

# DEBT SERVICE FUND: THREE YEAR FORECAST

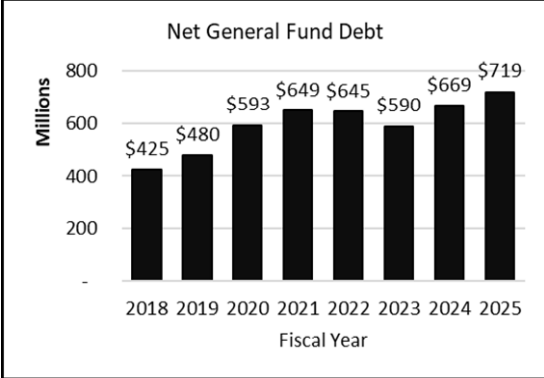
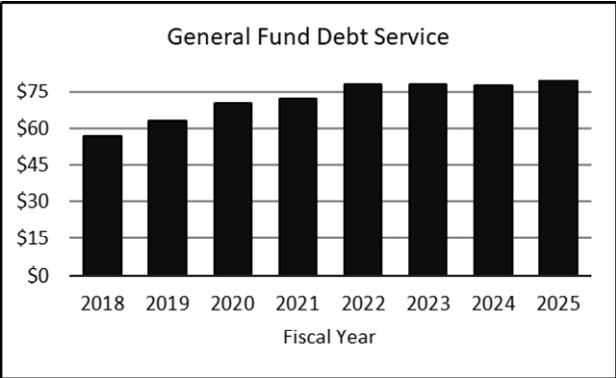
## REVENUES AND EXPENDITURES

### DESCRIPTION

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.

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 issued between FY2006 and FY2012. 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; and General Government projects totaling \$147,200,000. In November 2022, voters will be asked to consider a total of \$511,350,000 in bonds, split \$340,500,000 for Education projects and \$170,850,000 for General Government Projects. This forecast assumes an affirmative vote on all five questions.

Other debt included in the annual debt service calculation include the issuance of \$54,100,000 in Virginia Public School Authority Bonds, Lease Revenue Bonds in the amount of \$34,000,000 for the replacement of the 800 MHz Communication System used by Henrico's public safety agencies, Land Financing bonds in the amount of \$10,115,000 and the 2020A Indoor Sports Facility Bond in the amount of \$50,000,000.



## ASSUMPTIONS

- Debt service requirements in fiscal years 2022 through 2025 are calculated on existing debt service and anticipated debt service.
- 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.
- GRCCA Reimbursement represents the reimbursement of Hotel/Motel tax collections from the Greater Richmond Convention Center Authority. This funding has been designated for the debt service obligations related to the debt issued for the large park projects of the 2016 Bond Referendum
- Debt Service - General Government includes principal and interest payments on General Obligation (G.O.) Bond issues and Economic Development Authority (EDA) Lease Revenue Bond issues.
- Debt Service - Education includes principal and interest payments on Education General Obligation (G.O.) Bonds and Virginia Public School Authority (VPSA) Bonds.
- 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>Debt Service Fund Forecast</b>					
	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
	<b>Actual</b>	<b>Approved</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Revenues:</b>					
(To) From General Fund	\$ 63,100,999	\$ 59,881,412	\$ 69,452,484	\$ 68,631,421	\$ 71,520,386
Meals Tax Revenue	<u>9,000,000</u>	<u>9,000,000</u>	<u>9,000,000</u>	<u>9,000,000</u>	<u>14,000,000</u>
Total Revenues	<u>\$ 72,100,999</u>	<u>\$ 68,881,412</u>	<u>\$ 78,452,484</u>	<u>\$ 77,631,421</u>	<u>\$ 85,520,386</u>
<b>Expenditures:</b>					
Debt Service - General					
Government	\$ 27,842,513	\$ 29,625,478	\$ 25,277,801	\$ 25,125,318	\$ 26,916,905
Debt Service - Education	41,112,252	45,635,554	50,184,005	49,666,929	55,865,080
Debt Service - Public Works	<u>3,146,234</u>	<u>3,085,617</u>	<u>2,990,678</u>	<u>2,839,174</u>	<u>2,738,401</u>
Total Expenditures	<u>\$ 72,100,999</u>	<u>\$ 78,346,649</u>	<u>\$ 78,452,484</u>	<u>\$ 77,631,421</u>	<u>\$ 85,520,386</u>
Fund Equity*	\$ 319,820	\$ 319,820	\$ 319,820	\$ 319,820	\$ 319,820

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