

# Courthouse Affordability | Scenario 2 Sensitivity Analysis

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Cumberland County, Virginia



December 30, 2024

# Projected Debt Service



Scenario 2 A&B | "Structured" with Capitalized Interest at 5.00%

FY	Existing Debt Service	FY'27 Issuance	Projected Total
2025	2,932,552	-	2,932,552
2026	2,933,733	-	2,933,733
2027	2,932,329	-	2,932,329
2028	3,034,291	-	3,034,291
2029	3,033,776	-	3,033,776
2030	3,037,878	-	3,037,878
2031	2,379,668	1,178,875	3,558,543
2032	-	3,240,125	3,240,125
2033	-	3,238,750	3,238,750
2034	-	3,240,000	3,240,000
2035	-	3,238,750	3,238,750
2036	-	3,239,875	3,239,875
2037	-	3,243,125	3,243,125
2038	-	3,243,375	3,243,375
2039	-	3,240,625	3,240,625
2040	-	3,239,750	3,239,750
2041	-	3,240,500	3,240,500
2042	-	3,242,625	3,242,625
2043	-	3,241,000	3,241,000
2044	-	3,240,500	3,240,500
2045	-	3,240,875	3,240,875
2046	-	3,241,875	3,241,875
2047	-	3,243,250	3,243,250
2048	-	3,239,875	3,239,875
2049	-	3,241,500	3,241,500
2050	-	3,242,750	3,242,750
2051	-	3,238,500	3,238,500
2052	-	3,238,500	3,238,500
2053	-	3,242,250	3,242,250
2054	-	3,239,500	3,239,500
2055	-	3,240,000	3,240,000
2056	-	3,243,250	3,243,250
2057	-	3,239,000	3,239,000
<b>Total</b>	<b>\$ 20,284,228</b>	<b>\$ 85,439,000</b>	<b>\$ 105,723,228</b>

Scenario 2 A&B | "Structured" with Capitalized Interest at 4.25%

FY	Existing Debt Service	FY'27 Issuance	Projected Total
2025	2,932,552	-	2,932,552
2026	2,933,733	-	2,933,733
2027	2,932,329	-	2,932,329
2028	3,034,291	-	3,034,291
2029	3,033,776	-	3,033,776
2030	3,037,878	-	3,037,878
2031	2,379,668	965,388	3,345,055
2032	-	2,885,056	2,885,056
2033	-	2,887,663	2,887,663
2034	-	2,888,356	2,888,356
2035	-	2,887,138	2,887,138
2036	-	2,888,900	2,888,900
2037	-	2,888,538	2,888,538
2038	-	2,886,050	2,886,050
2039	-	2,886,331	2,886,331
2040	-	2,884,275	2,884,275
2041	-	2,884,775	2,884,775
2042	-	2,887,619	2,887,619
2043	-	2,887,700	2,887,700
2044	-	2,885,019	2,885,019
2045	-	2,884,469	2,884,469
2046	-	2,885,838	2,885,838
2047	-	2,888,913	2,888,913
2048	-	2,888,588	2,888,588
2049	-	2,884,863	2,884,863
2050	-	2,887,525	2,887,525
2051	-	2,886,363	2,886,363
2052	-	2,886,269	2,886,269
2053	-	2,887,031	2,887,031
2054	-	2,888,438	2,888,438
2055	-	2,885,381	2,885,381
2056	-	2,887,650	2,887,650
2057	-	2,885,031	2,885,031
<b>Total</b>	<b>\$ 20,284,228</b>	<b>\$ 76,019,163</b>	<b>\$ 96,303,390</b>
<b>Difference vs. Sc2</b>	<b>\$ -</b>	<b>\$ (9,419,838)</b>	<b>\$ (9,419,838)</b>



