
Powhatan County, Virginia

Credit Presentation 2016



DAVENPORT & COMPANY

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June 14, 2016

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Principal Contacts



Powhatan County, Virginia

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County Management/Finance Team



■ William E. Melton – Chairman of the Board of Supervisors

William Melton was Elected to Powhatan County Board of Supervisors in November 2011, and was Re-elected to a second 4-year Term in November 2015. Throughout his career, Mr. Melton has held multiple managerial and entrepreneurial positions in the retail and distribution industries and is currently a National Brand Manager for Brown Distributing. His career accomplishments include:

- Successful integration of Non-Alcoholic brands into Brown Distributions business model, which for the most part had been all alcoholic based brands until his employment in June 2011.
- Promoted 3 times during his 10 years with Pepsi; with an expanding scope of responsibility. Was a 2005, 2006, 2007, 2008, and 2010 PBG Circle of Excellence Presidents Club Award winner, 1 out of 3 associates to receive the award 4 straight years in the Virginia Market.
- 2008 Recipient of Pepsi ACE Award.
- Recognized at Ukrops Supermarket annual operating meeting in 1990 by the senior leadership for creating a training program of new Asst. General Managers that delivered bench strength for future growth.

Mr. Melton is a 20+ year resident of Powhatan County with an extensive public service record. He is a past Member of Powhatan County Planning Commission, serving for 12 years, including time as chairman of the Commission in 2007 and 2008. He is a past President and member of Powhatan Chamber of Commerce, as well as a past member and Board member of the Virginia Food Dealers Association.

Since his Election to the Powhatan County Board of Supervisors in November 2011, Mr. Melton has been responsible for overseeing a \$100 million budget and providing vision and focus to County Staff through his expansive Business and County Knowledge. Mr. Melton's knowledge and leadership skills guide fellow Board Members and staff toward achieving their goals of having a well-balanced, vibrant County.

County Management/Finance Team



■ Carson L. Tucker – Board of Supervisors

Carson Tucker is a member and past Chairman of the Powhatan County Board of Supervisors, currently representing Powhatan's 5th District. Mr. Tucker is a Distinguished Military Graduate (DMG) of the Virginia Military Institute cum laude and received his Masters degree in English as a Woodrow Wilson Fellow at the College of William and Mary. He is a Certified Professional Manager and received a second Masters degree in Human Resource Development summa cum laude at George Washington University and has completed the Duke University executive program in Strategic Human Resource Management, Leadership Metro Richmond, Kouzes & Posner's Leadership Challenge, MIT's Literature of Leadership Program, and the Planning Commissioners' Certification Program, among others.

He is a past President of the International Management Council in Chicago and past Chairman of the Board of Regents of the Institute of Certified Professional Managers. He has spent time for US AID in the Islamic Republic of Pakistan and for Philip Morris in India doing management and organization consulting. As a consultant, he now works for profit and not-for-profit organizations in organization development, change management, leadership, coaching, executive coaching, and strategic planning. He has taught leadership at the University of Richmond and at the University of Virginia and for Alcohol, Tobacco, Firearms and Explosives (ATF), Drug Enforcement Administration (DEA), the FBI, and the National Criminal Justice Command College.

He lives in Powhatan County, where he is a Master Gardener and a Certified American Tree Farmer. His history of public service in the County in addition to his tenure on the Powhatan County Board of Supervisors is broad. He is past Chairman of the Powhatan County Board of Equalization, a past Commissioner on the County Planning Commission, a past member of the Steering Committee revising the County Comprehensive Plan, past Chairman of Deep Meadow Correctional Center's Community Advisory Board, President Emeritus of the Michaux-St. James Foundation, Inc., member of the Anti-Litter Council and co-chair of the James River Advisory Council, past Vice President of the Powhatan County Historical Society, and past Vice-President of the Performing Arts Foundation of Powhatan, Inc. He is Chairman of the County's Social Services Board, Chairman of the Powhatan County Community Action Advisory Board, and a member of Senior Connections Advisory Board, the Powhatan County Free Clinic Board of Directors, the Domestic Violence Task Force, and the Powhatan chapter of the Capital Region Land Conservancy.

County Management/Finance Team



- **Patricia “Pat” Weiler – County Administrator**

Ms. Weiler has 28 years of local government experience and was appointed County Administrator in February 2013.

Prior to relocating to Powhatan, Ms. Weiler was the Director of Finance and Administration for the City of Manassas, Virginia where she worked for almost 18 years. She has also worked for Prince William County, Virginia and Fairbanks North Star Borough, Alaska.

Ms. Weiler graduated from Central Michigan University with a B.S. in Education, cum laude. She is a Certified Public Accountant and a Certified Public Finance Officer. Ms. Weiler is a member of the Virginia Government Finance Officers' Association, serving on the Executive Board from 2005 through 2013. During that term, she served for three years as Treasurer and one year as President. She is a member of the Government Finance Officers Association of the United States and Canada and served on the Governmental Budgeting and Fiscal Policy Committee. Ms. Weiler was on the Board of Directors of the Virginia Local Government Finance Corporation (VML/VaCo Finance) from 2007 through 2011 and is currently serving as its President.

Ms. Weiler is also a member of the Virginia Local Government Management Association, International City/County Management Association, American Institute of Certified Public Accountants, Virginia Society of Certified Public Accountants and Phi Kappa Phi.

County Management/Finance Team, cont.



■ March Altman – Deputy County Administrator / Director of Community Development

March joined Powhatan County as the Director of Community Development on September 23, 2013. March came to Powhatan County with 20 years of local government experience. Prior to coming to Powhatan, March served the City of Hopewell for thirteen years, most recently as the Director of Development/Assistant City Manager for Development where he oversaw all community and economic development and planning activity. While in Hopewell, March managed the following projects:

- Exeter Superfund Site Asbestos Abatement and Demolition (\$3 million)
- Downtown Revitalization Plan
- New Headquarters Library for the Appomattox Regional Library System (\$8 million)
- Downtown Streetscape Improvements (\$5 million)

Prior to serving in Hopewell, March was the Senior Planner/Zoning Administrator in Dinwiddie County from 1996-2000. While in Dinwiddie, he assisted the County Administrator with economic development efforts, and was an integral part of the team that helped locate Chaparral Steel in Dinwiddie County.

March graduated from Virginia Tech with a BA in Urban Studies and from Virginia Commonwealth University with a Master's in Urban and Regional Planning. He is a member of the American Planning Association (APA), the Urban Land Institute (ULI), the International City/County Manager's Association (ICMA), and the Virginia Local Government Manager's Association (VLGMA).

■ Charla Schubert – Director of Finance

Charla graduated in 1997 from Virginia Tech with a Bachelor of Science in Accounting. She became a CPA in 2005. Charla worked for Robinson, Farmer, Cox Associates for 16.5 years as an auditor that specialized in local government and not for profit audits. She became Accounting Manager in February 2014 and was promoted to the Director of Finance and Administration for Powhatan County in May 2014. She is a member of the Government Finance Officers Association and the American Institute of Certified Public Accountants.



2. Overview of the County



Purpose of Meeting

The purpose of this rating agency presentation is to:

1. Provide the Rating Agencies with an update on Powhatan County's strong financial standings.
2. Provide the Rating Agencies with insight into the County's favorable demographic and economic profile given its high wealth levels, low unemployment rate, and strategic location.
3. Present Historical and Projected Revenues, Operating Expenditures, Capital Expenditures, and Fund Balance Levels.
4. Outline the formally adopted Capital Improvement Program for the County and show the Plan of Finance for the Economic Development Authority of Powhatan County's issuance of approximately \$54.5 million of Lease Revenue Bonds, Series 2016 (the "2016 Bonds").
5. Obtain updated Issuer and Lease Revenue credit ratings in anticipation of the sale of the County EDA's 2016 Bonds.

Schedule and Financing Summary



Schedule

- Tuesday, June 14
 - Meetings with Credit Rating Agencies.
- On/about June 21
 - Receive updated credit ratings and post POS.
- On/about June 30
 - Sell 2016 Bonds.
- By Friday, July 15
 - Close on 2016 Bonds.

Summary of Financing

- The County is requesting an updated Credit Rating for a 22 year issuance of approximately \$54.5 million of Lease Revenue Bonds issued to finance capital projects identified by the County's formal 5 year CIP for Fiscal Year 2017:
- **\$40.5 million for County Schools, Water Tank, and a joint PCPS/County Garage**
 - \$33.9 million to replace Powhatan Junior High School;
 - \$3 million Water Tank Replacement; and
 - \$3.6 million for a joint Powhatan County Public Schools and County Garage.
- **\$14 million for Public Safety and Parks & Recreation Projects**
 - \$9.3 million for a Public Safety Radio System;
 - \$1 million for Radio Towers and Broadband Initiative;
 - \$2.4 million for a Sally Port and Emergency Communications Center;
 - \$600,000 for Computer Aided Dispatch Software and Hardware; and
 - \$668,000 for improvements to fields at the Junior High School.

Powhatan County's Credit Rating History



- The County currently enjoys 'Aa2'/'AA+' Credit Ratings from Moody's and Standard & Poor's, respectively. These ratings were most recently affirmed in April 2015.

	Moody's	Standard & Poor's	
<div style="border: 1px solid green; padding: 5px; width: fit-content;">Current County Ratings</div>	Top Tier "Highest Possible Rating"		
	Aaa	AAA	
	Aa1	AA+	(Highest)
<div style="border: 1px solid blue; padding: 5px; width: fit-content;">Initial County Ratings</div>	2nd Tier "Very Strong"		
	Aa2	AA	(Middle)
	Aa3	AA-	(Lowest)
	3rd Tier "Strong"		
	A1	A+	(Highest)
	A2	A	(Middle)
	4th Tier "Adequate Capacity to Repay"		
	A3	A-	(Lowest)
	Baa1	BBB+	(Highest)
	Non Investment Grade		
	Baa2	BBB	(Middle)
	Baa3	BBB-	(Lowest)

Powhatan County Quick Facts



Quick Facts

- Located in Virginia's Central Piedmont region between the Appomattox and James Rivers, Powhatan is 20 miles west of Richmond, the Commonwealth's capital city.
- The County has several direct connections to Richmond, including route 60 and Route 288.
- The County is within an easy 2-hour drive from the Atlantic Ocean, Colonial Williamsburg, and the Blue Ridge Mountains and a 2.5-hour drive from Washington, D.C.
- Originally settled by French Huguenots in the early 1700s, Powhatan County was created by The Virginia General Assembly in 1777. The County was named in honor of the Indian Chief Powhatan, father of Pocahontas.



Source
Powhatan, Virginia, Economic Development

Summary Credit Highlights



Management

- Experienced Board of Supervisors.
- Highly Experienced Management Team that brings a fresh perspective to the County.
- Focus on Multi-Year Planning, Financial Policies, and Financial Best Practices.
- Multi-year capital planning and financial planning undertaken in preparation for the upcoming bond issuance.

Economy

- Unemployment is low.
- Participates in a broad and diverse regional economy.
- Assessed values are steady.
- Assessed value per capita is high.
- Wealth levels are above State and National averages.

Summary Credit Highlights



Finances

- Fund Balance remains above the County policy.
- A history of solid year-to-year results.
- Projections for FY 2016 look solid. Recurring revenues are planned to exceed recurring expenditures. Fund Balance in excess of the County's policy will be set aside for One-Time Capital.
- History of adherence to Financial Policy guidelines.
- As part of the FY 2017 budgeting process, the Board of Supervisors reaffirmed a policy to assign Fund Balance that is in excess of the 15% policy to a Capital Reserve Fund.

