APPENDIX "C"
STATISTICAL SECTION

This section is provided as an appendix to supplement the material covered in other parts of this document. Data contained herein was utilized in decisions made for estimating purposes. Data is as of the date indicated. This section concludes in a copy of the Henrico County Financial Management System Trends Document.

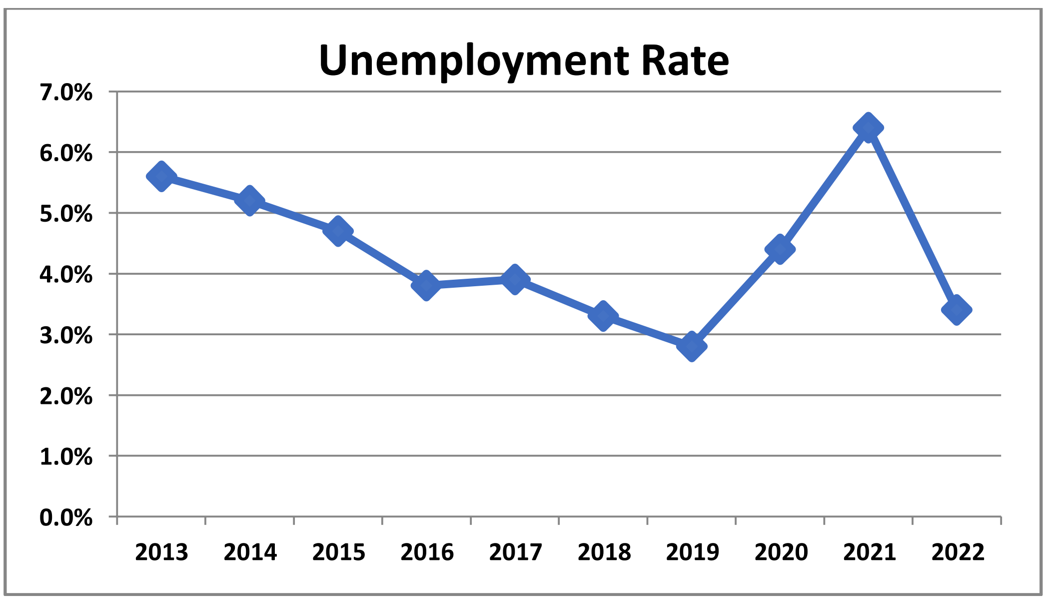
BOND RATINGS

Year	Moody's	Fitch	Standard & Poor's
General Obligation	Aaa	AAA	AAA
Utilities Revenue	Aaa	AAA	AAA

Source: Henrico County Department of Finance

UNEMPLOYMENT RATE

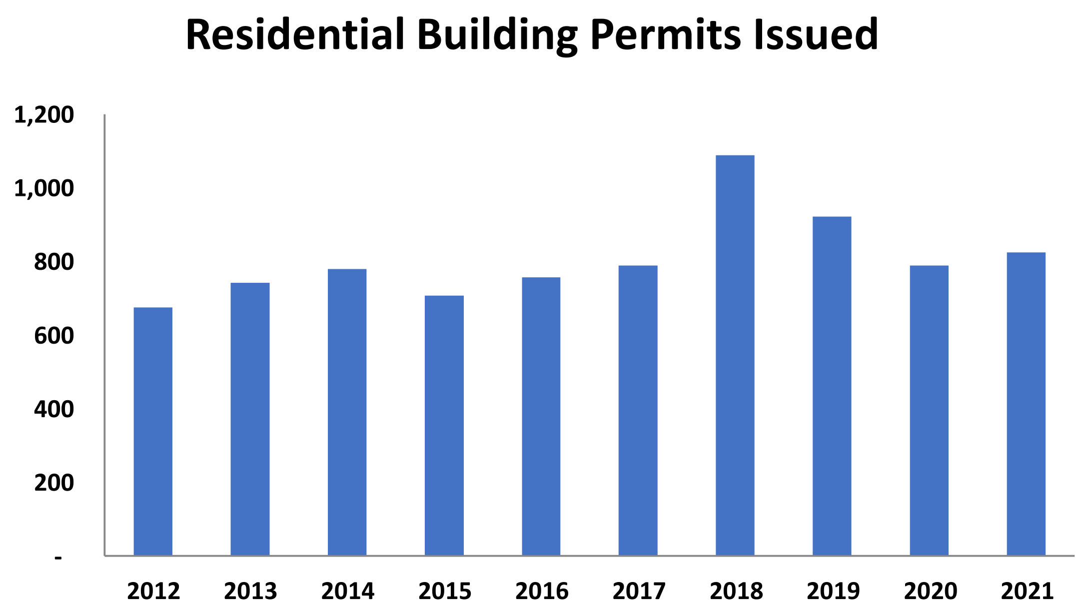
The unemployment rate is highly indicative of changes in the economy and offers an accurate representation of the local economy. In the past eleven years, Henrico County has had an unemployment rate ranging from a high of 6.4% in FY21, to a low of 2.8% in FY19. Increases in FY20 and FY21 are indicative of a global unemployment caused by COVID-19, the sharp decline witnessed in FY22 indicates a return to normalcy in the local economy and the weakening effects of the pandemic. Henrico County's unemployment rate reached a peak in April 2020 at 10.9% and has since decreased steadily. In April 2022, Henrico County's unemployment rate was recorded as 2.6%. The graph below shows the average monthly unemployment rate by fiscal year. FY22 only represents an average of the monthly unemployment rates from May 2021 – April 2022, at 3.40%.

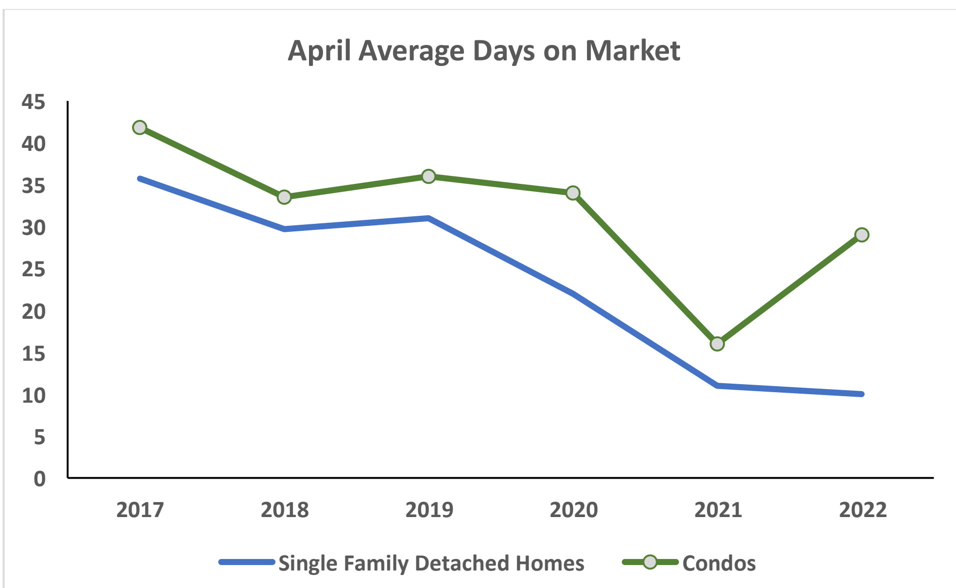


Source: U.S. Bureau of Labor Statistics

NEW RESIDENTIAL CONSTRUCTION

New residential construction is an important indicator in that steady building levels are indicative of a strong and stable economy, especially when there is an active real estate market with a healthy level of demand. Between FY12-FY21, the Henrico County Department of Building Inspections issued an average of 792 permits on an annual basis. Despite the COVID-19 pandemic, FY21 year to date building permits issued are comparable to the year-to-date totals seen in FY19. Single Family Detached Homes continue to experience an abnormally low time on market while Condo sale times have begun to return to pre-pandemic normality.