# Summary of Preliminary Results

Scenario Comparison	Scenario 2 - 5.00% Interest Structured Debt Service with Capitalized Interest		Scenario 2 - 4.25% Interest Structured Debt Service with Capitalized Interest	
	A   Natural	B   Upfront FY'26	A   Natural	B   Upfront FY'26
Capital Projects Funded	\$37,000,000	\$37,000,000	\$37,000,000	\$37,000,000
Interest Rate for Future Permanent Borrowings / PV Discount Rate	5.00%	5.00%	4.25%	4.25%
FY				
2026	-	1.92¢	-	0.38¢
2027	-	-	-	-
2028	-	-	-	-
2029	-	-	-	-
2030	-	-	-	-
2031	4.23¢	-	2.28¢	-
<b>Total Estimated Impact</b>	<b>4.23¢</b>	<b>1.92¢</b>	<b>2.28¢</b>	<b>0.38¢</b>
Alternative Use of Reserves	\$6,723,227		\$249,614	
Proposed Debt Service	\$85,439,000		\$76,019,163	
PV of Proposed Debt Service	\$39,296,105		\$38,836,771	
Difference in PV vs. 5.00% Interest			-\$459,334	

1¢ is equivalent to \$109,500.



# Appendix | Affordability Analyses



# Affordability Analysis | Natural Impact

## Existing & Proposed Tax-Supported Debt – Scenario 2 “Structured”

■ The County may want to consider a “Structured” approach to financing the Courthouse Project in order to minimize the potential tax rate increase or use of reserves. This may include a combination of Delayed Principal Payments and Capitalized Interest up to 1 Year past Project Construction Completion.

– Additionally, commencing in FY’32, the County would have increased “Affordability” (approximately \$220,000 per year) for future projects as shown in Column “O”.

