High Schools and the expansion of Holliday elementary school, FY2022-23 includes \$0.7 million for operating costs related to opening or expanding Glover, Dorey, Cheswick and Deep Run parks, and FY2023-24 includes \$3.4 million for opening the Eastgate Fire Station and opening or expanding Three Lakes, Tuckahoe, Tuckahoe Creek and Taylor parks.

Ending General Fund Balance represents reserves not appropriated for expenditure, including the assigned and unassigned balances. The unassigned portion of fund balance in FY2013 was reduced to 15.0 percent, from 18.0 percent of general fund expenditures to accommodate the funding of replacement Education and General Government vehicles. Unassigned fund balance is projected at 15.0 percent of general fund expenditures in FY2021-22, FY2022-23, and FY2023-24.

General Fund Forecast

	FY19-20 Actuals	FY20-21 Approved	FY21-22 Approved	FY22-23 Forecast	FY23-24 Forecast
Revenues:					
Current Real Estate Tax	\$ 354,244,122	\$ 361,500,000	\$ 383,000,000	\$ 403,000,000	\$ 415,100,000
P.S. Real Estate Tax	10,534,116	9,000,000	10,000,000	10,400,000	10,700,000
Current Personal Prop. Tax (1)	85,165,646	124,100,000	125,000,000	128,000,000	131,800,000
P.S. Personal Property Tax	77,879	70,000	70,000	70,000	70,000
Other General Property Tax	16,175,391	4,475,000	13,250,000	15,000,000	15,500,000
Local Sales Tax	69,907,728	55,000,000	70,000,000	75,000,000	77,600,000
Business License Tax	39,626,918	34,000,000	36,000,000	37,000,000	38,500,000
Motor Vehicle License Tax	7,480,192	7,000,000	7,400,000	7,800,000	8,000,000
Consumer Utility Tax	2,820,509	2,750,000	2,750,000	2,900,000	3,000,000
Bank Franchise Tax	16,507,646	7,500,000	15,000,000	15,000,000	15,000,000
Hotel/Motel Tax	11,274,953	8,000,000	8,000,000	10,000,000	12,000,000
Food & Beverage (Meals) Tax	27,336,089	19,000,000	24,000,000	26,000,000	28,000,000
Other Local Taxes	8,336,626	6,160,000	7,460,000	8,400,000	8,800,000
Local Taxes Sub-Total	649,487,815	638,555,000	701,930,000	738,570,000	764,070,000
Permits, Fees, & Licenses	8,620,649	5,253,500	6,754,000	7,000,000	7,250,000
Fines & Forfeitures	1,885,334	2,085,000	2,085,000	2,200,000	2,200,000
Use of Money & Property	13,694,796	3,284,700	11,334,700	11,500,000	12,000,000
Charges for Services	3,620,629	3,845,500	3,710,500	3,900,000	4,000,000
Miscellaneous Revenue	13,034,776	8,107,000	8,307,000	9,100,000	9,400,000
Total Local Revenue	690,343,998	661,130,700	734,121,200	772,270,000	798,920,000
State & Federal-Schools	281,037,395	261,664,941	291,992,000	312,400,000	324,900,000
State & Federal-General Government ⁽¹⁾	152,230,882	94,718,000	102,045,040	106,600,000	110,900,000
	433,268,276	356,382,941	394,037,040	419,000,000	435,800,000
Total Revenue	\$ 1,123,612,274	\$ 1,017,513,641	\$ 1,128,158,240	\$ 1,191,270,000	\$ 1,234,720,000

⁽¹⁾ Actual PPTRA Car Tax Reimbursements are reflected as State Aid, although budget estimates do not break out PPTRA Reimbursements from Current Personal Property Tax estimates. FY20 actual = \$37,001,783. Forecast period FY21 thru FY24 equal \$37,000,000.