Debt

- Manageable debt burden.
- The County has historically adhered to debt related Financial Policy Guidelines. These policies were recently updated as part of the FY 2017 budgeting process.
- All debt is fixed rate. No derivatives or variable rate debt.
- The County has undergone a roughly one-year long capital planning process. All new debt has been planned to comply with "Best Practices" and Financial Policy Guidelines.



Accessibility within the State

- Powhatan County is located in the Greater Richmond metro area. Downtown Richmond is only a 30 minute drive from most of the County.
- The County has benefitted from the growth of the Greater Richmond region with direct connections via Route 288 and Route 60.
- County Limits span approximately 272 square miles.



Accessibility within the Region

- The County is within a short drive of the 5 largest cities in Virginia, roughly two and a half hours from Washington, DC, and three hours from Raleigh, NC.
 - Richmond, VA – 30 minutes
 - Charlottesville, VA – 1 hour
 - Newport News, VA – 1.5 hours
 - Williamsburg, VA – 1.5 hours
 - Virginia Beach, VA – 2 hours
 - Washington, D.C. – 2.5 hours
 - Raleigh, NC – 3 hours

Source
Powhatan Virginia, Economic Development



3. Economic Development Highlights and Demographic Trends

Population Trends

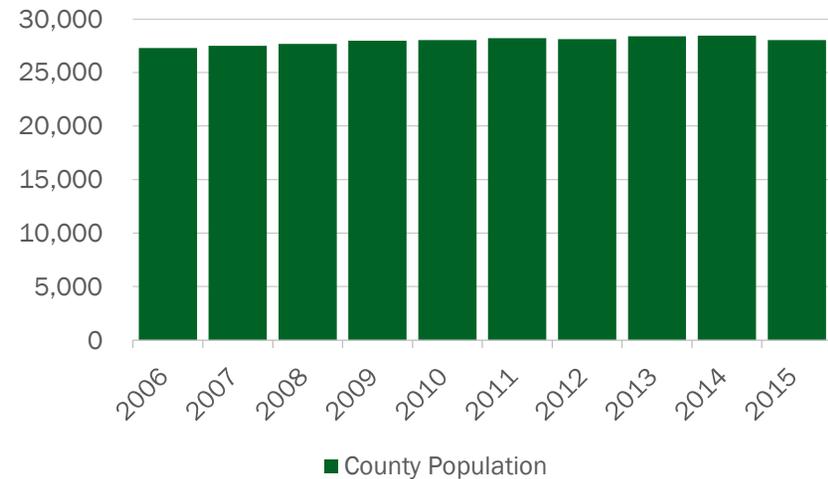


- The County has experienced steady population growth during the past 10 years.

County Population Data

FY	County Population
2006	27,282
2007	27,494
2008	27,674
2009	27,964
2010	28,046
2011	28,198
2012	28,110
2013	28,394
2014	28,451
2015	28,046
10-Year Growth	2.80%

Population Data



Source
Weldon Cooper Center for Public Service

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Unemployment Trends

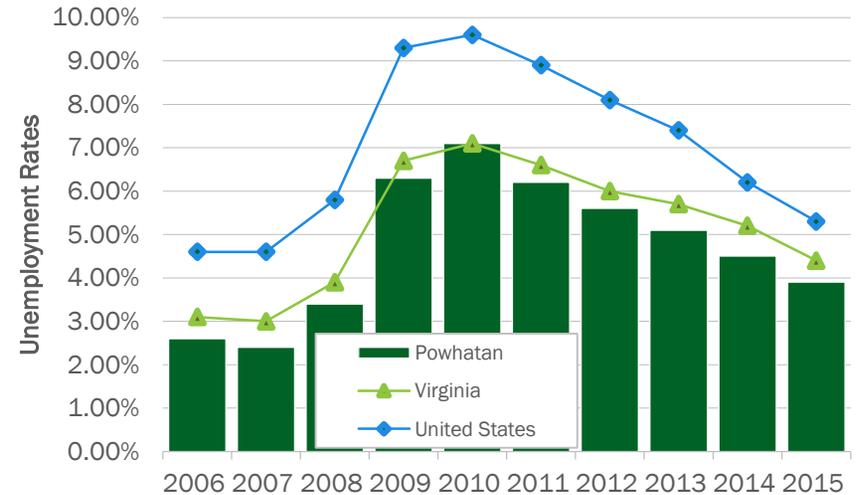


- The County’s unemployment has decreased each year since FY 2010 and is at a level typically considered “full employment.”

Unemployment Trends

FY	Powhatan	Virginia	United States
2006	2.60%	3.10%	4.60%
2007	2.40%	3.00%	4.60%
2008	3.40%	3.90%	5.80%
2009	6.30%	6.70%	9.30%
2010	7.10%	7.10%	9.60%
2011	6.20%	6.60%	8.90%
2012	5.60%	6.00%	8.10%
2013	5.10%	5.70%	7.40%
2014	4.50%	5.20%	6.20%
2015	3.90%	4.40%	5.30%

Unemployment Trends



Source
Virginia Employment Commission,
Local Area Unemployment Statistics.

Strong Industrial and Commercial Growth



Source
Powhatan Virginia, Economic Development

Overview

- The County has multiple industrial and commercial developments that have begun or completed site work recently.

- Oakridge Industrial Park
 - 100 acre Commercial/Light Industrial Park.
 - Diverse Tenant Base in Over 145,000 square foot of space.
 - PIE Tech – 17,000 square foot Corporate Headquarters
 - Designs and developments collaborative internet-based financial planning software
 - MoneyGuidePro Financial Planning Software
 - SanAir Technologies
 - Operates a state-of-the-art microbiological analysis laboratory equipped to analyze viable and non-viable air, bulk, and direct surface samples.

- Luck Stone Quarry
 - 465-acre sand and gravel quarry operation

Strong Industrial and Commercial Growth, cont.



■ Stavemill Crossing, Phase I

- 20-acre retail/commercial development at Anderson Highway (Rt. 60) and Stavemill Road across from the Wal-Mart
- Total Investment of \$10 million
- Current Tenants – AutoZone, Bojangles, Goodwill, and Murphy's Express

■ Winterfield Place

- Phase I
 - Commercial and Office Space
 - Tenants Include: Wild Ginger, Mediterraneo, Vino Market, Essex Bank, Winterfield Veterinary Hospital, Family Practice Specialists of Richmond
- Phase II – Rezoning Approved by Board of Supervisors
 - Mixed-Use Development
 - 200 Adult Oriented Apartments
 - 21 "Golf" Villas
 - 65,000 square feet of retail/commercial/office space

Source
Powhatan Virginia, Economic Development

Strong Residential Development

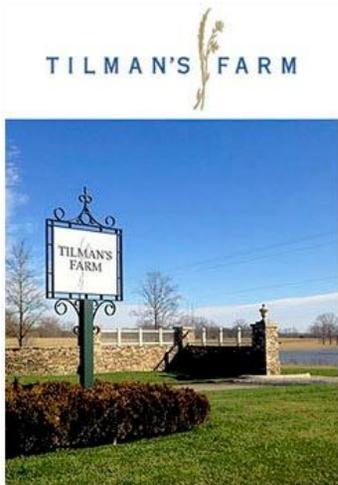


Overview

- The County has 7 high-end residential developments that have begun, or completed, site work recently.
- **Bel Bridge & Bel Crest**
 - Age Qualified Community
 - 112 lots located near Independence Golf Club and Winterfield Place
 - Homes ranging from \$400,000 to over \$700,000
 - 2,400 to over 4,000 square feet
- **Scottville at Powhatan Courthouse**
 - A total of 101 Village Homes and 39 Townhomes
 - Over 70 homes constructed
 - Maintenance-free, Active Over 55 Community
- **Founder's Bridge**
 - 180 lots located along the fairways of Independence Golf Club
 - Homes ranging from \$400,000 to over \$2,000,000
 - 2,800 to over 10,000 square feet

Source
Powhatan Virginia, Economic Development

Strong Residential Development, cont.



■ Tilman's Farm Subdivision

- 55 lots – 2+ acre lots
- Homes starting in the mid-\$300,000
- 2,200 to over 4,000 square feet

■ Aston Subdivision

- 49 - 2+ acre wooded lots
- 42 Lots Sold
- Homes starting in the mid-\$300,000
- 2,200 to over 4,000 square feet

■ Oak Leaf Estates

- 28 - 2+ acre wooded lots in Phase I
- 13 Lots Sold
- Homes starting in the \$500,000
- 3,400 to over 5,000 square feet

■ Greywalls Subdivision

- 28 - 2+ acre wooded lots in Phase I
- 13 Lots Sold
- Homes starting in the \$500,000
- 3,400 to over 5,000 square feet

Source

Powhatan Virginia, Economic Development

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Cultural and Recreational Expansion



Overview

- The County has two recently completed Full-Service Reception Venues that can each accommodate over 200 guests.
- The Mill at Fine Creek
 - Historic Gristmill established in the 1730's
 - 6,500 square foot handicap accessible building; Accommodate up to 225 guests
 - Adding 20 guest rooms in 13 cottages ranging from 400 square feet to 1300 square feet, and a 3600 square foot micro-brewery with a tasting room and culinary gardens.
- Fairview Farm
 - Full-Service Reception Venue
 - Rustic chic heated and air conditioned barn venue
 - Accommodate up to 245 guests
 - Voted ***“Best New Wedding Venue”*** and ***“Best New Barn Venue”*** by Richmond Magazine in 2015.



Source
Powhatan Virginia, Economic Development
DAVENPORT & COMPANY

Cultural and Recreational Expansion, cont.



Overview

- The County has 3 recently developed recreational areas that include a championship golf course, amphitheater, and multiple sports fields.
- Independence Golf Club
 - 18-Hole Championship Public Golf Course with Clubhouse
 - 2 Full Sized Driving Ranges
 - 3 Putting Greens with a Chipping Green
 - Lodging Facilities
- The Foundry Golf Club
 - 18-hole course with driving range
 - Clubhouse and Guest Lodging
- Fighting Creek Park
 - Powhatan County Library
 - Powhatan YMCA
 - National Guard
 - 3 Lighted Soccer Fields and Concession/Bathroom Building
 - 4 Lighted Baseball/Softball Fields and Concession/Bathroom Building Tower, 2 Batting Cages
 - 18-Hole Disc Golf Course – “The Monster,” the longest disc golf course in Virginia
 - Walking Trails – Total of 2 ½ mile loop that connects to Courthouse Area
 - Playground Area
 - Amphitheater
 - Pavilion (seats 100)

