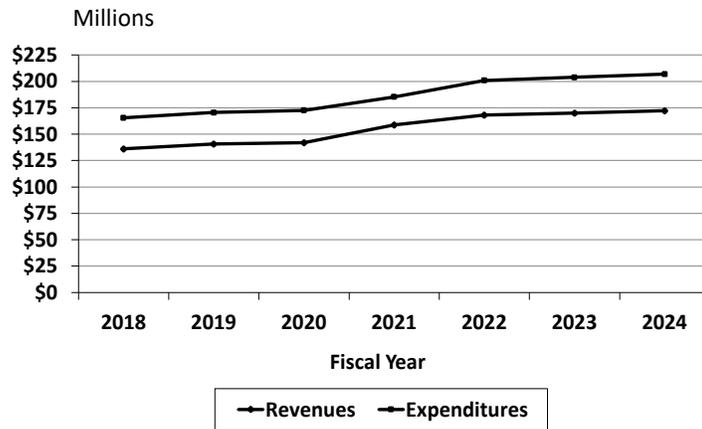


Three Year Forecast Revenues and Expenditures Special Revenue Fund



Fiscal Years 2021 through 2024 are estimated. Revenues exclude transfers from other funds.

SPECIAL REVENUE FUND

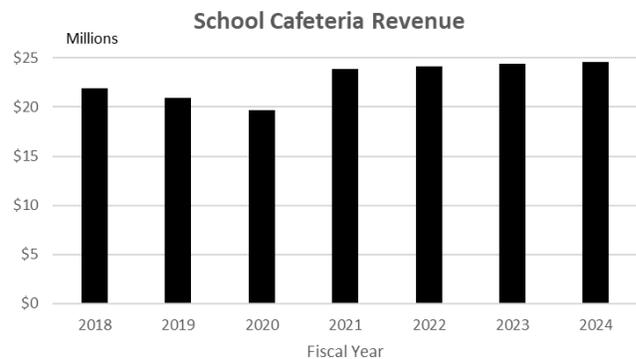
(Fund 11)

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 expenditure budget for FY2021-22 is \$200,887,583, which represents an increase of \$15.5 million, or 8.4 percent, from the current fiscal year. The portion of the FY2021-22 budget for State and Federal grants associated with Schools increased by \$9.2 million or 9.7 percent, based on anticipated expenditures. The budget for Solid Waste increased by \$1.9 million, or 12.1 percent, while the Mental Health budget increased by \$2.6 million, or 6.5 percent. A primary source of these increases is additional State and Federal resources provided in response to the effects of the COVID-19 pandemic.

Social Services' budget increased by \$1.5 million or 5.8 percent due to rising demand for services. The actuals and budget for the Schools portion of CSA expenses were moved out of the Social Services category, starting in FY2020-21, to reflect the separation of these expenses.

Revenues

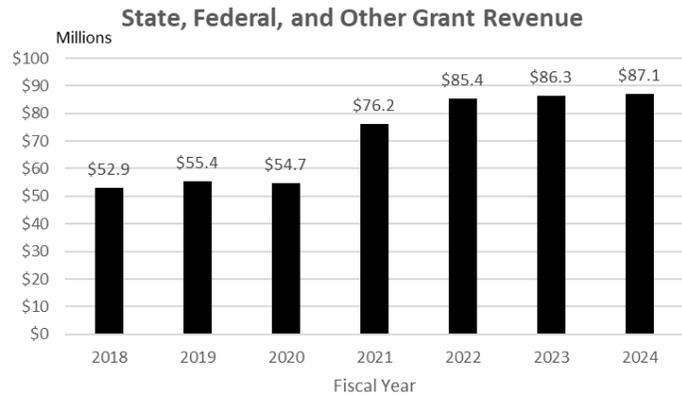
Assumptions School Cafeteria revenues support the operations of all County public school cafeterias. Funding is received from specific State and Federal government grant programs as well as revenues generated by the school lunch program. Receipts for FY2021-22 are estimated at \$24,115,429 compared to \$23,869,429 in FY2020-21, which reflects a 1.0 percent increase. FY2022-23 and FY2023-24 revenue estimates of \$24,356,583 and \$24,600,149, respectively, reflect projected increases of 1.0 percent based on anticipated growth in cafeteria operations.



Fiscal Years 2021 through 2024 are estimated.