**Scenario 2 A**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
FY	Requirements					Available Revenues					Cash Flow Surplus (Deficit)					
	Existing Debt	Projected CIP Debt Service	Potential CIP Operating Impact	Projected CIP Pay-Go	Total	Budgeted Debt Service	Additional Revenues	Additional Revenues	Additional Revenues	Total Revenues Available	Surplus/ (Deficit) K - F	Revenue From Prior Tax Impact	Capital Reserve Utilized	Adjusted Surplus/ (Deficit)	Estimated Incremental Tax Equivalent	Capital Reserve Fund Balance
2025	2,932,552	-	-	-	2,932,552	3,000,000	-	-	-	3,000,000	67,448	-	-	67,448	-	67,448
2026	2,933,733	-	-	-	2,933,733	3,000,000	-	-	-	3,000,000	66,267	-	-	66,267	-	133,715
2027	2,932,329	-	-	-	2,932,329	3,000,000	-	-	-	3,000,000	67,671	-	-	67,671	-	201,386
2028	3,034,291	-	-	-	3,034,291	3,000,000	-	-	-	3,000,000	(34,291)	-	(34,291)	-	-	167,095
2029	3,033,776	-	-	-	3,033,776	3,000,000	-	-	-	3,000,000	(33,776)	-	(33,776)	-	-	133,319
2030	3,037,878	-	-	-	3,037,878	3,000,000	-	-	-	3,000,000	(37,878)	-	(37,878)	-	-	95,441
2031	2,379,668	-	1,178,875	-	3,558,543	3,000,000	-	-	-	3,000,000	(558,543)	-	(95,441)	(463,102)	4.23¢	-
2032	-	-	3,240,125	-	3,240,125	3,000,000	-	-	-	3,000,000	(240,125)	463,102	-	222,977	-	222,977
2033	-	-	3,238,750	-	3,238,750	3,000,000	-	-	-	3,000,000	(238,750)	463,102	-	224,352	-	447,329
2034	-	-	3,240,000	-	3,240,000	3,000,000	-	-	-	3,000,000	(240,000)	463,102	-	223,102	-	670,431
2035	-	-	3,238,750	-	3,238,750	3,000,000	-	-	-	3,000,000	(238,750)	463,102	-	224,352	-	894,783
2036	-	-	3,239,875	-	3,239,875	3,000,000	-	-	-	3,000,000	(239,875)	463,102	-	223,227	-	1,118,010
2037	-	-	3,243,125	-	3,243,125	3,000,000	-	-	-	3,000,000	(243,125)	463,102	-	219,977	-	1,337,987
2038	-	-	3,243,375	-	3,243,375	3,000,000	-	-	-	3,000,000	(243,375)	463,102	-	219,727	-	1,557,714
2039	-	-	3,240,625	-	3,240,625	3,000,000	-	-	-	3,000,000	(240,625)	463,102	-	222,477	-	1,780,191
2040	-	-	3,239,750	-	3,239,750	3,000,000	-	-	-	3,000,000	(239,750)	463,102	-	223,352	-	2,003,543
2041	-	-	3,240,500	-	3,240,500	3,000,000	-	-	-	3,000,000	(240,500)	463,102	-	222,602	-	2,226,145
2042	-	-	3,242,625	-	3,242,625	3,000,000	-	-	-	3,000,000	(242,625)	463,102	-	220,477	-	2,446,622