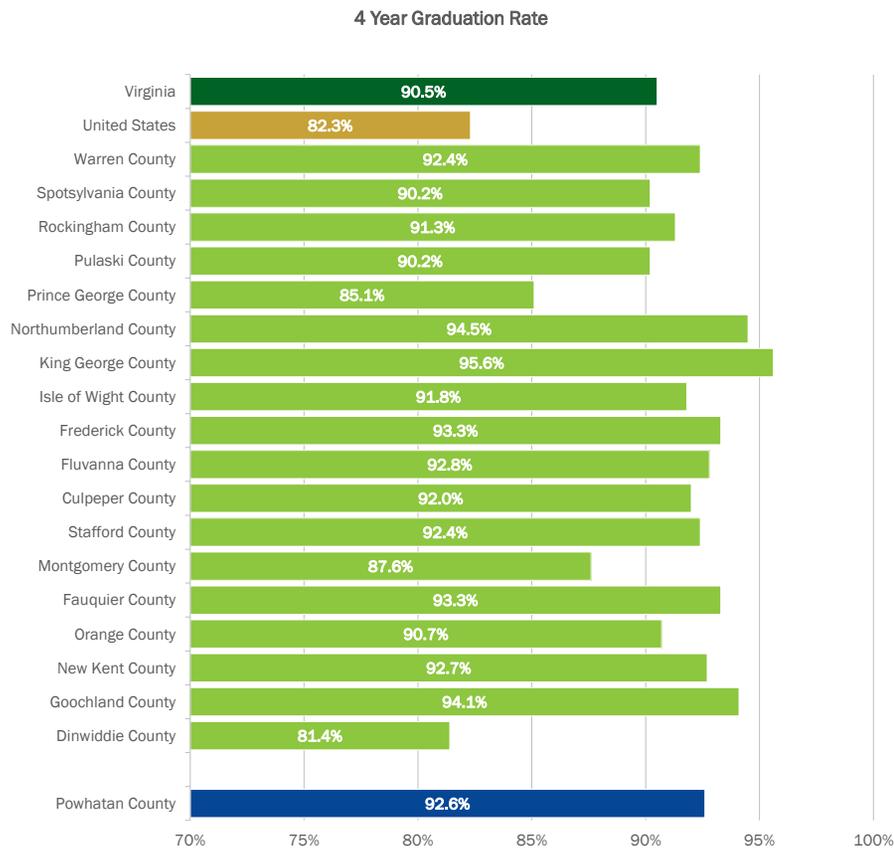


Education Statistics

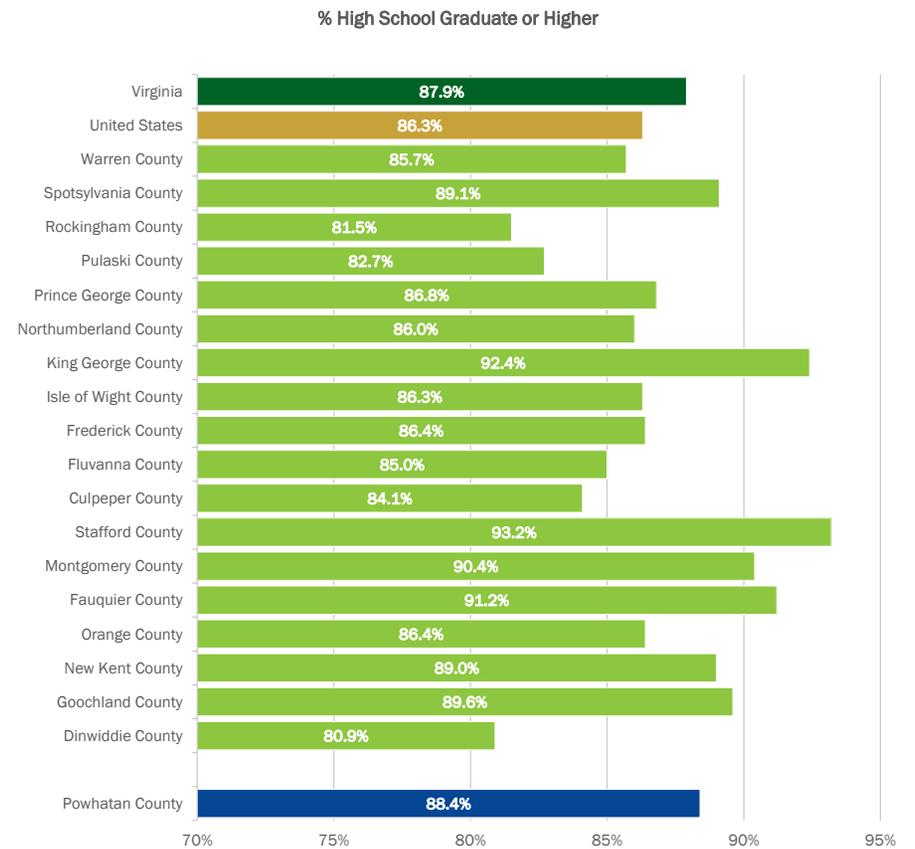


- Powhatan has a higher 4 year graduation rate and percentage of citizens who have at least a High School Diploma than the Commonwealth of Virginia and the Nation as a whole.

2015 High School 4-Year Graduation Rate



Percent of Population with at Least a High School Degree



Sources:

United States Census Bureau
Virginia Department of Education

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Employment and Economic Profile



- The County has diverse Employment and Taxable Revenue streams
 - The Top 10 Principal Taxpayers of the County make up only 1.9% of the County’s total Assessed Value.

Powhatan Principal Employers

Employer	2014-2015 Number of Employees
Powhatan County School Board	500-999
Virginia Department of Juvenile Justice	250-499
Powhatan Correctional Center	250-499
Deep Meadow Correctional Center	250-499
Walmart	100-249
County of Powhatan	100-249
Mid Atlantic Steel Erecto Inc.	100-249
Food Lion	100-249
Anderson Merchandisers, LLC	50-99
Moslow Wood Products	50-99

Powhatan Principal Taxpayers

Company	2014-2015 Assessed Value	% of Total County Assessed Value
Carnes, W.S. et al	\$ 10,446,800	0.31%
South Creek Properties	6,960,600	0.21%
Powhatan Shoppes as South Creek	6,625,600	0.20%
Milhaus Corporation	6,070,000	0.18%
Anderson, Tamara & Delores Ranson	6,030,300	0.18%
Central Virginia Bank	5,759,900	0.17%
American Timberlands	5,594,700	0.17%
Reeds Landing Corp.	5,393,900	0.16%
Prosinc, LLC	5,362,200	0.16%
Sanders, Donald & Teresa	5,330,900	0.16%
Total	\$ 63,574,900	1.90%

Sources:

Virginia Employment Commission.
Powhatan County Commissioner of Revenue Department.

Per Capita Personal Income Trends

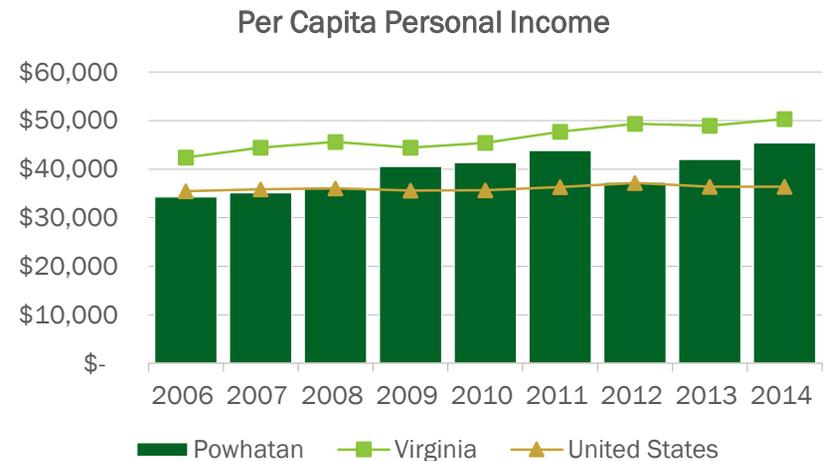


- The County's Per Capita Personal Income has been greater historically than the Nation as a whole.
- Per Capita income has been growing faster than the State and National Averages.

Per Capita Personal Income

FY	Powhatan	Virginia	United States
2006	\$ 34,262	\$ 42,386	\$ 35,461
2007	35,153	44,422	35,870
2008	36,067	45,618	36,082
2009	40,592	44,458	35,620
2010	41,361	45,412	35,684
2011	43,860	47,689	36,299
2012	37,320	49,320	37,164
2013	42,016	48,956	36,374
2014	45,446	50,345	36,374
10-Year CAGR	3.59%	2.17%	0.32%

Per Capita Personal Income



Note:
Data is unavailable for FY 2015.

Sources:
Powhatan County, 2015 Financial Statements
Federal Reserve of Economic Data

Median Household Income Trends



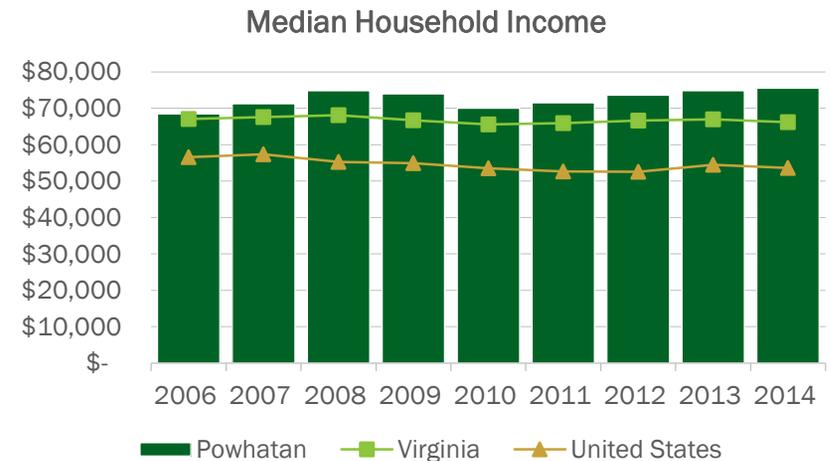
- The County's Median Household Income has been greater historically than both the Commonwealth and the Nation.
- The County's Median Household Income has grown 10% during the last decade while State and National income remained stagnant or declined.

Median Household Income

FY	Powhatan	Virginia	United States
2006	\$ 68,493	\$ 67,070	\$ 56,598
2007	71,263	67,552	57,357
2008	74,825	68,158	55,313
2009	73,940	66,758	54,925
2010	70,025	65,550	53,507
2011	71,507	65,914	52,690
2012	73,639	66,644	52,605
2013	74,820	66,986	54,462
2014	75,539	66,155	53,657

Note:
Data is unavailable for FY 2015.

Median Household Income



Sources:
Powhatan County, 2015 Financial Statements
Federal Reserve of Economic Data

Assessed Value Trends

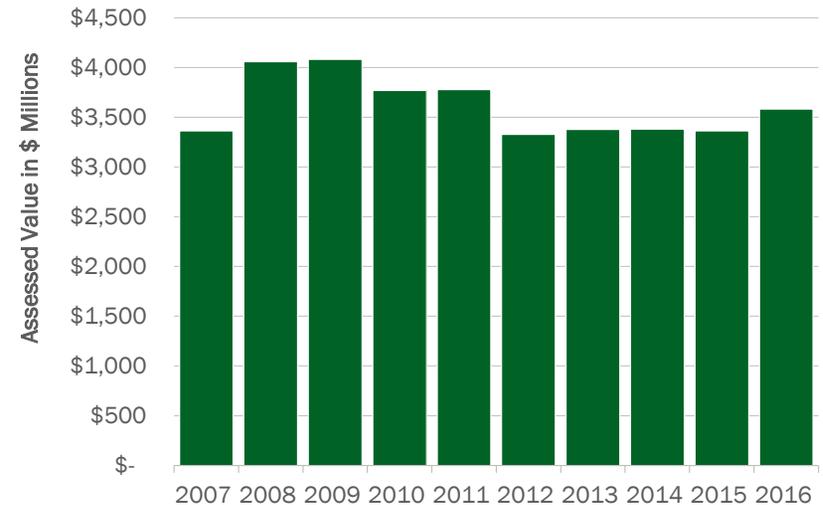


- Total Assessed Value grew roughly 6.5% as a result of the most recent reassessment.
- Assessed Value Per Capita remains high.

