

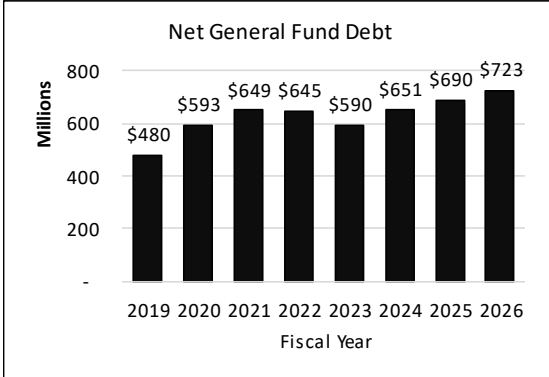
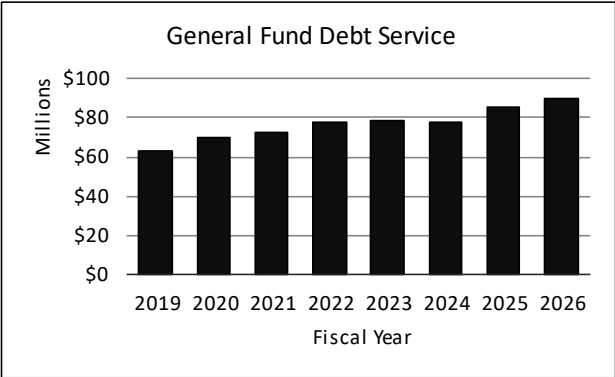
DEBT SERVICE FUND: THREE YEAR FORECAST REVENUES AND EXPENDITURES

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 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, County citizens approved a G.O. Bond referendum in the amount of \$511,350,000, split \$340,500,000 for Education projects and \$170,850,000 for General Government Projects.

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 Indoor Sports Facility Bond in the amount of \$50,000,000.



ASSUMPTIONS

- Debt service requirements in fiscal years 2023 through 2026 are calculated on existing debt service and anticipated debt service for bonds approved in the November 2022 referendum.
- Meals Tax Revenues represent 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. Assumptions for FY25 and FY26 include additional meals tax revenues for debt service requirements for education projects from the 2022 referendum.
- Debt Service - General Government includes principal and interest payments on G.O. Bond issues and Economic Development Authority (EDA) Lease Revenue Bond issues.
- Debt Service - Education includes principal and interest payments on Education G.O. Bonds and Virginia Public School Authority (VPSA) Bonds.
- Debt Service - Public Works includes principal and interest payments on G.O. Bonds issued to support road improvements throughout the County.

DEBT SERVICE FUND FORECAST

Debt Service Fund Forecast

	FY22 Actual	FY23 Approved	FY24 Forecast	FY25 Forecast	FY26 Forecast
Revenues:					
(To) From General Fund	\$ 68,487,256	\$ 69,452,484	\$ 68,631,422	\$ 71,638,636	\$ 75,507,711
Meals Tax Revenue	9,000,000	9,000,000	9,000,000	14,000,000	14,000,000
(To) From Fund Equity	0	0	368,578	0	0
Total Revenues	<u>\$ 77,487,256</u>	<u>\$ 78,452,484</u>	<u>\$ 78,000,000</u>	<u>\$ 85,638,636</u>	<u>\$ 89,507,711</u>
Expenditures:					
Debt Service - General					
Government	\$ 28,988,779	\$ 25,277,801	\$ 25,218,397	\$ 27,035,155	\$ 29,959,064
Debt Service - Education	45,412,860	50,184,005	49,942,429	55,865,080	57,096,040
Debt Service - Public Works	3,085,617	2,990,678	2,839,174	2,738,401	2,452,607
Total Expenditures	<u>\$ 77,487,256</u>	<u>\$ 78,452,484</u>	<u>\$ 78,000,000</u>	<u>\$ 85,638,636</u>	<u>\$ 89,507,711</u>
Fund Equity*	\$ 1,173,213	\$ 1,173,213	\$ 804,635	\$ 804,635	\$ 804,635

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