2043	-	-	3,241,000	-	3,241,000	3,000,000	-	-	-	3,000,000	(241,000)	463,102	-	222,102	-	2,668,724
2044	-	-	3,240,500	-	3,240,500	3,000,000	-	-	-	3,000,000	(240,500)	463,102	-	222,602	-	2,891,326
2045	-	-	3,240,875	-	3,240,875	3,000,000	-	-	-	3,000,000	(240,875)	463,102	-	222,227	-	3,113,553
2046	-	-	3,241,875	-	3,241,875	3,000,000	-	-	-	3,000,000	(241,875)	463,102	-	221,227	-	3,334,780
2047	-	-	3,243,250	-	3,243,250	3,000,000	-	-	-	3,000,000	(243,250)	463,102	-	219,852	-	3,554,632
2048	-	-	3,239,875	-	3,239,875	3,000,000	-	-	-	3,000,000	(239,875)	463,102	-	223,227	-	3,777,859
2049	-	-	3,241,500	-	3,241,500	3,000,000	-	-	-	3,000,000	(241,500)	463,102	-	221,602	-	3,999,461
2050	-	-	3,242,750	-	3,242,750	3,000,000	-	-	-	3,000,000	(242,750)	463,102	-	220,352	-	4,219,813
2051	-	-	3,238,500	-	3,238,500	3,000,000	-	-	-	3,000,000	(238,500)	463,102	-	224,602	-	4,444,415
2052	-	-	3,238,500	-	3,238,500	3,000,000	-	-	-	3,000,000	(238,500)	463,102	-	224,602	-	4,669,017
2053	-	-	3,242,250	-	3,242,250	3,000,000	-	-	-	3,000,000	(242,250)	463,102	-	220,852	-	4,889,869
2054	-	-	3,239,500	-	3,239,500	3,000,000	-	-	-	3,000,000	(239,500)	463,102	-	223,602	-	5,113,471
2055	-	-	3,240,000	-	3,240,000	3,000,000	-	-	-	3,000,000	(240,000)	463,102	-	223,102	-	5,336,573
2056	-	-	3,243,250	-	3,243,250	3,000,000	-	-	-	3,000,000	(243,250)	463,102	-	219,852	-	5,556,425
2057	-	-	3,239,000	-	3,239,000	3,000,000	-	-	-	3,000,000	(239,000)	463,102	-	224,102	-	5,780,527
<b>Total</b>	<b>20,284,228</b>	<b>-</b>	<b>85,439,000</b>	<b>-</b>	<b>105,723,228</b>	<b>99,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99,000,000</b>	<b>(6,723,227)</b>	<b>12,040,652</b>	<b>(201,386)</b>	<b>Total Tax Effect</b>	<b>4.23¢</b>	



# Affordability Analysis | Natural Impact

## Existing & Proposed Tax-Supported Debt – Scenario 2 “Structured” at 4.25%



- The County may want to consider a “Structured” approach to financing the Courthouse Project in order to minimize the potential tax rate increase or use of reserves. This may include a combination of Delayed Principal Payments and Capitalized Interest up to 1 Year past Project Construction Completion.

– Additionally, commencing in FY’32, the County would have increased “Affordability” (approximately \$360,000 per year) for future projects as shown in Column “O”.