Total Assessed Value, Powhatan County

FY	Assessed Value	Value Per Capita
2007	\$ 3,362,265,960	\$ 122,291
2008	4,056,324,522	146,575
2009	4,081,736,390	145,964
2010	3,768,415,241	134,366
2011	3,778,661,974	134,005
2012	3,327,692,284	118,381
2013	3,375,688,832	118,887
2014	3,380,122,313	118,805
2015	3,360,968,874	119,838
2016	3,582,280,805	127,729
10-Year CAGR	0.71%	0.48%

Total Assessed Value, Powhatan County



Source
Powhatan County, 2015 Financial Statements
Commissioner of Revenue.

Real Estate Tax Rate



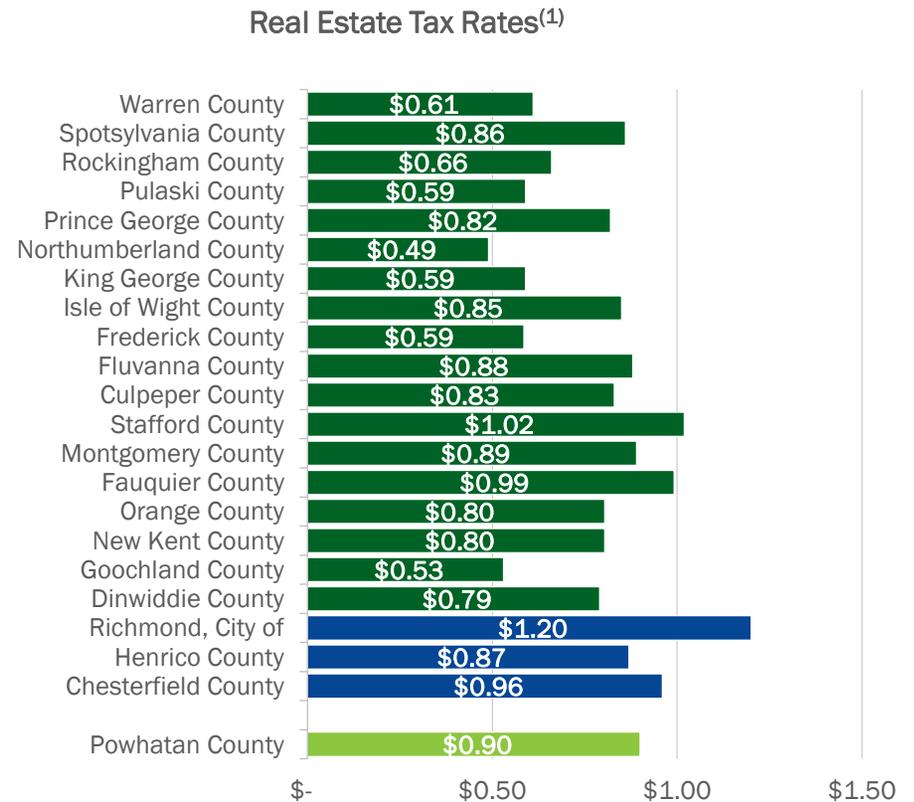
Real Estate Tax Rate, Powhatan County

- The County’s Real Estate Tax Rate is in line with peer localities.
- By maintaining the 90¢ tax rate for FY 2017, the County will receive the equivalent of 5¢ of additional Real Estate tax revenue vs. the equalized rate.

FY	Real Estate Tax Rate
2006	\$ 0.74
2007	0.74
2008	0.71
2009	0.71
2010	0.77
2011	0.77
2012	0.90
2013	0.90
2014	0.90
2015	0.90

Sources:
 Powhatan County, 2015 Financial Statements
 Commissioner of Revenue.
 Virginia Department of Taxation.

Real Estate Tax Rate, Powhatan County



Note (1): Real Estate Tax Rates for each County/City other than Powhatan shown as of FY 2014. Powhatan County tax rate shown as of FY 2015.



4. Financial Management

Statement of Revenues, Expenditures, and Changes in Fund Balance | General and Debt Service Funds



Overview

- The County has 4 consecutive years of General Fund surpluses net of transfers to the capital fund.
- From 2011 to 2015 revenues grew 11.5% in total while expenditures grew only 2.9%.

	2011	2012	2013	2014	2015
Revenues					
General Property Taxes	\$ 32,420,262	\$ 34,583,227	\$ 33,503,021	\$ 34,940,715	\$ 35,326,867
Other Local Taxes	3,529,326	4,200,076	4,960,172	4,250,661	4,702,903
Permits, Privilege Fees and Regulatory Licenses	315,954	364,683	421,250	544,125	566,281
Fines and Forfeitures	152,525	162,505	137,224	111,173	102,410
Revenue from use of Money and Property	239,130	235,876	237,682	282,532	237,348
Charges for Services	176,837	203,745	177,159	183,370	177,845
Miscellaneous	451,658	165,318	162,577	218,465	197,971
Intergovernmental					
Commonwealth	6,293,362	6,139,727	6,300,692	7,381,148	7,418,380
Federal	837,065	755,814	647,487	729,546	836,815
Total Revenues	\$ 44,416,119	\$ 46,810,971	\$ 46,547,264	\$ 48,641,735	\$ 49,566,820
Expenditures					
Current:					
General Government Administration	\$ 2,557,186	\$ 3,027,100	\$ 2,833,088	\$ 2,706,558	\$ 2,648,831
Judicial Administration	829,951	840,115	848,203	842,973	882,636
Public Safety	6,596,628	6,641,059	6,313,554	6,353,339	6,395,362
Public Works	1,591,299	1,552,826	1,606,243	1,646,877	1,813,569
Health and Welfare	3,762,329	3,482,258	3,771,576	4,064,527	4,284,293
Education	19,778,712	19,097,840	19,990,590	20,708,851	20,362,700
Parks, Recreation, and Cultural	774,360	765,652	666,808	621,516	445,498
Community Development	1,221,498	1,044,959	549,156	748,864	828,903
Capital Outlay	-	-	36,000	20,357	10,078
Bond Issuance Cost	-	63,011	-	-	547,516
Debt Service (P,I, and bond issuance cost)	6,710,386	6,871,520	6,920,131	6,886,649	6,934,372
Total expenditures	\$ 43,822,349	\$ 43,386,340	\$ 43,535,349	\$ 44,600,511	\$ 45,153,758
Excess (deficiency) of revenues over expenditures	\$ 593,770	\$ 3,424,631	\$ 3,011,915	\$ 4,041,224	\$ 4,413,062
Other financing sources (uses)					
Transfers in (out)					
Transfer In	\$ 650,453	\$ 643,516	\$ 79,546	\$ -	\$ 1,301,750
Transfer to Water and Sewer Fund	(2,057,847)	(2,091,529)	(2,357,229)	(2,341,678)	(2,871,782)
Transfer to Capital Projects Fund	-	-	(1,467,305)	(162,020)	(2,224,344)
Transfer to Other Governmental Funds	-	-	-	(145,563)	(378,222)
Bond Issuance Proceeds (costs)	-	369,490	-	-	-
Proceeds from Capital Lease	-	-	36,000	-	47,942
Deferred Amounts on Refunding	-	1,687,601	-	-	-
Payment to Refunding Escrow Agent	-	(4,905,315)	-	-	(25,586,845)
<u>Issuance of Refunding Bonds</u>	<u>-</u>	<u>2,920,000</u>	<u>-</u>	<u>-</u>	<u>26,162,052</u>
Total other financing sources (uses)	\$ (1,407,394)	\$ (1,376,237)	\$ (3,708,988)	\$ (2,649,261)	\$ (3,549,449)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (813,624)	\$ 2,048,394	\$ (697,073)	\$ 1,391,963	\$ 863,613
Adjustments to Prior Year Fund Balance					
Beginning Available Fund Balance	\$ 11,952,034	\$ 11,138,410	\$ 13,186,804	\$ 12,489,731	\$ 13,881,694
Ending Available Fund Balance	\$ 11,138,410	\$ 13,186,804	\$ 12,489,731	\$ 13,881,694	\$ 14,745,307

Notes:

-Does not include Capital Fund.

Source

Powhatan County, Financial Statements

Unassigned/Undesignated Fund Balance – Governmental Funds



Overview

- The County’s Unassigned Fund Balance was equal to approximately 15% of General Fund Revenues in FY 2015.
- The County’s policy states that “Undesignated (Unassigned) General Fund Balance will be maintained at 15% of general fund, social services fund, CSA fund, school operating and school cafeteria fund operating revenues.”
- Fund Balance in excess of the 15% policy has been transferred to the Capital Fund.

	2011	2012	2013	2014	2015
Fund Balance					
Nonspendable for:					
Prepays	\$ -	\$ -	\$ 34,892	\$ 4,048	\$ 3,048
Total Nonspendable	\$ -	\$ -	\$ 34,892	\$ 4,048	\$ 3,048
Restricted for:					
Family Services	\$ 372	\$ -	\$ -	\$ -	\$ -
Total Restricted	\$ 372	\$ -	\$ -	\$ -	\$ -
Assigned for:					
Capital maintenance reserve	\$ -	\$ -	\$ -	\$ -	\$ 3,072,363
Capital Maintenance reserve - Schools	-	-	-	-	282,862
PCAA	-	-	-	-	203,457
FY16 Carryforwards	-	-	-	-	139,967
Total Assigned	\$ -	\$ -	\$ -	\$ -	\$ 3,698,649
Unassigned	\$ 10,759,275	\$ 13,177,977	\$ 12,445,947	\$ 13,877,646	\$ 11,043,610
Unassigned FB as % of Revenues	15.9%	18.9%	18.1%	19.6%	15.1%
Available Fund Balance	\$ 10,759,275	\$ 13,177,977	\$ 12,445,947	\$ 13,877,646	\$ 14,742,259
Total Fund Balance	\$ 10,759,647	\$ 13,177,977	\$ 12,480,839	\$ 13,881,694	\$ 14,745,307

Source
Powhatan County, Financial Statements

Note
Available Fund Balance consists of both Assigned and Unassigned Fund Balances.

FY2016 Budgeted Statement of Revenues, Expenditures, and Changes in Fund Balance | Governmental Funds



Overview

- The FY 2016 and FY 2017 Budgets are structurally balanced and do not require any tax rate increases.
- FY 2016 is trending better than the budget. A \$2.9 million transfer to the capital fund will occur during FY 2016.

	2016 (Budget)	2017 (Budget)
Revenues		
Real Estate Property Taxes	\$ 27,958,000	\$ 30,085,000
Personal Property Taxes	6,773,940	7,275,060
Penalties & Interest	480,000	540,000
Other Local Taxes	4,872,650	5,639,970
Permits, Privilege Fees and Regulatory Licenses	539,870	532,670
Fines and Forfeitures	111,500	110,700
Revenue from use of Money and Property	247,800	163,800
Charges for Services	178,300	177,300
Miscellaneous	85,000	84,000
Intergovernmental		
Commonwealth	6,199,080	6,255,562
Federal	53,300	51,242
Total Revenues	\$ 47,499,440	\$ 50,915,304
Expenditures		
Current:		
General Government Administration	\$ 3,368,139	\$ 3,342,161
Judicial Administration	788,124	816,754
Public Safety	6,200,011	6,540,794
Public Works	2,018,521	2,097,591
Health and Welfare	1,863,390	1,953,748
Education	21,749,902	22,006,130
Parks, Recreation, and Cultural	668,170	739,131
Community Development	1,238,435	1,351,908
Existing Debt Service	6,904,500	6,966,750
Proposed Debt Service		2,480,829
Contingency	193,464	99,414
Total expenditures	\$ 44,992,656	\$ 48,395,210
Excess (deficiency) of revenues over expenditures	\$ 2,506,784	\$ 2,520,094
Other financing sources (uses)		
Transfers in (out)		
Transfer to Utilities Fund	\$ (2,199,534)	\$ (2,240,094)
Transfer to Capital Projects Fund	(307,250)	(280,000)
Total other financing sources (uses)	\$ (2,506,784)	\$ (2,520,094)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -
Adjustments to Prior Year Fund Balance		
Beginning Available Fund Balance	\$ 14,373,610	\$ 14,373,610
Ending Available Fund Balance	\$ 14,373,610	\$ 14,373,610

Source
Powhatan County, Finance Department

General Fund Financial Projection



Overview

- A 5 year projection for the General Fund and Debt Service Fund shows solid fund balance into the future.
- Capital planning is underway and will be done in accordance with fund balance policies and debt policies.