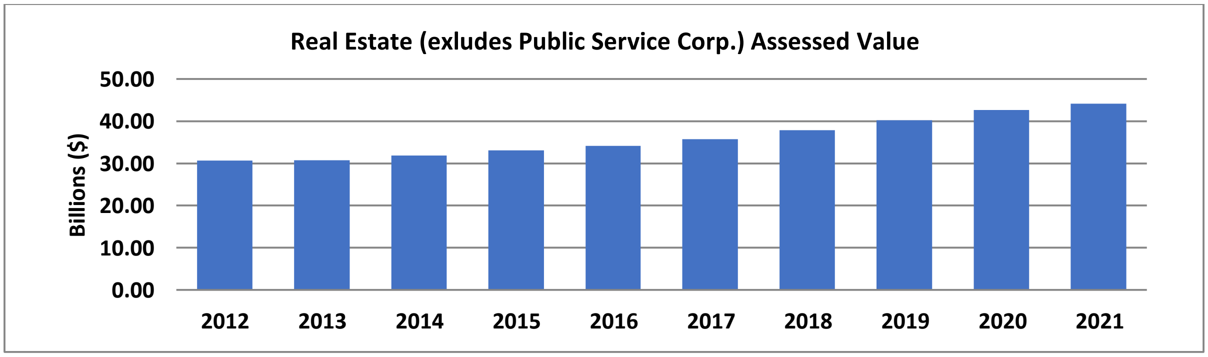


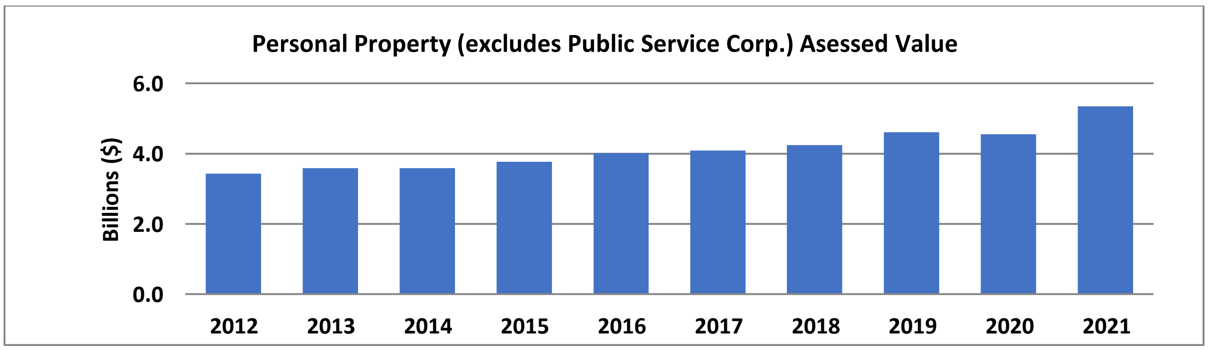


Sources: County of Henrico Department of Building Inspections; Central Virginia Regional Multiple Listing Service

ASSESSED VALUE OF TAXABLE PROPERTY

The assessed value of taxable property is a major indicator of the stability of a local economy. The assessed valuation of taxable property in the County of Henrico has experienced steady increases in most years. Since 2012, the County has averaged a growth rate of 3.4% in taxable Real Property and 5.35% in taxable Personal Property with continued growth expected.





Source: Annual Comprehensive Financial Report, FY21

STATISTICAL SECTION

HENRICO COUNTY PRINCIPAL TAXPAYERS

Taxpayer	Type of Business	2021 Assessed Value	Percent of Total Valuation
Scout Development LLC (2)	Data Center	$ 952,254,226	1.88%
Virginia Power Company	Utility	789,828,041	1.56%
Short Pump Town Centers LLC (Queensland) (1)	Retail and Offices	382,464,000	0.75%
Verizon	Utility	181,869,462	0.36%
Highwood Properties	Offices and Warehouses	169,721,700	0.33%
Liberty Property, LP	Offices and Warehouses	149,277,100	0.29%
HCA Health Services of VA	Hospital	137,628,926	0.27%
PFI VPN Portfolio	Offices	127,764,500	0.25%
Bank of America	Data Center & Bank	113,217,000	0.22%
IBM Credit LLC	Personal Property Leasing	108,139,417	0.21%
General Services Corporation	Apartments	-	-
Weinstein Family	Apartments	-	-
The Wilton Companies	Offices, Retail and Warehouses	-	-
Gumenick	Apartments and Retail	-	-
United Dominion Realty Trust	Apartments	-	-
Totals		**$ 3,112,174,372**	**6.14%**
Total Assessed Values		$ 50,678,863,331	

Source: Annual Comprehensive Financial Annual Report FY21

(1) Short Pump Town Centers LLC bought Forest City in July 2018

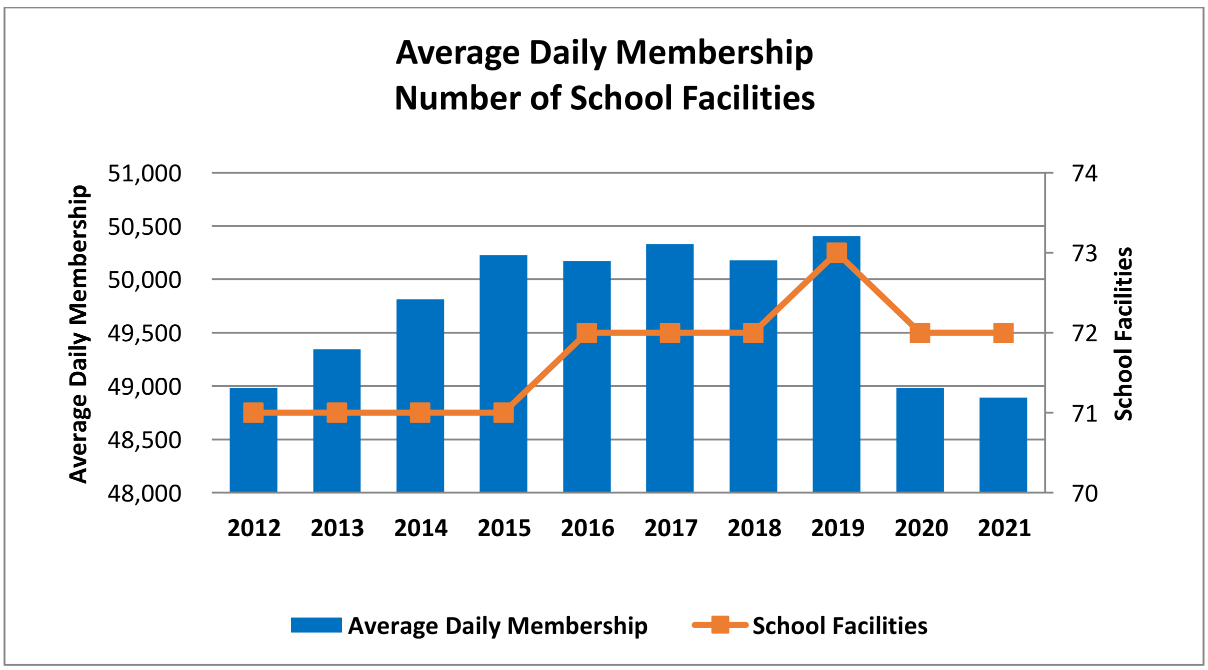
(2) Scout Development LLC bought and developed the site that is home to the Facebook, Inc. data center.

HENRICO COUNTY SCHOOLS

From 2012 to 2021, the average daily membership in Henrico County Public Schools has declined by a total of 0.18%. Henrico County currently operates 72 learning facilities. The COVID-19 pandemic resulted in many parents withdrawing their children from public schools as virtual education took over and reduced daily membership numbers are reflective of this. Henrico County Public Schools believes that as youth vaccinations increase and the effects of the pandemic subside, school enrollment will return to previously projected levels.

Source: Henrico County Public Schools

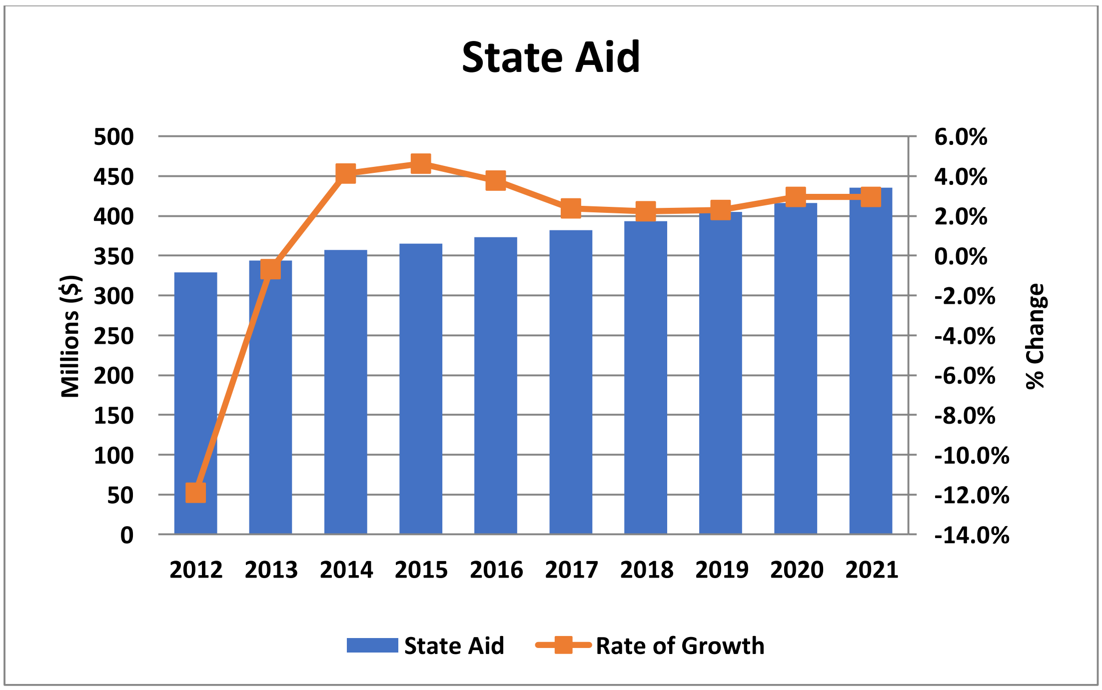
Year	Average Daily Membership
2021	48,892
2020	48,982
2019	50,406
2018	50,178
2017	50,330
2016	50,173
2015	50,226
2014	49,812
2013	49,343
2012	48,981



STATE AID-GENERAL FUND

This chart tracks the amount of General Fund aid received by the County of Henrico from the Commonwealth of Virginia since 2012. It should be noted that since FY1998-99, these figures include payments made by the State to Henrico for the Personal Property Tax Relief Act. The County received approximately $19.2 million more in General Fund support from the State in FY21 compared to the previous year.