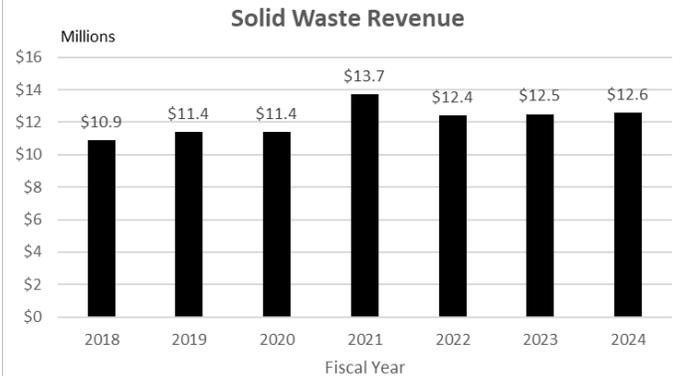
State, Federal and Other Grants revenue funds various programs, principally those related to Education, the Capital Region Workforce Partnership (CRWP), the Community Corrections Services Program (CCP), the Community Development Block Grant (CDBG), and the Virginia Juvenile Community Crime Control Act (VJCCCA). Grant funding for FY2021-22 totals \$85,396,151.

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. The forecasts for FY2022-23 and FY2023-24 each reflect annual increases in revenues of 1.0 percent.



Fiscal years 2021-2024 are estimated. Revenues do not include transfers from other funds.

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 General Fund subsidy, which was reduced from \$3,371,409 in the FY2019-20 approved budget to \$1,278,457 in the FY2020-21 approved budget, will have the full amount of General Fund support restored to \$3,371,409 in the FY2021-22 budget. The decrease had been part of the County's effort to balance the FY2020-21 budget in response to the COVID-19 pandemic. The General Fund transfer is projected to remain flat FY2022-23 and FY2023-24.



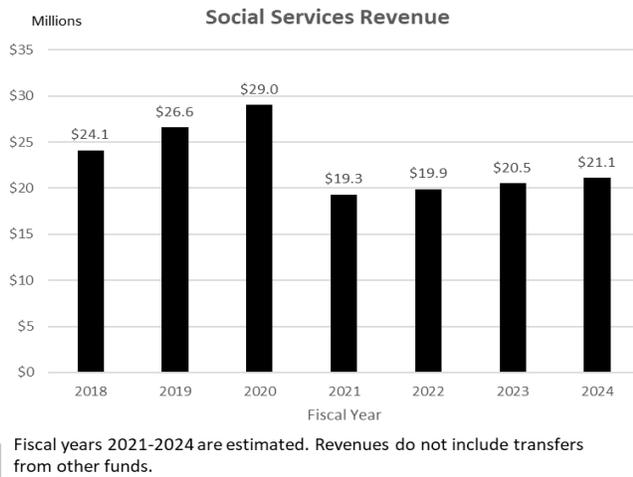
Fiscal years 2021-2024 are estimated. Revenues do not include transfers from other funds.

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 streetlight 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 \$24,930,572 for FY2021-22. State and federal revenues are projected to be \$11,704,679 and the estimate for fee revenues is \$12,967,553. Mental Health grant reserve funding of \$800,000, and \$184,000 of contract revenues from Sheltered Employment, are also anticipated. Additionally, Henrico is budgeted to receive a total of \$258,340 of fee revenues from Charles City and New Kent counties. A 1.0 percent increase in Mental Health revenues is projected for both FY2022-23 and FY2023-24. 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.

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 FY2021-22, FY2022-23, and FY2023-24. It is anticipated that the State Supreme Court will reimburse the Metro Aviation Unit \$100,000 for costs incurred to extradite prisoners in each year of the forecast period.

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 social service portion of the Children’s Services Act (CSA) is funded within this department. The Social Services revenues for FY2021-22 total \$27,637,371, of which \$3,762,628 is directed toward CSA and the remaining \$23,874,743 support all other Social Services efforts. A 3.0 percent increase in revenues is projected for both FY2022-23 and FY2023-24, based on anticipated increases in State and Federal funding.



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 FY2021-22, the transfer of \$31,274,474 includes the County’s contributions in support of the Community Corrections Programs, the Capital Region Workforce Partnership (CRWP), the Special Drug Prosecutor, the Virginia Juvenile Community Crime Control Act (VJCCCA), the State Victim/Witness Program, and the Special Revenue Fund Reserve. The sum of these transfers is \$1,908,821. The remaining transfers are distributed as follows: \$127,332 for Henrico County's portion of the regional Police Metro Aviation Unit; \$3,371,409 in support of Solid Waste programs; \$7,743,723 in local support of Social Services, which includes funding for the CSA; and \$18,123,189 for Mental Health. The total transfer from the General Fund is projected to increase to \$32,208,888 in FY2022-23 and \$31,710,155 in FY2023-24.

(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 FY2021-22 anticipates the use of \$1,574,071 from the Solid Waste Fund balance. The forecast for FY2022-23 and FY2023-24 projects further reductions to the fund balance.