Notes:

- Real Estate Property Taxes grow 2% bi-annually starting in FY 2018.
- Real Estate New Construction Taxes, Additional Personal Property Tax from Tax Base Growth, and Incremental New Sales Tax are estimates from the County.
- Commonwealth and Federal do not grow.
- Each Revenue, other than the 6 line items listed above, grow at 2% annually beginning in FY 2018.
- Proposed Debt Service based on Plan of Finance (see pg. 46).
- PCPS Savings are County estimates.
- Each Expenditure, other than the 2 line items listed above, grows at a rate of 3%.
- These results are preliminary and subject to change.

	2017 (Budget)	2018	2019	2020	2021
Revenues					
Real Estate Property Taxes	\$ 30,085,000	\$ 30,085,000	\$ 30,686,700	\$ 30,686,700	\$ 31,300,434
Real Estate New Construction Taxes	-	400,000	600,000	800,000	1,000,000
Personal Property Taxes	7,275,060	7,493,312	7,718,111	7,949,654	8,188,144
Additional Personal Property Tax from Tax Base Growth	-	412,090	627,453	849,276	1,077,755
Penalties & Interest	540,000	550,800	561,816	573,052	584,513
Other Local Taxes	5,639,970	5,752,769	5,867,825	5,985,181	6,104,885
Incremental New Sales Tax	-	424,270	645,998	874,378	1,109,609
Permits, Privilege Fees and Regulatory Licenses	532,670	543,323	554,190	565,274	576,579
Fines and Forfeitures	110,700	112,914	115,172	117,476	119,825
Revenue from use of Money and Property	163,800	167,076	170,418	173,826	177,302
Charges for Services	177,300	180,846	184,463	188,152	191,915
Miscellaneous	84,000	85,680	87,394	89,141	90,924
Intergovernmental					
Commonwealth	6,255,562	6,255,562	6,255,562	6,255,562	6,255,562
Federal	51,242	51,242	51,242	51,242	51,242
Total Revenues	\$ 50,915,304	\$ 52,514,885	\$ 54,126,343	\$ 55,158,915	\$ 56,828,691
Expenditures					
Current:					
General Government Administration	\$ 3,342,161	\$ 3,442,426	\$ 3,545,699	\$ 3,652,070	\$ 3,761,632
Judicial Administration	816,754	841,257	866,494	892,489	919,264
Public Safety	6,540,794	6,737,018	6,939,128	7,147,302	7,361,721
Public Works	2,097,591	2,160,519	2,225,334	2,292,094	2,360,857
Health and Welfare	1,953,748	2,012,360	2,072,731	2,134,913	2,198,961
Education	22,006,130	22,666,314	23,346,303	24,046,692	24,768,093
PCPS Savings		(650,000)	(650,000)	(650,000)	(650,000)
Parks, Recreation, and Cultural	739,131	761,305	784,144	807,668	831,898
Community Development	1,351,908	1,392,465	1,434,239	1,477,266	1,521,584
Proposed Debt Service	9,447,579	10,870,022	11,085,738	11,281,513	10,927,087
Contingency	99,414	102,396	105,468	108,632	111,891
Davenport DS from Capital Planning					
Total expenditures	\$ 48,395,210	\$ 50,336,082	\$ 51,755,280	\$ 53,190,641	\$ 54,112,989
Excess (deficit) of revenues over expenditures	\$ 2,520,094	\$ 2,178,803	\$ 2,371,063	\$ 1,968,274	\$ 2,715,702
Other financing sources (uses)					
Transfers in (out)					
Transfer to Utilities Fund	\$ (2,240,094)	\$ (2,307,297)	\$ (2,376,516)	\$ (2,447,811)	\$ (2,521,246)
Transfer to Capital Projects Fund	(280,000)				
Total other financing sources (uses)	\$ (2,520,094)	\$ (2,307,297)	\$ (2,376,516)	\$ (2,447,811)	\$ (2,521,246)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ (128,494)	\$ (5,452)	\$ (479,538)	\$ 194,457
Beginning Available Fund Balance	\$ 14,373,610	\$ 14,373,610	\$ 14,245,116	\$ 14,239,664	\$ 13,760,126
Ending Available Fund Balance	\$ 14,373,610	\$ 14,245,116	\$ 14,239,664	\$ 13,760,126	\$ 13,954,583



5. Debt Management

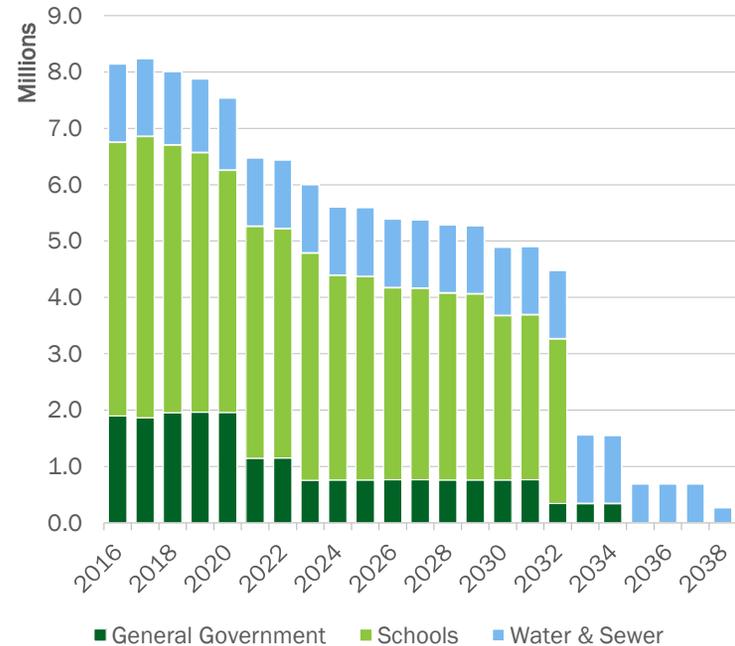


Tax Supported Debt Service

- The County has approximately \$79.2 million of outstanding debt.
- Water and Sewer debt has historically been viewed alongside Tax Supported debt as the Water and Sewer fund is not yet self supporting.
- All the County's debt is fixed rate. The County is not party to any derivatives.

Total Debt Service

FY	Principal	Interest	Total	Payout Ratio
Total	\$79,193,922	\$31,802,489	\$110,996,411	
2016	4,891,533	3,250,820	8,142,353	6.2%
2017	5,035,721	3,200,379	8,236,100	12.5%
2018	5,018,920	2,988,981	8,007,902	18.9%
2019	5,110,665	2,766,358	7,877,022	25.3%
2020	4,989,120	2,548,716	7,537,836	31.6%
2021	4,109,676	2,367,947	6,477,623	36.8%
2022	4,237,973	2,200,887	6,438,860	42.2%
2023	3,972,184	2,030,734	6,002,918	47.2%
2024	3,750,252	1,854,454	5,604,706	51.9%
2025	3,917,121	1,678,826	5,595,947	56.9%
2026	3,894,369	1,500,189	5,394,558	61.8%
2027	4,076,556	1,301,281	5,377,837	66.9%
2028	4,193,672	1,095,505	5,289,177	72.2%
2029	4,376,160	897,625	5,273,785	77.8%
2030	4,175,000	718,866	4,893,866	83.0%
2031	4,360,000	541,895	4,901,895	88.5%
2032	4,120,000	361,294	4,481,294	93.7%
2033	1,365,000	197,397	1,562,397	95.5%
2034	1,420,000	129,866	1,549,866	97.2%
2035	610,000	81,851	691,851	98.0%
2036	640,000	54,795	694,795	98.8%
2037	665,000	27,233	692,233	99.7%
2038	265,000	6,590	271,590	100.0%



General Government: \$15.1 million
 Schools: 47.5 million
 Water and Sewer: 16.6 million
Total \$79.2 million

Source: Davenport Debt Model and Bond Documents. Includes FY 2016 School Bus Lease.

Financial Policy Guidelines – Debt Ratios



- The County Board of Supervisors formally adopted updated Financial Policy Guidelines in May 2016 in advance of the upcoming 2016 Bond issuance.
- The County's policies regarding Debt Ratios are listed below:

- **Debt vs. Assessed Value**

Net tax supported debt as a percentage of assessed value **shall not exceed 4.0%**.

- **Debt Service vs. Expenditures**

Debt service as a percent of total governmental fund and school fund operating expenditures (net of the transfer from the general fund to the school fund) **shall be maintained with 12% as the optimal level and not to exceed 15%**. The County will exceed 12% only if the Board of Supervisors (BOS) has deemed it necessary and the BOS has a plan in place to bring the level back to 12% or less as quickly as possible.

- **10 Year Payout Ratio**

The ten year tax supported principal payout ratio **shall be at least 50%** by the end of the five year capital planning window.

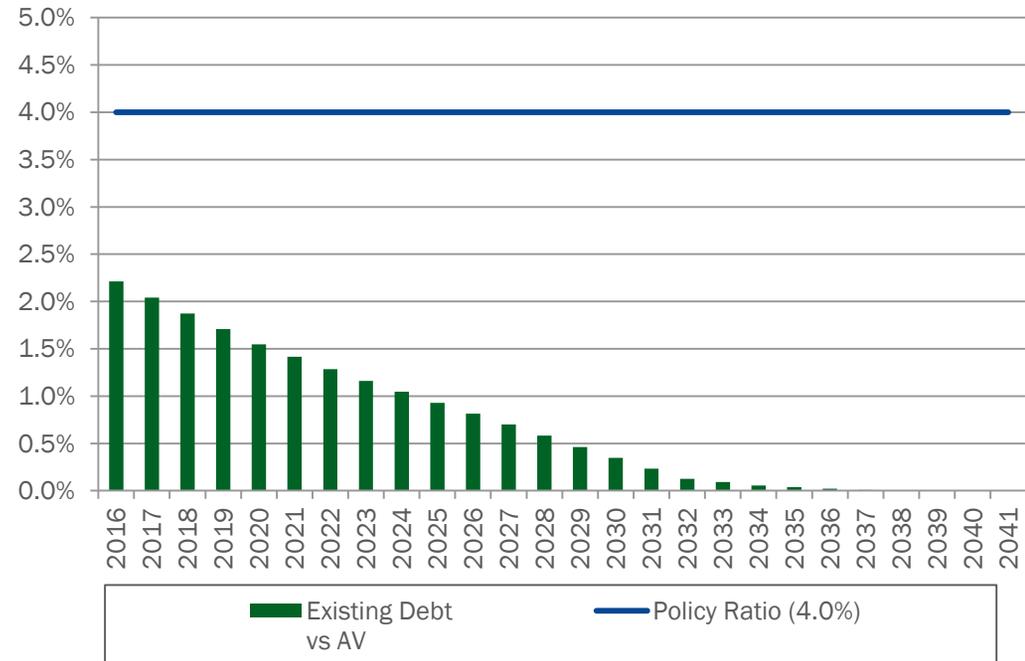


Existing Debt Ratio – Debt vs. Assessed Value

Existing Financial Policy

- Net tax supported debt as a percentage of assessed value shall not exceed 4.0%.