Year	State Aid (In Millions)	Change
2021	435.565	4.61%
2020	416.389	2.82%
2019	404.966	2.95%
2018	393.366	2.96%
2017	382.068	2.29%
2016	373.499	2.23%
2015	365.354	2.37%
2014	356.884	3.78%
2013	343.887	4.62%
2012	328.691	4.12%



STATISTICAL SECTION

OTHER DATA

Over the past ten years, the County of Henrico has been able to meet increases in the population with modern public facilities that offer extensive benefits even though the total number of facilities has remained constant. For example, Recreation/Community Centers, Libraries, and Fire Stations have been renovated and replaced as part of the Capital Improvement program to ensure that resources offered to the public are the most effective.

Year	Recreation/ Community Centers	Library Facilities	Registered Voters	Fire Stations
2021	20	10	237,122	21
2020	20	10	238,089	21
2019	20	10	225,979	21
2018	21	10	221,429	21
2017	21	10	217,757	20
2016	21	11	208,366	20
2015	21	11	207,029	20
2014	20	11	206,176	20
2013	20	11	205,890	20
2012	20	11	199,718	20

During the same time period, Henrico County has maintained consistent tax rates and, in some cases, offered significant tax rate decreases. In line with this history, the FY17 budget included a reduction in the Aircraft Tax Rate to $0.50 per $100 assessed value and the FY18 budget included a reduction in the tax rate applied to Data Centers to $0.40 per $100 of assessed value. The FY21 budget continued tax relief efforts for businesses by increasing the BPOL tax full exemption threshold to $500,000.

FY22 saw the reduction of the County's real estate tax rate to $0.85 per $100 dollars of assessed value. The table below shows property tax rates for the last ten years.

		Personal Property							
Year	Real Estate	Aircraft	Computer Equip. and Peripherals used in a Data Center	Equipment used in Biotech Research & Development	Veh. of Volunteer Rescue Squad Members - Virginia Defense Force *	Specially Equipped Veh. for the Physically Handicapped/Disabled Veterans' Vehicles	All Other Personal Property	Machinery & Tools	Machinery & Tools Semi-Conductor
2022	0.85	0.50	0.40	0.90	1.00	0.01	3.50	0.30	0.30
2021	0.87	0.50	0.40	-	1.00	0.01	3.50	0.30	0.30
2020	0.87	0.50	0.40	-	1.00	0.01	3.50	0.30	0.30
2019	0.87	0.50	0.40	-	1.00	0.01	3.50	0.30	0.30
2018	0.87	0.50	0.40	-	1.00	0.01	3.50	0.30	0.30
2017	0.87	0.50	3.50	-	1.00	0.01	3.50	0.30	0.30
2016	0.87	1.60	3.50	-	1.00	0.01	3.50	0.30	0.30
2015	0.87	1.60	3.50	-	1.00	0.01	3.50	0.30	0.30
2014	0.87	1.60	3.50	-	1.00	0.01	3.50	1.00	0.40
2013	0.87	1.60	3.50	-	1.00	0.01	3.50	1.00	0.40

** Virginia Defense Force Adopted in FY22*

Source: Annual Comprehensive Financial Report, FY21; Approved Annual Fiscal Plan, FY22; Virginia Department of Elections, 2020 Registration Statistics

STATISTICAL SECTION

FINANCIAL TRENDS MONITORING SYSTEM
2011 - 2021

Note to the reader:

The County of Henrico compiles the Financial Trend Monitoring System (Trends) annually as a means of reviewing historical financial and demographic data prior to composing the annual budget. In completing the Trends document, an extensive review of the County's financial history over the preceding eleven fiscal years is performed using a series of twenty-eight key economic, demographic, and budgetary factors. By reviewing historical actuals over an extensive period, possibly forgotten financial impacts may be reviewed for validity to current economic conditions and variables. This marks the thirty-sixth year of this financial trends analysis.

Completing the Trends document is completed early in Henrico County's annual budgetary process. The findings that emerge from this review form the foundation on which budget recommendations are planned and created. The County Manager presents the final Trends Document to the Board of Supervisors prior to the recommended operating and capital budgets. This provides the Board the opportunity to undertake an extensive review of the data, allowing them to make the informed and proactive decisions that have led to Henrico's premier reputation for planning and financial management.

The Trends document is included in the County's Approved Annual Fiscal Plan to provide the reader with a historical perspective, and thus a more holistic understanding of the economic, demographic and financial factors that have been accounted for in the process of approving this document.

What follows is a reproduction of the original Trends document for FY21.

TRENDS

Financial Trend Monitoring System

AN EVALUATION OF FINANCIAL AND ECONOMIC INDICATORS

HENRICO COUNTY, VIRGINIA

Fiscal Years 2011-2021

Office of Management and Budget, February 2022

CITY 1611 • SHIRE 1634 • MANAGER 1934 •
COUNTY OF HENRICO, VIRGINIA

COUNTY OF HENRICO, VIRGINIA
FINANCIAL TREND MONITORING SYSTEM
FISCAL YEARS 2011 – 2021

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COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

John A. Vithoulkas
County Manager

March 3, 2022

The Honorable Board of Supervisors
County of Henrico
Virginia

Honorable Members of the Board:

I am pleased to present this report on financial trends prepared for the period of FY11 through FY21 by the Finance Department's Office of Management and Budget. This marks the *thirty-sixth* year that we have prepared this report prior to the examination of the operating budget for the subsequent fiscal year. The Financial Trends Monitoring System is a unique document in that economic indicators presented are unique from the typical budgetary metrics presented to the Board of Supervisors through the fiscal year.

This report analyzes existing economic conditions in Henrico County using twenty-eight financial indicators. The Financial Trend Monitoring System monitors changes in financial conditions by combining pertinent information from budgetary and financial reports and integrating it with economic and demographic data from Regional, State, and National Sources. Each year this report is updated to provide you with the information necessary to make informed decisions about the future of Henrico County. In addition, it allows you to see historical information over an eleven-year period, giving you the ability to verify the financial premises of the County. Furthermore, the Financial Trends Monitoring System examines the county holistically by looking at the largest operating funds, which include the General Fund, Special Revenue Fund, the Debt Service Fund, and select indicators within the Enterprise Fund.

The FY21 Trends Report paints the picture of a weathering economy, that is both recovered and vulnerable to the lasting effects of the COVID-19 pandemic across different operating outlets. While major County revenue streams and tax collections saw sizable growth over the span of FY21, other County operations continue to struggle, including a notable decline in the County's user coverage charges. The County's current liabilities decreased slightly from those of FY20. In FY21 Henrico County witnessed a population drop, the first in its 11-year observational period. Adjacent to the population, the County's employment base also suffered a slight decline. However, the County's unemployment rates have continued to decline and have reached pre-pandemic levels. With limited resource growth and macro-economic concerns growing at the national and international levels, it is important to emphasize the necessity of estimating resources conservatively, operating efficiently, and continuing to invest in the County's core services.

We will continue to provide this information to the Board of Supervisors to verify our financial position. This information allows your decisions to be proactive rather than reactive, in keeping with our status as one of the finest managed localities in the nation.

Please contact me if you have questions or concerns.

Sincerely,

John A. Vithoulkas
County Manager

Attachment

INTRODUCTION

This report compiles National, State, and Local data that measure current economic conditions to be utilized in the planning of the future of Henrico County. Figures with dollar values will be in the millions unless indicated otherwise. The purpose of this report is to provide a comprehensive overview of different economic indicators that may affect Henrico County's ability to perform its services.