**Scenario 2 A**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
FY	Requirements					Available Revenues					Cash Flow Surplus (Deficit)					
	Existing Debt	Projected CIP Debt Service	Potential CIP Operating Impact	Projected CIP Pay-Go	Total	Budgeted Debt Service	Additional Revenues	Additional Revenues	Additional Revenues	Total Revenues Available	Surplus/ (Deficit) K - F	Revenue From Prior Tax Impact	Capital Reserve Utilized	Adjusted Surplus/ (Deficit)	Estimated Incremental Tax Equivalent	Capital Reserve Fund Balance
2025	2,932,552	-	-	-	2,932,552	3,000,000	-	-	-	3,000,000	67,448	-	-	67,448	-	67,448
2026	2,933,733	-	-	-	2,933,733	3,000,000	-	-	-	3,000,000	66,267	-	-	66,267	-	133,715
2027	2,932,329	-	-	-	2,932,329	3,000,000	-	-	-	3,000,000	67,671	-	-	67,671	-	201,386
2028	3,034,291	-	-	-	3,034,291	3,000,000	-	-	-	3,000,000	(34,291)	-	(34,291)	-	-	167,095
2029	3,033,776	-	-	-	3,033,776	3,000,000	-	-	-	3,000,000	(33,776)	-	(33,776)	-	-	133,319
2030	3,037,878	-	-	-	3,037,878	3,000,000	-	-	-	3,000,000	(37,878)	-	(37,878)	-	-	95,441
2031	2,379,668	965,388	-	-	3,345,055	3,000,000	-	-	-	3,000,000	(345,055)	-	(95,441)	(249,614)	<b>2.28¢</b>	-
2032	-	2,885,056	-	-	2,885,056	3,000,000	-	-	-	3,000,000	114,944	249,614	-	364,558	-	364,558
2033	-	2,887,663	-	-	2,887,663	3,000,000	-	-	-	3,000,000	112,338	249,614	-	361,952	-	726,510
2034	-	2,888,356	-	-	2,888,356	3,000,000	-	-	-	3,000,000	111,644	249,614	-	361,258	-	1,087,768
2035	-	2,887,138	-	-	2,887,138	3,000,000	-	-	-	3,000,000	112,863	249,614	-	362,477	-	1,450,245
2036	-	2,888,900	-	-	2,888,900	3,000,000	-	-	-	3,000,000	111,100	249,614	-	360,714	-	1,810,959
2037	-	2,888,538	-	-	2,888,538	3,000,000	-	-	-	3,000,000	111,463	249,614	-	361,077	-	2,172,036
2038	-	2,886,050	-	-	2,886,050	3,000,000	-	-	-	3,000,000	113,950	249,614	-	363,564	-	2,535,600
2039	-	2,886,331	-	-	2,886,331	3,000,000	-	-	-	3,000,000	113,669	249,614	-	363,283	-	2,898,883
2040	-	2,884,275	-	-	2,884,275	3,000,000	-	-	-	3,000,000	115,725	249,614	-	365,339	-	3,264,222
2041	-	2,884,775	-	-	2,884,775	3,000,000	-	-	-	3,000,000	115,225	249,614	-	364,839	-	3,629,061
2042	-	2,887,619	-	-	2,887,619	3,000,000	-	-	-	3,000,000	112,381	249,614	-	361,995	-	3,991,056
2043	-	2,887,700	-	-	2,887,700	3,000,000	-	-	-	3,000,000	112,300	249,614	-	361,914	-	4,352,970
2044	-	2,885,019	-	-	2,885,019	3,000,000	-	-	-	3,000,000	114,981	249,614	-	364,595	-	4,717,565
2045	-	2,884,469	-	-	2,884,469	3,000,000	-	-	-	3,000,000	115,531	249,614	-	365,145	-	5,082,710
2046	-	2,885,838	-	-	2,885,838	3,000,000	-	-	-	3,000,000	114,163	249,614	-	363,777	-	5,446,487
2047	-	2,888,913	-	-	2,888,913	3,000,000	-	-	-	3,000,000	111,088	249,614	-	360,702	-	5,807,189
2048	-	2,888,588	-	-	2,888,588	3,000,000	-	-	-	3,000,000	111,413	249,614	-	361,027	-	6,168,216
2049	-	2,884,863	-	-	2,884,863	3,000,000	-	-	-	3,000,000	115,138	249,614	-	364,752	-	6,532,968
2050	-	2,887,525	-	-	2,887,525	3,000,000	-	-	-	3,000,000	112,475	249,614	-	362,089	-	6,895,057
2051	-	2,886,363	-	-	2,886,363	3,000,000	-	-	-	3,000,000	113,638	249,614	-	363,252	-	7,258,309
2052	-	2,886,269	-	-	2,886,269	3,000,000	-	-	-	3,000,000	113,731	249,614	-	363,345	-	7,621,654
2053	-	2,887,031	-	-	2,887,031	3,000,000	-	-	-	3,000,000	112,969	249,614	-	362,583	-	7,984,237
2054	-	2,888,438	-	-	2,888,438	3,000,000	-	-	-	3,000,000	111,563	249,614	-	361,177	-	8,345,414
2055	-	2,885,381	-	-	2,885,381	3,000,000	-	-	-	3,000,000	114,619	249,614	-	364,233	-	8,709,647
2056	-	2,887,650	-	-	2,887,650	3,000,000	-	-	-	3,000,000	112,350	249,614	-	361,964	-	9,071,611
2057	-	2,885,031	-	-	2,885,031	3,000,000	-	-	-	3,000,000	114,969	249,614	-	364,583	-	9,436,194
<b>Total</b>	<b>20,284,228</b>	<b>-</b>	<b>76,019,163</b>	<b>-</b>	<b>96,303,390</b>	<b>99,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99,000,000</b>	<b>2,696,616</b>	<b>6,489,964</b>	<b>(201,386)</b>	<b>Total Tax Effect</b>	<b>2.28¢</b>	