Debt vs. Assessed Value



Existing Ratio (Ending FY 2016)

Outstanding Debt ⁽¹⁾	\$74,302,389
Assessed Value ⁽²⁾	3,360,968,874
Debt vs. Assessed Value	2.21%

Notes:

- Outstanding debt at FY 2016 end.
- Projection assumes Assessed Value growth rate of 1%.

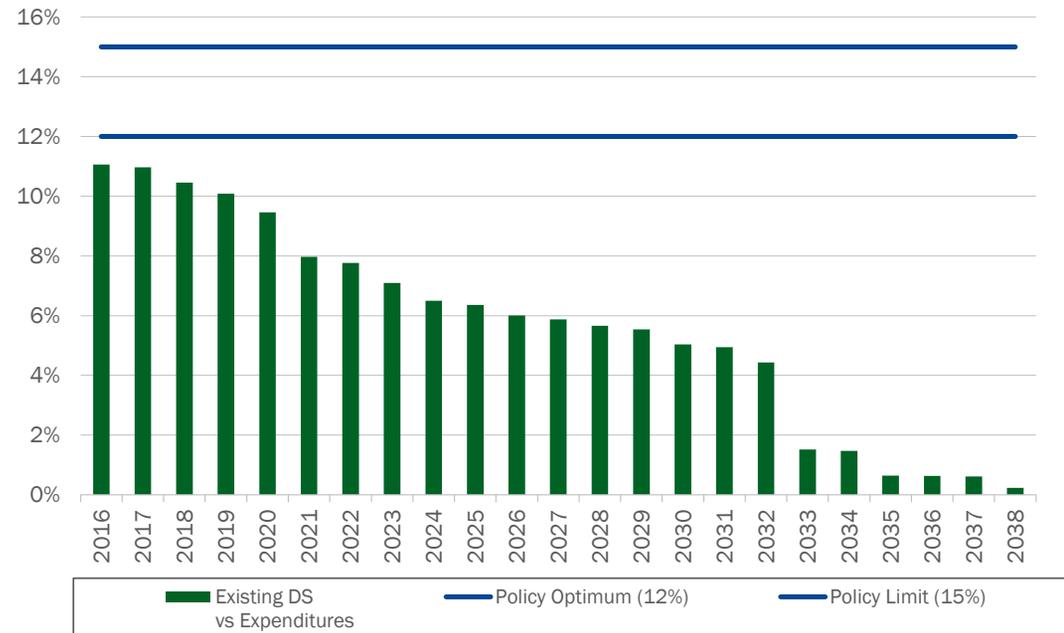
Existing Debt Ratio – Debt Service vs. Expenditures



Updated Financial Policy

- Debt service as a percent of total governmental fund and school fund operating expenditures (net of the transfer from the general fund to the school fund) shall be maintained with 12% as the optimal level and not to exceed 15%.
- The County will exceed 12% only if the Board of Supervisors has deemed it necessary and the BOS has a plan in place to bring the level back to 12% or less as quickly as possible.

Debt Service vs. Expenditures⁽¹⁾



Existing Ratio (FY 2016)

Debt Service ⁽²⁾	\$8,142,353
Total Expenditures ⁽³⁾	73,644,013
Debt Service vs. Expenditures	11.1%

Notes:

1. Projection assumes Expenditures growth rate of 2%.
2. Consists of General Fund, Schools, and Water and Sewer debt service including existing leases.
3. Total Expenditures of \$73,644,013 based on FY 2016 Budgeted Expenditures net of Capital Projects Fund and School SRP Fund.

Existing Debt Ratio – 10 Year Payout Ratio



Updated Financial Policy

- The ten year tax supported principal payout ratio shall be at least 50% by the end of the five year capital planning window.

10 Year Payout Ratio



Existing Ratio (FY 2016)

Principal Paid FY 2016-2025 ⁽¹⁾	\$45,033,165
Total Principal ⁽¹⁾	79,193,922
10 Year Payout Ratio	56.9%

Notes:

1. Includes General Fund, Schools, and Water and Sewer debt. Final maturity



6. Capital Improvement Program

Capital Improvement Program – Uses of Funds



Capital Improvement Program

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	5-Year Total
Uses of Funds (in \$1,000s)						
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	13,539	745	-	-	71	14,355
Public Works	94	497	307	82	129	1,109
Parks and Recreation	825	-	-	-	-	825
Utilities	3,100	960	35	215	2,550	6,860
Schools	37,545	-	258	171	9,793	47,767
CIP - Uses of Funds	\$ 55,103	\$ 2,202	\$ 600	\$ 468	\$ 12,543	\$ 70,916

Longer Term Buildings/Improvements

Other Capital Programs

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	5-Year Total
Uses of Funds (in \$1,000s)						
Fire Rescue Vehicles	\$ 800	\$ 875	\$ 835	\$ 580	\$ 710	\$ 3,800
Sheriff Vehicles	140	140	140	140	210	770
Administrative Vehicles	45	151	95	117	60	468
Facilities and Grounds	180	-	-	-	-	180
Parks and Recreation	8	-	-	-	-	8
IT Infrastructure/Systems	121	352	47	47	47	614
School Buses	850	669	1,116	-	-	2,635
School Support Vehicles	102	112	172	176	172	734
Other Capital Programs - Uses of Funds	\$ 2,246	\$ 2,299	\$ 2,405	\$ 1,060	\$ 1,199	\$ 9,209

Shorter Term Equipment/Rolling Stock

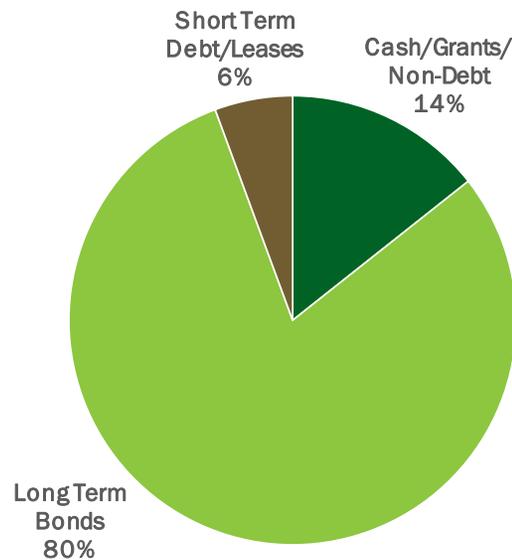
TOTAL - CIP and Other Capital Programs

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	5-Year Total
Uses of Funds (in \$1,000s)	\$ 57,349	\$ 4,501	\$ 3,005	\$ 1,528	\$ 13,742	\$ 80,125

Capital Improvement Program – Sources of Funds



	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	5-Year Total
Sources of Funds (in \$1,000s)						
General Fund	\$ 1,188	\$ 3,069	\$ 853	\$ 615	\$ 846	\$ 6,571
School Operating Fund	130	112	430	347	279	1,298
Debt						
Bonds - General	\$ 16,938	\$ -	\$ -	\$ -	\$ -	\$ 16,938
Bonds - School	37,517	-	-	-	9,686	47,203
Lease/Debt - General	351	426	381	351	351	1,860
Lease/Debt - Schools	850	669	1,116	-	-	2,635
Total Debt Financing	\$ 55,656	\$ 1,095	\$ 1,497	\$ 351	\$ 10,037	\$ 68,636
Grants/Proffers/Other	375	225	225	215	2,580	3,620
Total Sources of Funds (in \$1,000s)	\$ 57,349	\$ 4,501	\$ 3,005	\$ 1,528	\$ 13,742	\$ 80,125





7. Plan of Finance

Projects Funded by the 2016 Bonds



- The County's planned 2016 Bond issuance will provide funding for approximately **\$54.5 million** in projects identified in the County's 5-year Capital Improvement Program.

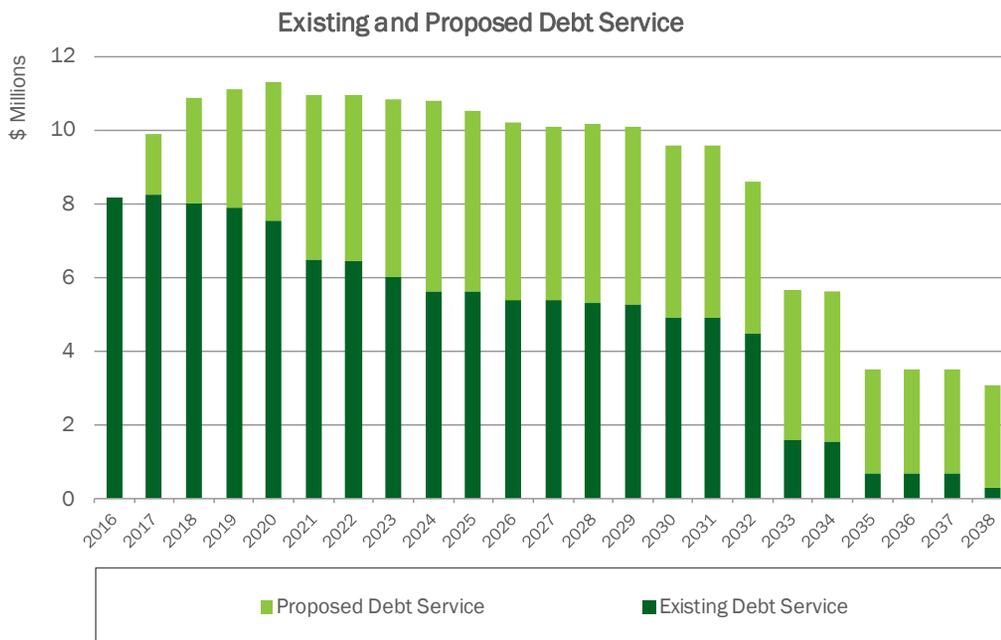
- The borrowing for approximately **\$14 million** in projects is planned to be repaid over a period of 18 years with a final maturity of FY 2034:
 - \$9,235,000 – Public Safety Radio System;
 - \$1,035,000 – Public Safety Radio Towers and Broadband Initiative;
 - \$2,400,000 – Public Safety Courthouse Expansion;
 - \$600,000 – Computer Aided Dispatch; and
 - \$668,000 – Junior High School Field Improvements.

- The borrowing for approximately **\$40.5 million** in projects is planned to be repaid over a period of 22 years with a final maturity of FY 2038, the same final maturity as the County's existing debt portfolio:
 - \$33,861,000 – Powhatan County Junior High School renovations and replacement;
 - \$3,000,000 – Construction of a Water Tower; and
 - \$3,656,000 – Joint County/Schools Vehicle Maintenance Facility.

Existing and Proposed Debt Service



- Proposed Debt Service includes estimated debt service on the 2016 Bonds as well as vehicle leases identified in the CIP to be issued in FY 2016-2022.
 - The \$14 million in County Projects repaid over 18 years are assumed to be amortized at an estimated planning rate of 3.50%.
 - The \$40.5 million in School Projects and a Water Tower repaid over 22 years are assumed to be amortized at estimated planning rate of 3.65%.
 - The leases will fund total purchases of approximately \$5.5 million and will be repaid over 7 years at a planning interest rate of 3.50%.