DEFINITIONS & CONCEPTS

Financial Condition - Financial condition is broadly defined utilizing three standards of measurement:

- **Ability to maintain existing service levels-** means more than the ability to pay for services currently being provided. It means the ability to maintain programs in the future that are currently funded from external sources such as state or federal grants where the support is likely to diminish but the service cannot practically be eliminated when the funds do disappear. It also includes the ability to maintain capital facilities, such as roads and buildings, in a manner that would protect the initial investment and keep them in usable condition. Finally, it includes the ability to provide funds for future liabilities that may currently be unfunded, such as pension, employee leave, and debt commitments.

- **Ability to withstand local, regional, and national economic disruptions-** is also important because these disruptions may have a major impact on the businesses and individuals who live and work in the locality, and therefore impact the locality's ability to generate new local tax dollars. Disruptions, as we have learned through recent experience, may also impact expenditures, requiring additional funding to address new challenges.

- **Ability to meet the future demands of change**- as time passes, localities grow, shrink, or stay the same size. Each condition has its own set of financial pressures. Growth, for example, can force a locality to rapidly assume new debt to finance roads and public facilities, or it can cause a sudden increase in the operating budget to provide necessary services. Shrinkage, on the other hand, leaves a locality with the same number of roads and public facilities to maintain but with a smaller tax base upon which to generate revenue.

The Financial Trend Monitoring System (FTMS) – This report is a management tool that pulls together the pertinent information from the County's budgetary and financial reports, mixes it with the appropriate economic and demographic data, and creates a series of local government financial indicators that, when plotted over a period of time, can be used to monitor changes in financial condition. This system assists the Board of Supervisors in setting long-range policy priorities and provides a logical way of introducing long-range considerations into the annual budget process. This report has been developed using the International City/County Management Association manual entitled *Evaluating Financial Condition, A Handbook for Local Government*.

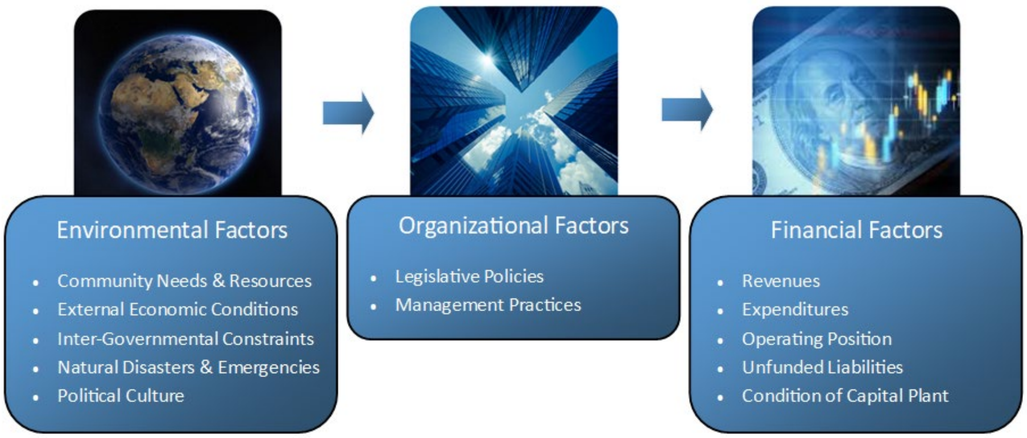
The FTMS is built on twelve overall "factors" that represent the primary forces that influence financial condition (see Figure 1). These financial condition factors are then associated with twenty-eight "indicators" that measure different aspects of these factors. Once developed, these can be used to monitor changes in the factors, or more importantly, changes in financial condition. There are three classifications of factors:

- **Environmental Factors** – These factors create demand and provide resources. Analysis of these factors addresses the question "Do they provide enough resources to pay for the demands they create?"

- **Organizational Factors**- Responses of the government to changes in environmental factors. Examples include increasing or reducing services, raising or lower taxes, etc. Analysis of these factors addresses the question "Do legislative policies and management practices provide the opportunity and flexibility to make the appropriate response to changes in the environment?"

- **Financial factors**- Analysis of these factors addresses the question "Is government paying the full cost of operating without postponing costs to a future period when revenues may not be available to pay these costs?"

Figure 1- Financial Condition Factors



Financial indicators- These are the primary tools of the FTMS and represent a way to quantify changes in factors. Many aspects of financial condition cannot be measured explicitly; however, by quantifying factors via indicators and plotting them over a specified period, decision makers can begin to monitor and evaluate the County's financial performance. Financial indicators may include such things as:

- Cash liquidity
- Level of business activities
- Changes in fund balance
- External revenue dependencies

Elastic and inelastic – These are economic terms used to indicate how indicators respond to changes in the overall economy. Elastic indicators will have greater responses to changes in the economy and inelastic factors remain largely unchanged despite economic changes.

HOW TO USE THIS DOCUMENT

Twenty-eight financial indicators have been selected for use in monitoring Henrico County's financial condition. They are displayed graphically on the following pages. These indicators were chosen based upon the availability of data and their appropriateness for Henrico County. The financial indicators selected are grouped by seven financial factors:

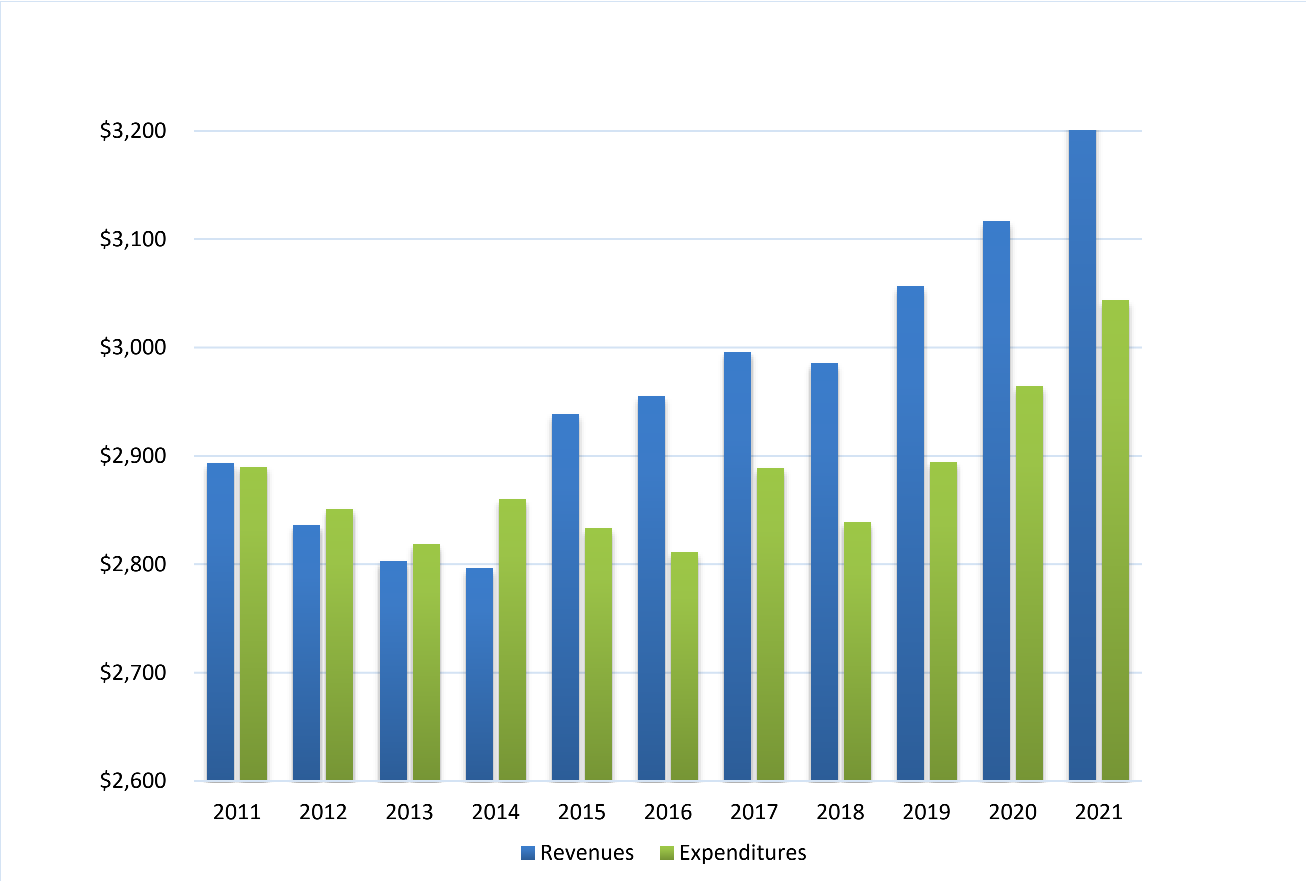
- **Revenues**
- **Expenditures**
- **Operating Position**
- **Debt Structure**
- **Employee Leave**
- **Condition of Capital Plant**
- **Community Needs & Resources**

The remainder of this document is structured into seven sections, one for each of the seven factors. Appendix A provides the raw data used to develop the graphs. Appendix B provides a list of the Economic Data Sources used in the analysis.