(To) From Street Light Fund Balance is a reserve, accumulated from the operation of the six sanitary districts that have been established for streetlights. There was an addition to this fund balance in FY2019-20 and there is no planned use of the fund balance during the forecast period.

Expenditures

Assumptions

The development of the FY2021-22 Special Revenue Fund budget assumes recurring revenues will support recurring expenditures in future years. Special Revenue Fund resources and requirements for FY2022-23 and FY2023-24 are expected to grow at an average rate of 1.0 percent in FY2022-23 and 1.5 percent in FY2023-24. The modest growth rate in grant related revenue is predicated on the basis that the potential for renewed Federal and State budgetary constraints may 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 FY2020-21 through FY2023-24. 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 19-20 Actual	FY 20-21 Original	FY21-22 Forecast	FY22-23 Forecast	FY23-24 Forecast
Revenues:					
School Cafeteria	\$ 19,745,079	\$ 23,869,429	\$ 24,115,429	\$ 24,356,583	\$ 24,600,149
State, Federal & Other Grants	54,722,894	76,179,574	85,146,151	85,997,613	86,857,589
Asset Forfeitures	35,443	0	0	0	0
Donations	9,732	0	0	0	0
Revenue from Local Sources	1,300,000	0	0	0	0
Solid Waste	11,354,249	13,685,000	12,362,500	12,486,125	12,610,986
Street Lighting	179,558	84,100	84,100	84,100	84,100
Mental Health	25,073,883	24,503,392	24,930,572	25,179,878	25,431,676
Metro Aviation/Extradition	386,911	359,668	359,668	359,668	359,668
Social Services & CSA	28,959,733	19,273,610	19,893,648	20,490,457	21,105,171
Watershed/Best Management Practices	105,333	897,000	897,000	897,000	897,000
Subtotal Revenues	\$141,872,815	\$158,851,773	\$167,789,068	\$169,851,424	\$171,946,340
From General Fund:					
State, Federal & Other Grants	\$ 2,931,784	\$ 1,812,920	\$ 2,158,821	\$ 2,223,586	\$ 2,290,293
Mental Health	16,292,489	15,935,376	18,123,189	18,666,885	19,226,891
Metro Aviation	127,332	127,332	127,332	127,332	127,332
Social Services	10,997,615	6,860,580	7,743,723	7,976,035	8,215,316
Solid Waste	3,371,409	1,278,457	3,371,409	3,371,409	3,371,409
Subtotal From General Fund	\$ 33,720,629	\$ 26,014,665	\$ 31,524,474	\$ 32,365,246	\$ 33,231,241
(To) From Solid Waste Fund Balance	513,882	478,764	1,574,041	623,496	663,445
(To) From Street Light Fund Balance	(114,203)	0	0	0	0
Total Resources	\$175,993,123	\$185,345,202	\$200,887,583	\$202,840,165	\$205,841,025
Expenditures:					
School Cafeteria	\$ 19,745,079	\$ 23,869,429	\$ 24,115,429	\$ 24,356,583	\$ 24,600,149
School CSA	11,569,512	10,399,567	14,400,000	14,832,000	15,276,960
State, Federal & Other Grants	35,147,961	77,992,494	87,304,972	88,221,198	89,147,882
Economic Development Authority	1,300,000	0	0	0	0
Solid Waste	15,239,540	15,442,221	17,307,950	16,481,030	16,645,840
Street Lighting	65,355	84,100	84,100	84,100	84,100
Mental Health	41,366,372	40,438,768	43,053,761	43,846,762	44,658,568
Metro Aviation/Extradition	514,243	487,000	487,000	487,000	487,000
Social Services	28,387,836	15,734,623	13,237,371	13,634,492	14,043,527
Watershed/Best Management Practices	105,333	897,000	897,000	897,000	897,000
Total Expenditures	\$153,441,231	\$185,345,202	\$200,887,583	\$202,840,165	\$205,841,025
Ending Special Revenue Fund Balance:					
Schools	\$ 12,342,198	\$ 12,342,198	\$ 12,342,198	\$ 12,342,198	\$ 12,342,198
State, Federal & Other Grants, Forfeitures *	25,136,687	0	0	0	0
Economic Development Authority **	0	0	0	0	0
Solid Waste	23,140,402	22,661,638	21,087,597	20,464,102	19,800,657
Street Lighting	767,228	767,228	767,228	767,228	767,228
Total Fund Balance	\$ 61,386,515	\$ 35,771,064	\$ 34,197,023	\$ 33,573,528	\$ 32,910,083

* Forecast assumes miscellaneous grant appropriations will be spent by 6/30/21. Any unspent appropriations will be carried forward into FY2021-22.