Fiscal Year	Existing Debt Service	Proposed Debt Service	Total Existing & Proposed Debt Service
	110,996,411	87,432,809	198,429,220
2016	8,142,353	0	8,142,353
2017	8,236,100	1,667,181	9,903,281
2018	8,007,902	2,862,120	10,870,022
2019	7,877,022	3,208,716	11,085,738
2020	7,537,836	3,743,677	11,281,513
2021	6,477,623	4,449,464	10,927,087
2022	6,438,860	4,514,919	10,953,779
2023	6,002,918	4,817,119	10,820,036
2024	5,604,706	5,180,077	10,784,783
2025	5,595,947	4,927,993	10,523,940
2026	5,394,558	4,812,177	10,206,735
2027	5,377,837	4,714,405	10,092,242
2028	5,289,177	4,862,605	10,151,782
2029	5,273,785	4,811,498	10,085,283
2030	4,893,866	4,688,114	9,581,980
2031	4,901,895	4,663,373	9,565,268
2032	4,481,294	4,092,060	8,573,355
2033	1,562,397	4,087,269	5,649,666
2034	1,549,866	4,082,478	5,632,344
2035	691,851	2,811,203	3,503,053
2036	694,795	2,811,662	3,506,457
2037	692,233	2,812,120	3,504,354
2038	271,590	2,812,579	3,084,169

Debt Issuance Assumptions



Fiscal Year of Debt Issuance	Project Amount	Principal Amount ⁽¹⁾	Interest Rate ⁽²⁾	Financing Term			Amortization Structure
				Interest Only	Principal and Interest	Total Term	
<u>2016</u>							
Vehicle Leases	\$707,000	\$707,000	2.50%	-	10 Years	10 Years	Level Debt Service
<u>2017</u>							
School Building and Water Tower Project Bonds	\$40,517,000	\$40,950,000	3.65%	-	22 Years	22 Years	Structured Principal
Public Safety Project Bonds	<u>13,938,000</u>	<u>14,125,000</u>	3.50%	-	18 Years	18 Years	Structured Principal
Total FY 2017	\$54,455,000	\$55,075,000					
Vehicle Leases	\$1,201,000	\$1,250,000	3.50%	2 Years	6 Years	8 Years	Level Debt Service
<u>2018</u>							
Vehicle Leases	\$1,095,000	\$1,200,000	3.50%	1 Year	7 Years	8 Years	Level Debt Service
<u>2019</u>							
Vehicle Leases	\$1,497,000	\$1,550,000	3.50%	1 Year	7 Years	8 Years	Level Debt Service
<u>2020</u>							
Vehicle Leases	\$351,000	\$400,000	3.50%	1 Year	7 Years	8 Years	Level Debt Service
<u>2021</u>							
Vehicle Leases	\$351,000	\$375,000	3.50%	1 Year	7 Years	8 Years	Level Debt Service
<u>2022</u>							
Vehicle Leases	\$351,000	\$375,000	3.50%	1 Year	7 Years	8 Years	Level Debt Service
5-Year CIP Total (Excludes FY 2016 & FY 2022)							
	\$58,950,000	\$59,850,000					
Grand Total (Includes FY 2016 & FY 2022)							
	\$60,008,000	\$60,932,000					

(1) All estimated results are preliminary, subject to change. Based on estimated market interest rates as of March 4, 2016 and estimated payment structures. Actual results may vary from these estimates. Principal amounts shown above incorporate project costs as estimated in the 5-Year CIP, estimated costs of issuance, and contingency.

(2) Based on current market conditions as of March 4, 2016, Davenport has estimated that the County's 22 year School Building Project Bonds would be repaid at an interest rate of 3.65% and the 17 year Public Safety Project Bonds would be repaid at an interest rate of 3.50%.

Proposed Debt Ratio – Debt vs. Assessed Value

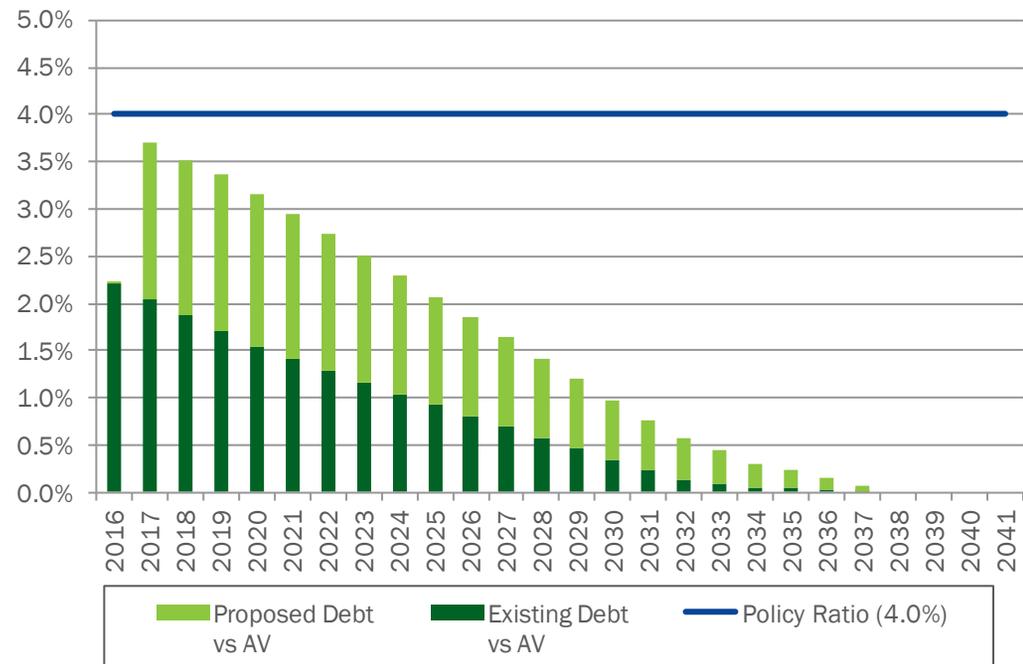


Existing Financial Policy

- Net tax supported debt as a percentage of assessed value shall not exceed 4.0%.
- Proposed Debt based on an estimated par amount of the 2016 Bonds of \$55,075,000.

Note: Analysis includes vehicle leases to be issued in FY 2016-2022 and repaid over 7 years.

Proposed Debt vs. Assessed Value⁽¹⁾



Fiscal Year 2017

Existing Debt vs. Assessed Value ⁽²⁾	2.04%
Proposed Debt vs. Assessed Value ⁽³⁾	1.66%
Debt vs. Assessed Value	3.70%

Notes:

- Projection assumes Assessed Value growth rate of 1%. Includes
- Based on outstanding "Existing" principal of \$69,266,668 at FY 2017 end.
- Based on proposed principal of \$56,398,894 outstanding at FY 2017 end.

Proposed Debt Ratio – Debt Service vs. Expenditures

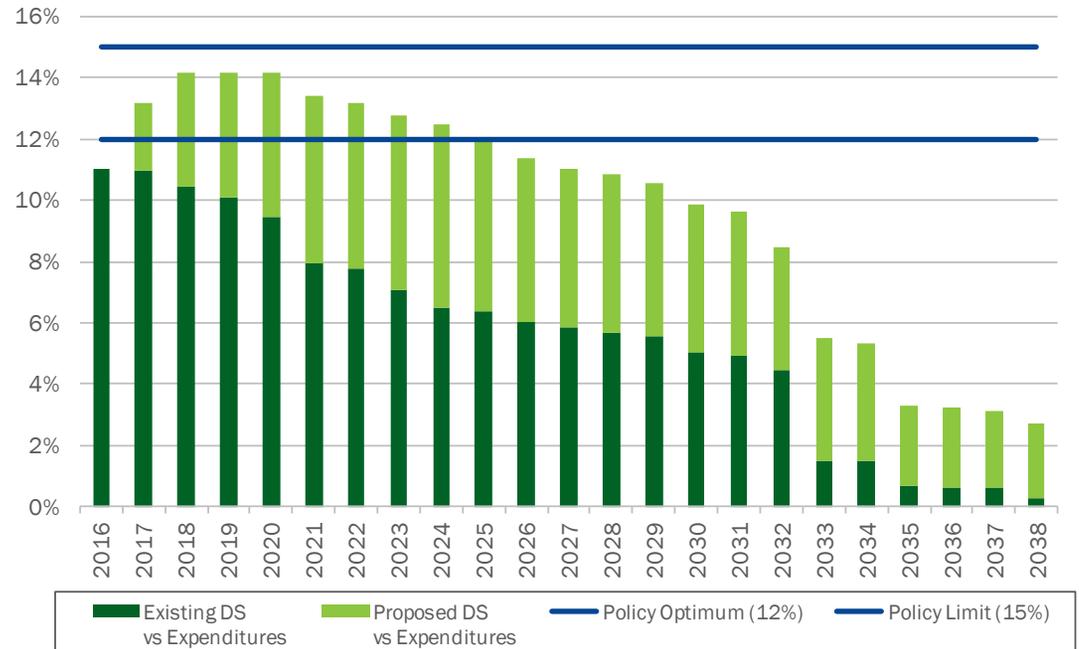


Updated Financial Policy

- Debt service as a percent of total governmental fund and school fund operating expenditures (net of the transfer from the general fund to the school fund) shall be maintained with 12% as the optimal level and not to exceed 15%.
- The County will exceed 12% only if the Board of Supervisors has deemed it necessary and the BOS has a plan in place to bring the level back to 12% or less as quickly as possible.

Note: Analysis includes debt service on vehicle leases to be issued in FY 2016-2022 and repaid over 7 years.

Proposed Debt Service vs. Expenditures



Fiscal Year 2019

Existing Debt Service vs. Expenditures	10.1%
Proposed Debt Service vs. Expenditures	4.1%
Debt Service vs. Expenditures ⁽²⁾	14.2%

Notes:

- Existing FY 2020 debt service consists of General Fund, Schools, and Water and Sewer debt service including existing leases.
- Proposed FY 2020 debt service includes payments on the 2016 Bonds and capital leases to be issued in FY 2016, FY 2018, FY 2019, and FY 2020.
- Total Expenditures based on FY 2016 Budgeted Expenditures net of Capital Projects Fund and School SRP Fund of \$73,644,013. Assumes an annual growth rate of 2%.

Proposed Debt Ratio – 10 Year Payout Ratio

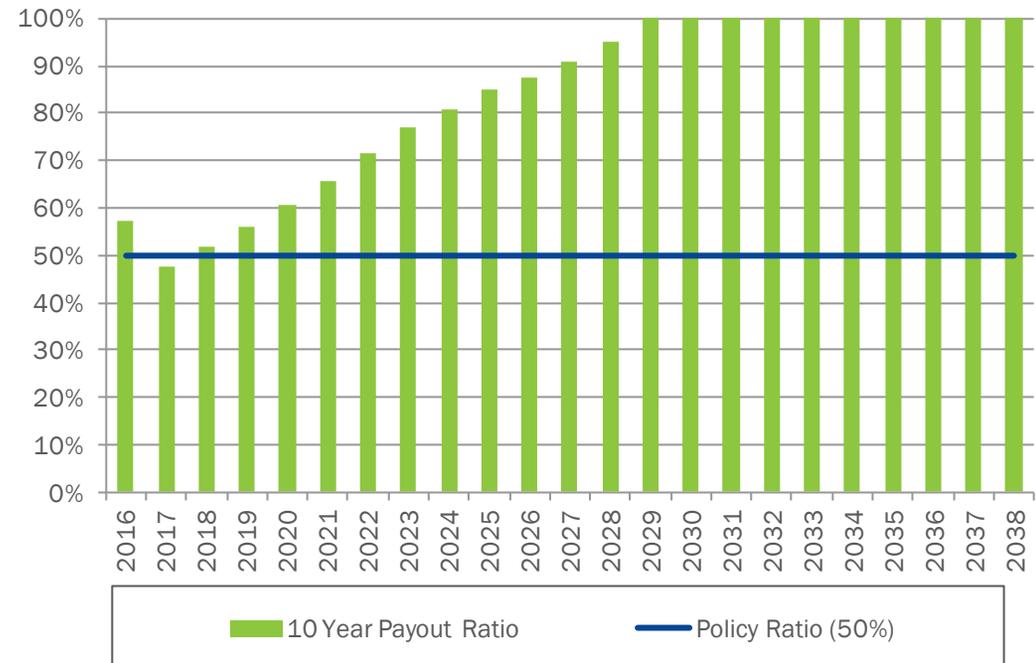


Updated Financial Policy

- The ten year tax supported principal payout ratio shall be at least 50% by the end of the five year capital planning window.
- The County's 10 Year Payout Ratio will exceed 50% by FY 2018.