Transfers:

(To) From Debt Service Fund	\$ (71,570,276)	\$ (71,665,830)	\$ (78,346,649)	\$ (79,276,216)	\$ (76,454,897)
(To) From Capital Projects Fund	(85,954,676)	-	(45,637,800)	(43,197,875)	(51,173,090)
(To) From Enterprise Fund	(1,928,921)	(1,929,858)	(1,932,108)	(1,932,108)	(2,150,750)
(To) From Risk Management Fund	(11,585,203)	(9,499,617)	(9,493,570)	(10,513,570)	(11,533,570)
(To) From Workplace Safety	-	(483,682)	-	-	-
(To) From CAM	(454,800)	-	(64,000)	(200,000)	(200,000)
(To) From Technology Replacement	(2,750,000)	(2,750,000)	(3,000,000)	(3,000,000)	(3,000,000)
(To) From Special Revenue Fund	(33,720,629)	(29,897,172)	(36,906,981)	(38,010,370)	(39,146,862)
(To) From JRJDC Agency Fund	(3,253,484)	(3,351,088)	(3,451,088)	(3,555,169)	(3,661,824)
(To) Health Care	-	-	-	-	-
(To) From OPEB - GASB 45 Fiduciary Fund	(800,000)	-	(2,675,000)	(2,675,000)	(2,675,000)
(To) From Line of Duty	(1,050,000)	(1,250,000)	(1,250,000)	(1,300,000)	(1,350,000)
(To) From Long Term Disability	(600,000)	(600,000)	(600,000)	(600,000)	(600,000)
Use of Fund Balance - Unassigned	-	-	-	750,000	500,000
(To) From Fund Balance - Hotel/Motel Tax Reimb	-	-	-	-	-
(To) From Fund Balance - Meals Tax Reserve	-	-	4,000,000	-	-
Use of Fund Balance - Capital Projects	-	-	7,075,000	7,500,000	7,500,000
Use of Fund Balance - Pedestrian Improvements	-	-	-	2,500,000	2,500,000
Use of Fund Balance - Capital Reserve	-	-	12,440,000	-	-
(To) From Revenue Stabilization Reserve	-	-	-	-	-
(To) From Fund Balance - Schools State Aid Reserv	-	-	-	-	-
(To) From State Revenue Stabilization Reserve	-	-	-	-	-
Use of Assigned Fund Balance	-	-	-	-	-
(To) From Fund Balance General Fund	7,134,411	3,014,759	11,024,800	-	-
From Sinking Fund - Bond Ops	-	-	4,584,500	693,907	3,374,397
Total Transfers	\$ (206,533,578)	\$ (118,412,488)	\$ (144,232,896)	\$ (172,816,401)	\$ (178,071,596)
Total Resources	\$ 917,078,696	\$ 899,101,153	\$ 983,925,344	\$ 1,018,453,599	\$ 1,056,648,404

Expenditures:

General Government Administration	59,089,559	57,367,472	64,023,716	65,944,427	67,922,760
Judicial Administration	9,411,753	9,498,489	10,276,583	10,584,880	10,796,578
Public Safety	204,063,341	196,564,081	215,015,894	221,466,371	230,110,362
Public Works	51,200,822	52,233,984	54,651,170	56,290,705	57,979,426
Public Health	2,537,998	2,433,102	2,687,497	2,741,247	2,796,072
Education	514,482,632	509,905,768	560,920,241	581,328,241	602,596,088
Recreation & Culture	38,128,403	38,466,836	42,955,130	44,937,691	47,660,219
Community Development	24,889,780	19,909,972	20,627,148	21,245,962	21,883,341
Miscellaneous	13,274,408	12,721,449	12,767,965	13,914,074	14,903,557
Total Expenditures	\$ 917,078,696	\$ 899,101,153	\$ 983,925,344	\$ 1,018,453,599	\$ 1,056,648,404

Fund Balance:

Restricted	3,308,331	3,000,000	3,000,000	5,000,000	5,000,000
Assigned (*)	133,086,122	130,071,363	90,947,063	109,503,156	120,628,759
Unassigned Fund Balance	138,251,817	134,865,173	147,588,802	152,768,040	158,497,261
Total Fund Balance	\$ 274,646,270	\$ 267,936,536	\$ 241,535,865	\$ 267,271,196	\$ 284,126,020

* Includes changes to the Revenue Stabilization Fund, Assigned Reserves, and assumed operational impacts.