REVENUE INDICATORS

REVENUES/EXPENDITURES PER CAPITA

(In Constant Dollars)

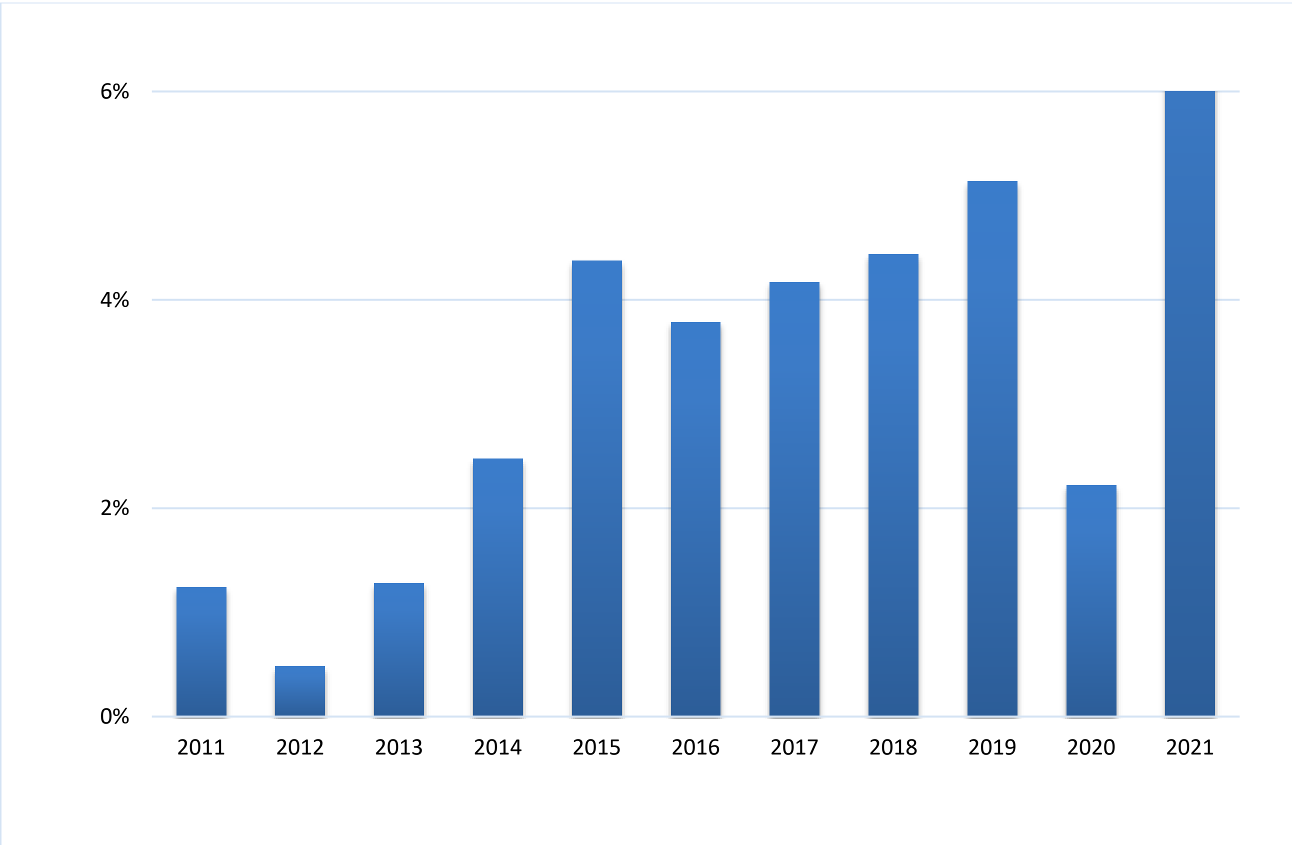


These indicators depict how revenues and expenditures are changing relative to changes in the level of population. As the population increases, it might be expected that the need for services would increase proportionately; therefore, the level of per capita revenues should remain at least constant in real terms. If per capita revenues are decreasing, it could be expected that the locality would be unable to maintain existing service levels unless new revenue sources or ways to save money are found. Increasing per capita expenditures can indicate that the cost of providing services is greater than the community's ability to pay, especially if spending is increasing faster than the community's personal income or other relevant tax base.

Both Revenues and Expenditures per capita increased in FY21 despite the economic impacts of the COVID-19 pandemic. FY21 Revenues per capita continued in the significant upward growth demonstrated over the past four fiscal years, with FY21 revenues setting record highs within this 11-year timeframe. FY2020 Expenditures per capita rose or fell proportionately with revenues, a trend that has been in place since FY15. **Current revenues and expenditures per capita indicate that there is a healthy ratio of revenue to expenditure in Henrico County.** Subsequent fiscal years may see smaller gaps between revenues and expenditures as future operating expenses adapt to ongoing inflation.

REVENUE VARIANCE

(As a % of Net Operating Revenue)

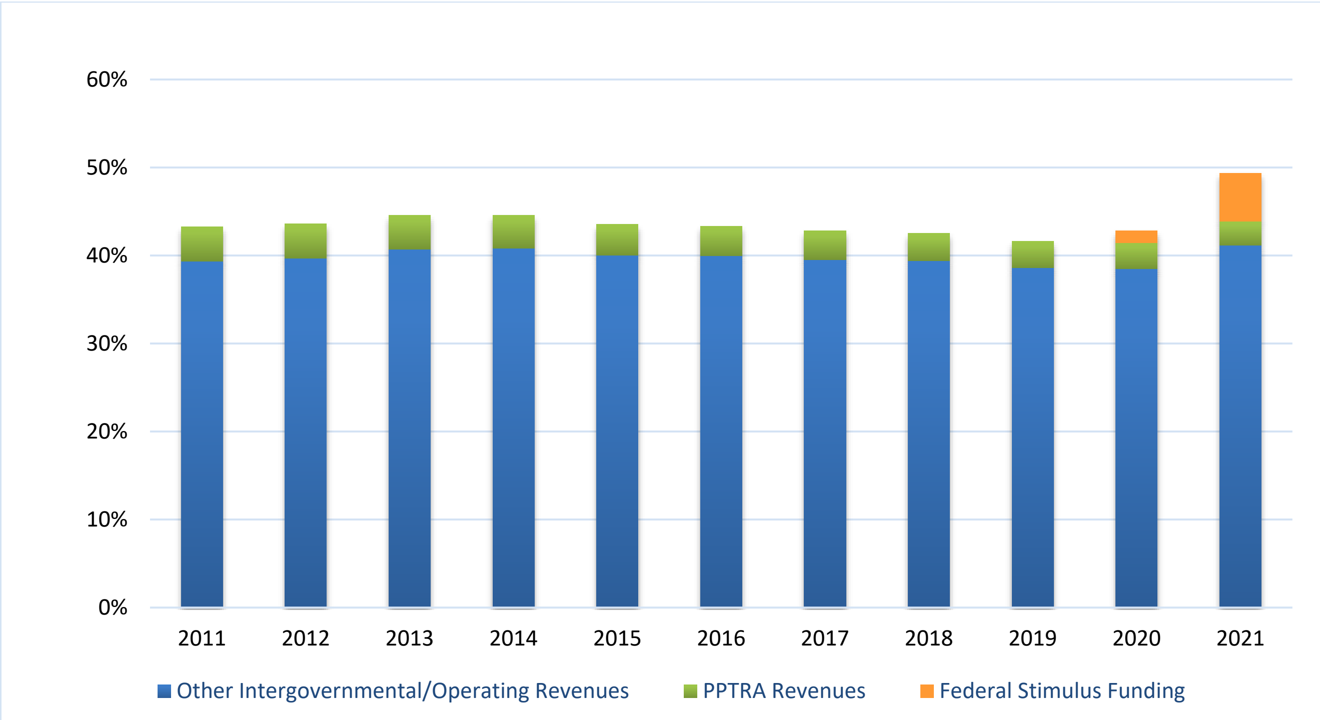


This financial indicator examines the differences between revenue estimates and revenues realized. The data shown includes revenues in the General, Special Revenue, and Debt Service funds. Major discrepancies in revenue estimates can be an indication of unexpected changes in economic conditions, collection procedures, or inaccurate estimating techniques. On the graph above, the 0% marker at the x-axis represents the fiscal year budgeted estimates and the graph indicates the variance of actuals from the budget estimate. A positive number indicates budget estimates were exceeded, while a negative number would reflect missed revenue projections.