Note: Analysis includes vehicle leases to be issued in FY 2016-2022 and repaid over 7 years.

10 Year Payout Ratio



10 Year Payout Ratio (FY 2017)⁽¹⁾

Principal Paid FY 2017-2026	\$62,738,001
Principal Paid FY 2017-2038	131,334,389
10 Year Payout Ratio	47.8%

Notes:

1. FY 2017 Ratio calculation incorporates Existing Debt, FY 2016 Vehicle Lease, the 2016 Bonds, and FY 2017 Vehicle Leases.

Debt Affordability – Penny Analysis



- The 2016 Bonds and CIP Vehicle leases will be structured to minimize budgetary impact as measured by the “Real Estate Tax Equivalent Impact.”
- The County has planned to set aside estimated future revenues for the purpose of paying Existing and Proposed Debt Service (see column G).

	A	B	C	D	E = A+B+C+D	F	G	H = F+G	I = H - E	J	K	L	M = L - I	N
Fiscal Year	Total Existing Principal ⁽¹⁾	Total Existing Interest ⁽¹⁾	Total Proposed Principal ⁽²⁾	Total Proposed Interest	Total Resulting Debt Service	Existing (FY16) Debt Service Level	Estimated Additional Revenues for Debt Service ⁽³⁾	Total Revenues Available for Debt Service	Additional Dollars Needed	Real Estate Tax Equivalent Impact ⁽⁴⁾	Additional Tax Revenues Available	Additional Tax Revenues Used for Debt Service	Surplus/ (Deficit) after Use of Tax Revenues	Capital Reserve Fund Balance
2016	\$4,891,533	\$3,250,820	\$0	\$0	\$8,142,353	\$8,142,353	\$0	\$8,142,353	\$0		\$0	\$0	\$0	\$0
2017	5,035,721	3,200,379	633,106	1,034,075	9,903,281	8,142,353	612,000	8,754,353	1,148,928	4.00¢	1,284,720	1,284,720	135,792	135,792
2018	5,018,920	2,988,981	812,727	2,049,392	10,870,022	8,142,353	1,236,360	9,378,713	1,491,309		1,297,567	1,297,567	(193,741)	(57,949)
2019	5,110,665	2,766,358	1,139,786	2,068,930	11,085,738	8,142,353	2,523,451	10,665,804	419,934		1,310,543	477,884	57,949	0
2020	4,989,120	2,548,716	1,680,654	2,063,024	11,281,513	8,142,353	3,173,654	11,316,007	0		1,323,648	0	0	0
2021	4,109,676	2,367,947	2,432,093	2,017,370	10,927,087	8,142,353	3,837,364	11,979,717	0		1,336,885	0	0	0
2022	4,237,973	2,200,887	2,577,230	1,937,688	10,953,779	8,142,353	4,514,985	12,657,338	0		1,350,254	0	0	0
2023	3,972,184	2,030,734	2,957,686	1,859,432	10,820,036	8,142,353	5,206,934	13,349,287	0		1,363,756	0	0	0
2024	3,750,252	1,854,454	3,425,445	1,754,632	10,784,783	8,142,353	5,206,934	13,349,287	0		1,377,394	0	0	0
2025	3,917,121	1,678,826	3,295,134	1,632,858	10,523,940	8,142,353	5,206,934	13,349,287	0		1,391,168	0	0	0
2026	3,894,369	1,500,189	3,296,603	1,515,574	10,206,735	8,142,353	5,206,934	13,349,287	0		1,405,079	0	0	0
2027	4,076,556	1,301,281	3,316,368	1,398,037	10,092,242	8,142,353	5,206,934	13,349,287	0		1,419,130	0	0	0
2028	4,193,672	1,095,505	3,583,855	1,278,750	10,151,782	8,142,353	5,206,934	13,349,287	0		1,433,321	0	0	0
2029	4,376,160	897,625	3,661,843	1,149,655	10,085,283	8,142,353	5,206,934	13,349,287	0		1,447,655	0	0	0
2030	4,175,000	718,866	3,670,440	1,017,674	9,581,980	8,142,353	5,206,934	13,349,287	0		1,462,131	0	0	0
2031	4,360,000	541,895	3,778,035	885,338	9,565,268	8,142,353	5,206,934	13,349,287	0		1,476,753	0	0	0
2032	4,120,000	361,294	3,342,936	749,124	8,573,355	8,142,353	5,206,934	13,349,287	0		1,491,520	0	0	0
2033	1,365,000	197,397	3,458,427	628,843	5,649,666	8,142,353	5,206,934	13,349,287	0		1,506,435	0	0	0
2034	1,420,000	129,866	3,578,080	504,398	5,632,344	8,142,353	5,206,934	13,349,287	0		1,521,500	0	0	0
2035	610,000	81,851	2,435,561	375,642	3,503,053	8,142,353	5,206,934	13,349,287	0		1,536,715	0	0	0
2036	640,000	54,795	2,524,918	286,744	3,506,457	8,142,353	5,206,934	13,349,287	0		1,552,082	0	0	0
2037	665,000	27,233	2,617,536	194,584	3,504,354	8,142,353	5,206,934	13,349,287	0		1,567,603	0	0	0
2038	265,000	6,590	2,713,535	99,044	3,084,169	8,142,353	5,206,934	13,349,287	0		1,583,279	0	0	0
Total	\$79,193,922	\$31,802,489	\$60,932,000	\$26,500,809	\$198,429,220					4.00¢				

(1) Includes General Government, Schools, and Water & Sewer debt service.

(2) Proposed Principal includes the 2016 Bonds and Vehicle Leases issued in FY 2016-2022 plus associated costs of issuance and contingency.

(3) The County has designated future revenues from new real estate construction, personal property tax, sales tax, and Schools savings.

(4) Assumes 1 additional penny on the real estate tax rate is equivalent to additional revenues of \$318,000. Assumes penny value growth rate of 1%.

Plan of Finance



- The 2016 Bonds will be sold on/about June 30, 2016 through a Competitive Public Sale.
- The County's Economic Development Authority ("EDA") will issue the 2016 Bonds on the County's behalf under a "lease revenue" structure in which the collateral for the financing (described below) is leased by the County and School Board to the EDA.
- The 2016 Bonds will be collateralized by the County's Existing Junior High School until the New Middle School, to be funded by the bonds, is completed. Upon completion, the New Middle School will serve as collateral for the 2016 Bonds.
- Principal on the 2016 Bonds will mature annually on February 1 beginning on February 1, 2017.
- Interest on the 2016 Bonds will be paid semi-annually on February 1 and August 1 beginning on February 1, 2017.
- Principal will be structured to maintain compliance with the County's Financial Policy Guidelines.
- The 2016 Bonds will have a Final Maturity of February 1, 2038. Estimated amortization schedules for the 2016 Bonds and vehicle leases identified in the 5 year CIP are shown on the following page.

Existing and Proposed Debt Amortization



Fiscal Year												Total Existing and Projected Long-Term Debt
	Projected 10 Year Payout		1	2	3	4	5	6	7	8	9	
	Existing Principal	Ratio	FY 2016 - Vehicle Leases	2016 Bonds - School Building Projects	2016 Bonds - Public Safety Projects	FY 2017 - Vehicle Leases	FY 2018 - Vehicle Leases	FY 2019 - Vehicle Leases	FY 2020 - Vehicle Leases	FY 2021 - Vehicle Leases	FY 2022 - Vehicle Leases	
	79,193,922		707,000	40,950,000	14,125,000	1,250,000	1,200,000	1,550,000	400,000	375,000	375,000	140,125,922
2016	4,891,533	57.1%	0	0	0	0	0	0	0	0	0	4,891,533
2017	5,035,721	47.8%	63,106	370,000	200,000	0	0	0	0	0	0	5,668,827
2018	5,018,920	51.6%	64,684	525,935	222,109	0	0	0	0	0	0	5,831,648
2019	5,110,665	56.2%	66,301	534,514	243,883	140,835	154,253	0	0	0	0	6,250,451
2020	4,989,120	60.8%	67,958	714,866	466,419	197,514	159,652	74,244	0	0	0	6,669,774
2021	4,109,676	65.7%	69,657	1,212,056	489,744	216,928	165,240	227,051	51,418	0	0	6,541,769
2022	4,237,973	71.5%	71,399	1,261,151	513,885	224,082	171,023	234,268	53,217	48,204	0	6,815,203
2023	3,972,184	77.1%	73,184	1,342,221	738,871	231,488	177,009	241,739	55,080	49,891	48,204	6,929,870
2024	3,750,252	80.7%	75,013	1,755,337	764,731	239,152	183,205	249,470	57,008	51,638	49,891	7,175,697
2025	3,917,121	85.0%	76,888	1,815,574	791,497	0	189,617	257,473	59,003	53,445	51,638	7,212,255
2026	3,894,369	87.6%	78,811	1,963,010	819,199	0	0	265,755	61,068	55,315	53,445	7,190,972
2027	4,076,556	90.9%	0	2,142,725	997,871	0	0	0	63,206	57,251	55,315	7,392,924
2028	4,193,672	95.2%	0	2,439,802	1,027,547	0	0	0	0	59,255	57,251	7,777,527
2029	4,376,160	100.0%	0	2,544,327	1,058,261	0	0	0	0	0	59,255	8,038,003
2030	4,175,000	100.0%	0	2,580,390	1,090,050	0	0	0	0	0	0	7,845,440
2031	4,360,000	100.0%	0	2,655,083	1,122,952	0	0	0	0	0	0	8,138,035
2032	4,120,000	100.0%	0	2,185,931	1,157,005	0	0	0	0	0	0	7,462,936
2033	1,365,000	100.0%	0	2,266,177	1,192,250	0	0	0	0	0	0	4,823,427
2034	1,420,000	100.0%	0	2,349,351	1,228,729	0	0	0	0	0	0	4,998,080
2035	610,000	100.0%	0	2,435,561	0	0	0	0	0	0	0	3,045,561
2036	640,000	100.0%	0	2,524,918	0	0	0	0	0	0	0	3,164,918
2037	665,000	100.0%	0	2,617,536	0	0	0	0	0	0	0	3,282,536
2038	265,000	100.0%	0	2,713,535	0	0	0	0	0	0	0	2,978,535

- (1) All estimated results are preliminary, subject to change. Based on estimated market interest rates as of March 4, 2016 and estimated payment structures. Actual results may vary from these estimates. Principal amounts shown above incorporate project costs as estimated in the 5-Year CIP, estimated costs of issuance, and contingency.
- (2) Based on current market conditions as of March 4, 2016, Davenport has estimated that the County's 22 year School Building Project Bonds would be repaid at an interest rate of 3.65% and the 17 year Public Safety Project Bonds would be repaid at an interest rate of 3.50%.



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