# Affordability Analysis | “Upfront” FY’26 Impact

## Existing & Proposed Tax-Supported Debt – Scenario 2 “Structured” at 4.25%



■ Alternatively, the County could consider increasing taxes in an amount equivalent to **0.38¢** in FY’26 in order to cover the required debt service related to the Courthouse Project.

– This would allow the Capital Reserve Fund Balance, Column “Q”, to build up to a peak in 2030, covering the required draw in 2031 as shown in Column “N”.

**Scenario 2 B**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
FY	Requirements					Available Revenues					Cash Flow Surplus (Deficit)					
	Existing Debt	Projected CIP Debt Service	Potential CIP Operating Impact	Projected CIP Pay-Go	Total	Budgeted Debt Service	Additional Revenues	Additional Revenues	Additional Revenues	Total Revenues Available	Surplus/ (Deficit) K - F	Revenue From Prior Tax Impact	Capital Reserve Utilized	Adjusted Surplus/ (Deficit)	Estimated Incremental Tax Equivalent	Capital Reserve Fund Balance
2025	2,932,552	-	-	-	2,932,552	3,000,000	-	-	-	3,000,000	67,448	-	-	67,448	-	67,448
2026	2,933,733	-	-	-	2,933,733	3,000,000	-	-	-	3,000,000	66,267	41,602	-	107,869	0.38¢	175,317
2027	2,932,329	-	-	-	2,932,329	3,000,000	-	-	-	3,000,000	67,671	41,602	-	109,273	-	284,591
2028	3,034,291	-	-	-	3,034,291	3,000,000	-	-	-	3,000,000	(34,291)	41,602	-	7,311	-	291,902
2029	3,033,776	-	-	-	3,033,776	3,000,000	-	-	-	3,000,000	(33,776)	41,602	-	7,826	-	299,728
2030	3,037,878	-	-	-	3,037,878	3,000,000	-	-	-	3,000,000	(37,878)	41,602	-	3,724	-	303,453
2031	2,379,668	965,388	-	-	3,345,055	3,000,000	-	-	-	3,000,000	(345,055)	41,602	(303,453)	-	-	-
2032	-	2,885,056	-	-	2,885,056	3,000,000	-	-	-	3,000,000	114,944	41,602	-	156,546	-	156,546
2033	-	2,887,663	-	-	2,887,663	3,000,000	-	-	-	3,000,000	112,338	41,602	-	153,940	-	310,487
2034	-	2,888,356	-	-	2,888,356	3,000,000	-	-	-	3,000,000	111,644	41,602	-	153,246	-	463,733
2035	-	2,887,138	-	-	2,887,138	3,000,000	-	-	-	3,000,000	112,863	41,602	-	154,465	-	618,198
2036	-	2,888,900	-	-	2,888,900	3,000,000	-	-	-	3,000,000	111,100	41,602	-	152,702	-	770,901
2037	-	2,888,538	-	-	2,888,538	3,000,000	-	-	-	3,000,000	111,463	41,602	-	153,065	-	923,966
2038	-	2,886,050	-	-	2,886,050	3,000,000	-	-	-	3,000,000	113,950	41,602	-	155,552	-	1,079,518
2039	-	2,886,331	-	-	2,886,331	3,000,000	-	-	-	3,000,000	113,669	41,602	-	155,271	-	1,234,790
2040	-	2,884,275	-	-	2,884,275	3,000,000	-	-	-	3,000,000	115,725	41,602	-	157,327	-	1,392,117
2041	-	2,884,775	-	-	2,884,775	3,000,000	-	-	-	3,000,000	115,225	41,602	-	156,827	-	1,548,944
2042	-	2,887,619	-	-	2,887,619	3,000,000	-	-	-	3,000,000	112,381	41,602	-	153,983	-	1,702,928
2043	-	2,887,700	-	-	2,887,700	3,000,000	-	-	-	3,000,000	112,300	41,602	-	153,902	-	1,856,830
2044	-	2,885,019	-	-	2,885,019	3,000,000	-	-	-	3,000,000	114,981	41,602	-	156,583	-	2,013,413
2045	-	2,884,469	-	-	2,884,469	3,000,000	-	-	-	3,000,000	115,531	41,602	-	157,133	-	2,170,547
2046	-	2,885,838	-	-	2,885,838	3,000,000	-	-	-	3,000,000	114,163	41,602	-	155,765	-	2,326,312
2047	-	2,888,913	-	-	2,888,913	3,000,000	-	-	-	3,000,000	111,088	41,602	-	152,690	-	2,479,002
2048	-	2,888,588	-	-	2,888,588	3,000,000	-	-	-	3,000,000	111,413	41,602	-	153,015	-	2,632,018
2049	-	2,884,863	-	-	2,884,863	3,000,000	-	-	-	3,000,000	115,138	41,602	-	156,740	-	2,788,758
2050	-	2,887,525	-	-	2,887,525	3,000,000	-	-	-	3,000,000	112,475	41,602	-	154,077	-	2,942,835
2051	-	2,886,363	-	-	2,886,363	3,000,000	-	-	-	3,000,000	113,638	41,602	-	155,240	-	3,098,076
2052	-	2,886,269	-	-	2,886,269	3,000,000	-	-	-	3,000,000	113,731	41,602	-	155,333	-	3,253,409
2053	-	2,887,031	-	-	2,887,031	3,000,000	-	-	-	3,000,000	112,969	41,602	-	154,571	-	3,407,980
2054	-	2,888,438	-	-	2,888,438	3,000,000	-	-	-	3,000,000	111,563	41,602	-	153,165	-	3,561,146
2055	-	2,885,381	-	-	2,885,381	3,000,000	-	-	-	3,000,000	114,619	41,602	-	156,221	-	3,717,367
2056	-	2,887,650	-	-	2,887,650	3,000,000	-	-	-	3,000,000	112,350	41,602	-	153,952	-	3,871,319
2057	-	2,885,031	-	-	2,885,031	3,000,000	-	-	-	3,000,000	114,969	41,602	-	156,571	-	4,027,891
<b>Total</b>	20,284,228	-	76,019,163	-	96,303,390	99,000,000	-	-	-	99,000,000	2,696,616	1,331,275	(303,453)	<b>Total Tax Effect</b>	<b>0.38¢</b>	

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