Revenue variances have consistently been positive, indicating that actual revenues have exceeded the original estimated budget. Due to the onset of the pandemic, FY20 revenue collections are closer to pre-pandemic estimates, but total revenues still exceeded these estimates due to conservative budgetary estimates. FY21 increases can be attributed in part to the effects of a resilient local economy and a booming housing market that has continued to grow through the COVID-19 pandemic. While Henrico County budgets conservatively, the ongoing pandemic continues to surprise in its economic impacts. **Henrico County's decision to under-project revenues during the budget process assists in mitigating the potential risks of a highly volatile economy as demonstrated by FY20 results.** This ensures that the County is well prepared to deliver services despite unforeseen circumstances.

INTERGOVERNMENTAL REVENUES

(As a % of Gross Operating Revenues)

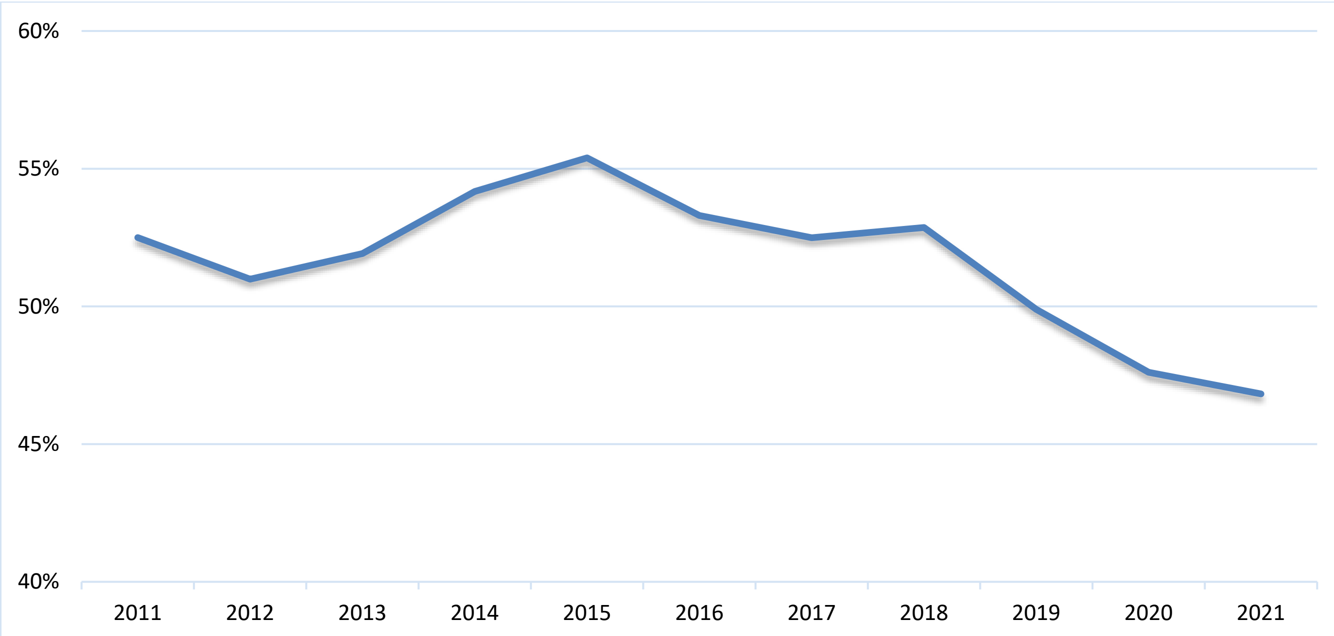


Intergovernmental revenues are those revenues received from other governmental entities such as the Commonwealth of Virginia and the Federal Government. Intergovernmental revenue is commonly restricted revenue and legally earmarked for a specific use as required by State and/or Federal law or grant requirements. An overdependence on intergovernmental revenues can have an adverse impact on the County's financial condition if conditions change or funding is withdrawn after the locality has developed a dependence on the program. Personal property tax payments paid by the State under the Personal Property Tax Relief Act (PPTRA) have been classified as intergovernmental revenues even though the assessment function is performed at the local level. In the graph above, PPTRA revenues appear as the green stacked bar.

Intergovernmental Revenues have remained relatively stable over the 11-year period shown. The significant increase in FY21 is related to funding received to respond to the economic impacts of the COVID-19 pandemic. Intergovernmental Revenues (including PPTRA) have consistently averaged between 43% and 45% of Gross Operating Revenues since FY09. Intergovernmental Revenues (including PPTRA, excluding federal stimulus funding) increased by 2.1% in FY21, despite this increase, **County dependence on Intergovernmental Revenues has not significantly changed within the observed 11-year time frame.**

USER CHARGE COVERAGE

(Revenues/Expenditures)



User Charge Coverage refers to the ratio of the county's fees to the full cost of providing related services. Henrico County charges fees for recreation activities, building permits, the school cafeterias, mental health services, street lighting, and solid waste services. If User Charge Coverage declines, these services must be covered by other revenue sources. Inflation erodes the User Charge Coverage if fees are not reviewed and amended periodically.

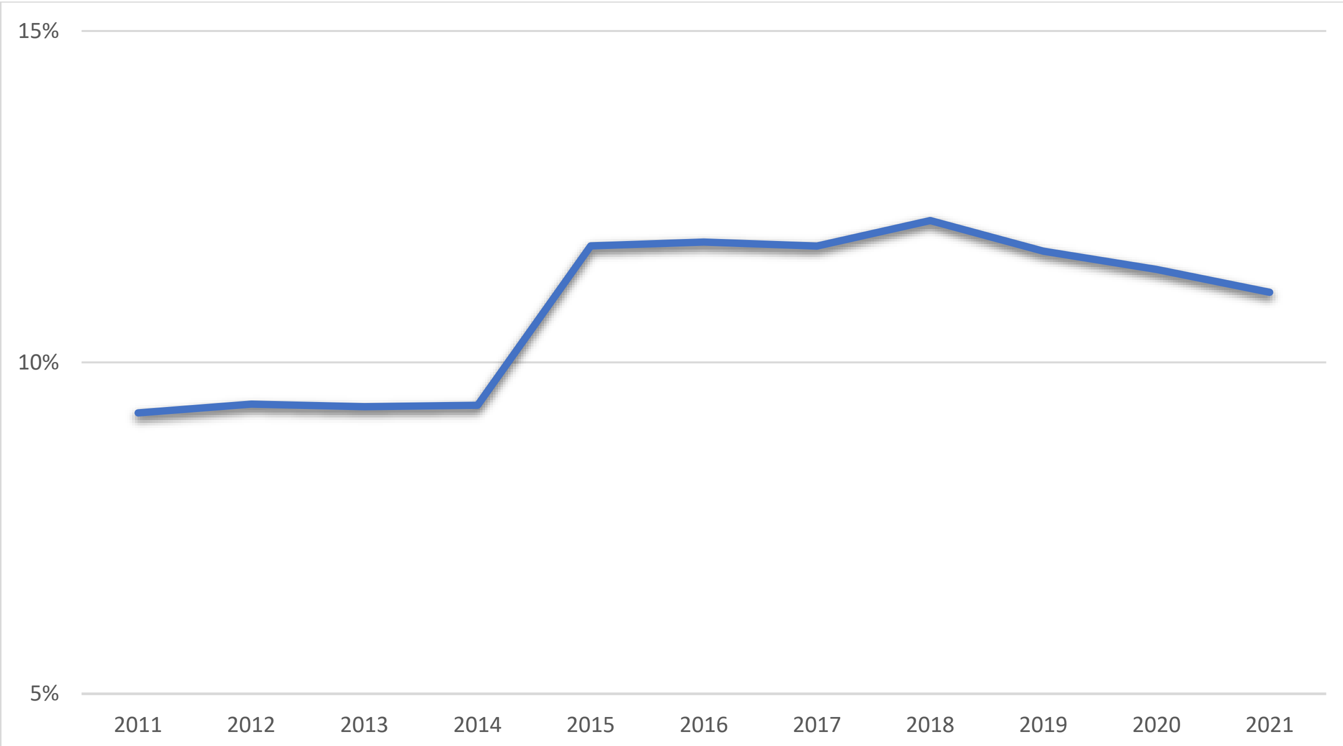
User charge coverage reached an all-time low in FY21, continuing in the decline experienced in FY20. The COVID-19 pandemic has continued to impact key operating services resulting in a $3.9 million drop in User Charge revenues in FY21. All coverage ratios, except for those associated with Building Inspections and Mental Health, decreased over FY21. School and employee cafeterias experienced the sharpest declines, dropping from 68.1% to 3.6% and 43.5% to 4.1%, respectively. School cafeteria coverage charges experienced a notable decline as an effect of virtual schooling and food relief services due to the pandemic. In addition, the employee cafeteria suspended services over this timeframe. It should be noted that in FY22 refuse collection fees were increased to maintain the long-term viability of the refuse collection program.

Coverage	FY 18-19	FY 19-20	FY20-21
Building Inspections	156.6%	171.2%	179.3%
Employee Cafeteria	50.7%	43.5%	4.1%
School Cafeteria	100.5%	68.1%	3.6%
Recreation	3.5%	1.8%	0.8%
MH/MR	40.9%	40.4%	47.4%
Solid Waste/Street Lights	78.2%	71.9%	66.2%
Total	49.9%	47.6%	47.4%

The above table summarizes changing coverage percentages to illustrate the continuous impacts of the COVID-19 pandemic on User Charge coverage. **These ratios should normalize as the pandemic draws to an end.**

ELASTIC OPERATING REVENUES

(As a % of Net Operating Revenues)

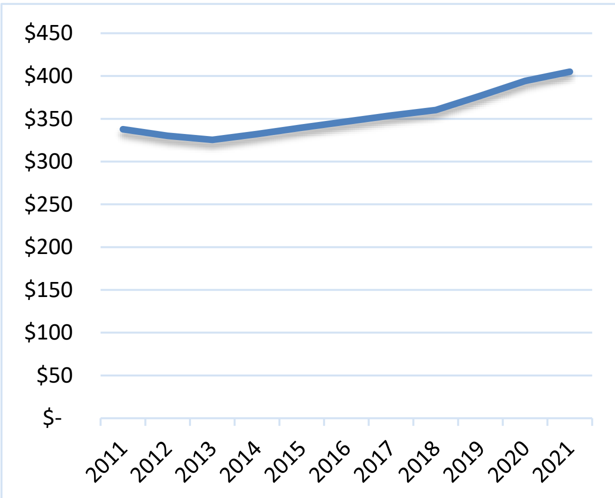


As mentioned in the definitions section, some county revenue streams are more susceptible to current economic factors than others, and are therefore considered elastic revenues. Revenue categories used for this indicator include Local Sales and Use Taxes, Business and Professional License Taxes, structure and equipment permit fees, and Food and Beverage Taxes. The trend line shows the aggregate total of these revenues as a percentage of total Net Operating Revenues for each fiscal year. A decrease in Elastic Operating Revenue (negative impact) or an increase in Net Operating Revenue (positive impact) can result in a negative trend. Due to this, the indicator looks for unplanned changes in the trend.

In FY21, both Elastic Operating Revenue and Net Operating Revenue increased, but due to Net Operating Revenues increasing at a faster rate than Elastic Operating Revenues, the indicator decreased for a third consecutive year. This downwards trajectory continues a trend observed over the last 3 fiscal years. It should be noted that this measure captures an increase to the County's BPOL (Business, Professional & Occupational License) tax threshold from $400,000 to $500,000. **Current trends indicate that there is a healthy ratio of elastic and inelastic revenues in Henrico County.**

GENERAL PROPERTY TAX REVENUES

(In Constant Dollars, Millions)

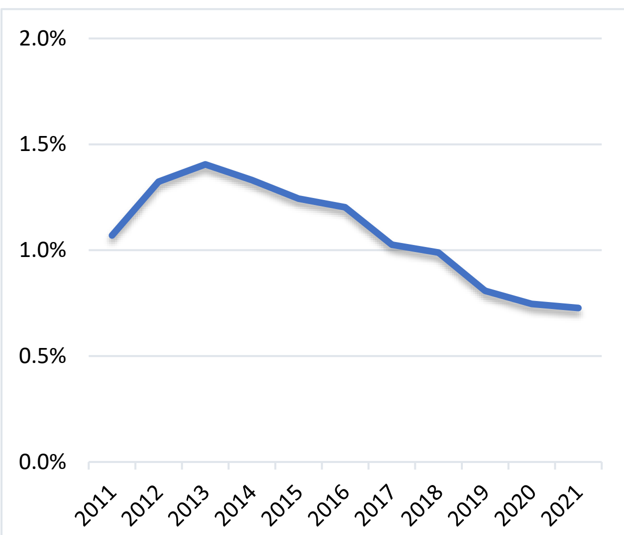


General property tax revenues in Henrico County include both current and delinquent real and personal property tax revenue collected by the county. These revenues constitute Henrico County's largest local revenue category, representing 54.3% of total local operating revenue in Henrico County in FY21.

General property tax collections were healthy in FY21, exceeding recorded collections in the history of the FTMS in Henrico County, exceeding the previous year peak of $394 million by $11 million.

UNCOLLECTED CURRENT PROPERTY TAXES

(As a % of Total Levy)



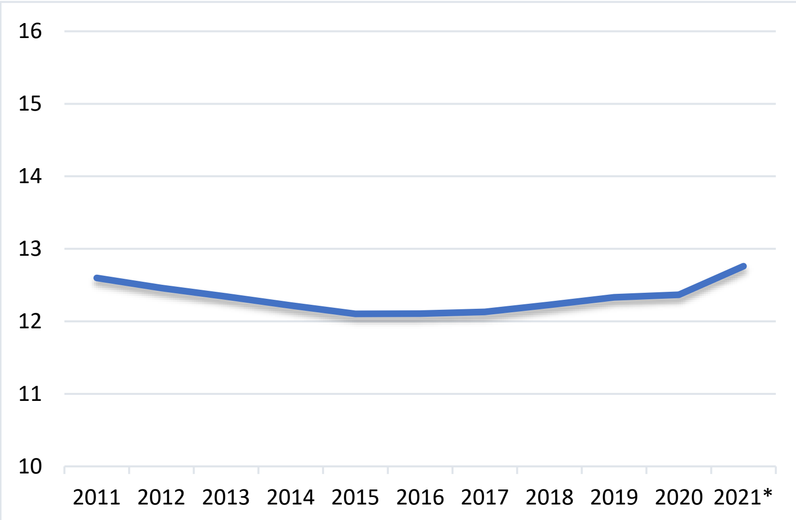
Unlike many other trends presented in this document, a downward trend in uncollected current property taxes would be considered a positive economic indicator. Every year a percentage of current real and personal property taxes go uncollected. If this percentage increases over time, it may be an indication of an overall decline in a locality's economic health. Bond rating agencies anticipate that a locality will normally be unable to collect between 2.0% to 3.0% of its property tax levy each year. If uncollected property taxes rise to more than 5.0%, rating agencies consider this to be a negative indicator that signals potential problems in the stability of the property tax base or is indicative of systemic problems with local tax collection efforts.

FY21 represents the lowest uncollected current property taxes within the observed 11-year timeframe. This continues the downward trend observed over the last 9 fiscal years. These downward trends are positive for the county as they show the county's collections are effective and that taxpayers are able to manage their tax burdens. FY21 percentages declined just .02% from those of FY21. This decline is due in part to COVID-19 relief measures initiated in June 2020. Additionally, in FY20 Henrico County permanently eliminated credit card fees associated with payment to further reduce delinquencies.

EXPENDITURE INDICATORS

EMPLOYEES PER CAPITA

(Employees per 1,000 Population)

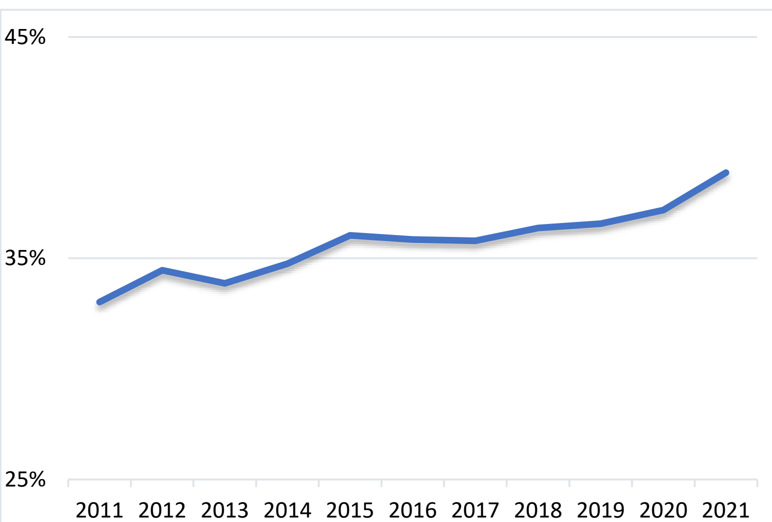


Personnel costs reflect the major portion of Henrico County's operating budget and changes in the number of employees per capita are indicative of changes in total expenditures. An increase in employees per capita might indicate that expenditures are rising faster than revenues, that the locality is becoming more labor intensive, or that personnel productivity is declining. This report uses total approved employee positions in a given fiscal year and does not consider mid-year changes to staffing or vacant positions.

Employees per capita saw an uptick in FY21 from that of FY20, rising from 12.4 to 12.8. This increase was driven by a decline in the County's total population rather than a sizable increase to the County's workforce.

FRINGE BENEFITS

(As a % of Wages)



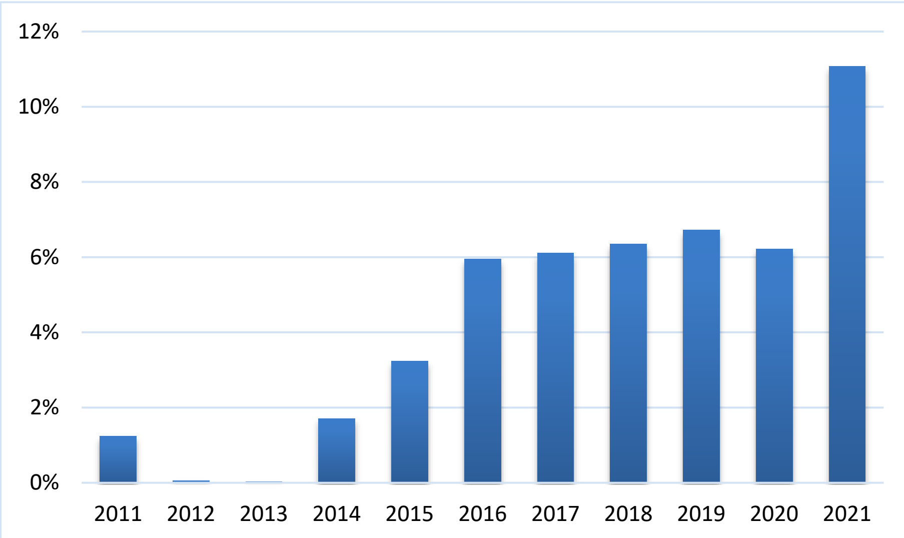
Fringe benefits are compensation that employees receive in addition to wages paid by an employer. In the case of a locality, monitoring fringe benefits is another way to monitor a large portion of overall expenditures. Fringe benefit costs are not completely controlled by county management; as FICA rates are set by the federal government, VRS is calculated by the state, and health insurance costs are largely driven by claims expenses. The fringe benefits measured on this indicator include FICA, payments to the Virginia Retirement System (VRS), health insurance, VRS Group life insurance, unemployment costs and worker's compensation. The cost of these benefits is divided by the cost of wages paid to obtain the percentages depicted.

Fringe benefits reached an all-time high in FY21 due to increasing contributions to VRS and rising health care costs market wide. These costs largely fall outside of the direct control of the County but **show how the County is impacted by increasing costs in the larger economy.**

OPERATING POSITION INDICATORS

OPERATING SURPLUS

(As a % of Net Operating Revenues)



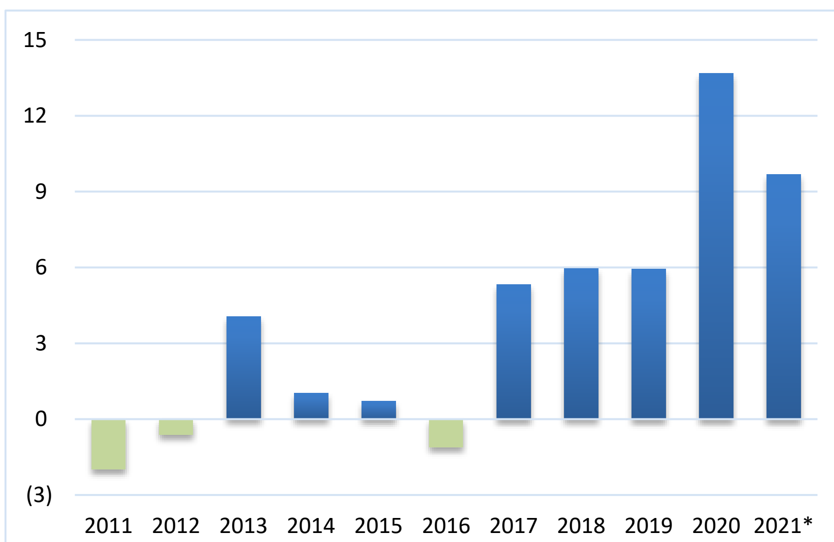
An operating surplus occurs when current revenues exceed current expenditures. If the reverse is true, it means that there is a deficit, and the locality is spending more than it receives. There can be isolated cases where spending more than collecting is prudent and may not be reason for alarm. Frequent occurrences of operating deficits may indicate that realized revenues are not supporting current expenditures which should constitute a review of priorities and goals.

Operating surpluses saw a sharp increase in FY21. This increase was the effect of conservative budgeting in the face of the pandemic's unknown impact on County operations and changes in operations reflective of pandemic needs. FY21's operating surplus of 11.1% rose 4.9% from FY20.

ENTERPRISE GAINS/LOSSES

(in Constant Dollars)

Enterprise gains and losses occur when self-sufficient enterprise programs encounter an operating surplus or deficit. Negative numbers on the scale represent program losses (inclusive of depreciation expenses). Enterprise operations included in this analysis were Water and Sewer services and formerly the Belmont Golf Course. In December 2020, First Tee of Richmond took over operations of the Belmont Golf Course and this enterprise program is no longer a county operation.

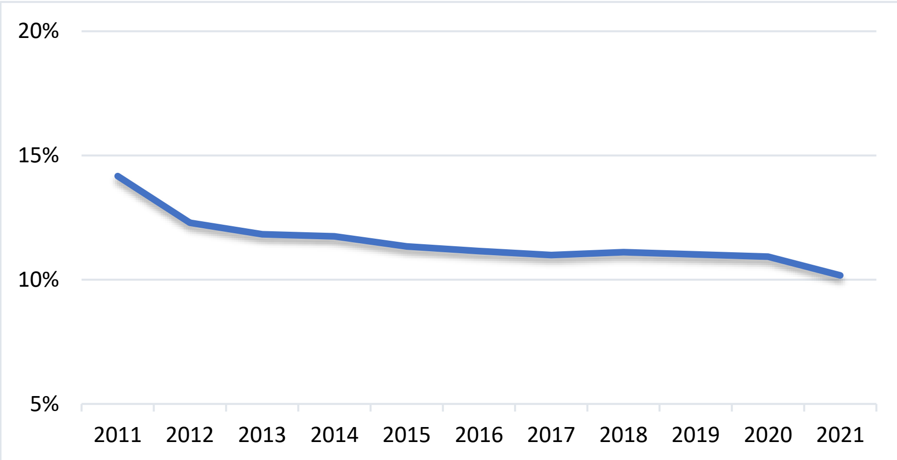


** Excluding Belmont Golf Course*

In FY21, the County's Enterprise programs continued to maintain a substantial surplus, as observed over the past 5 fiscal years. **FY21 gains declined from those of FY20 by roughly $4.0 million but continues to stand well above the 11-year average.** This decline may represent a return to operational normalcy as gains near historic averages.

GENERAL FUND UNASSIGNED BALANCES

(As a % of Net Operating Revenues)



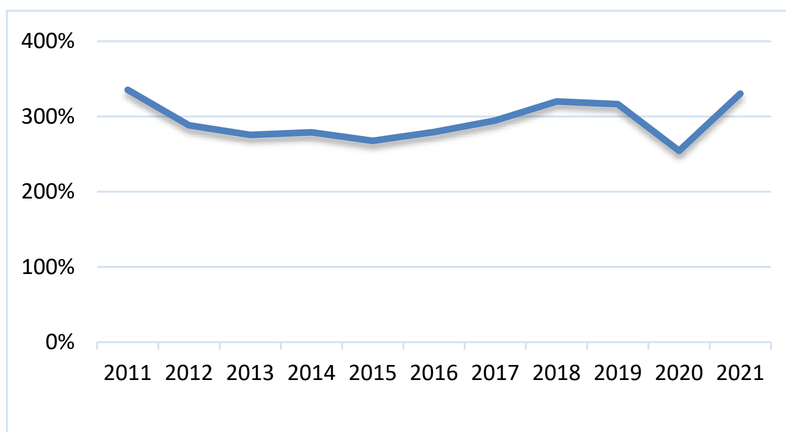
The level of a locality's unassigned fund balance contributes to its ability to withstand unexpected financial emergencies, including natural disasters, revenue shortfalls, or steep rises in inflation. It may also determine a locality's ability to accumulate funds for large-scale one-time purchases without having to incur debt.

Note: This historical depiction is reflected differently than the percentages referred to in the Annual Fiscal Plan as "net operating revenues." The graph above includes the General, Special Revenue and Debt Service Funds, causing the percentage reflected on this page to be lower than what is reflected in the Annual Fiscal Plan.

The ratio of general fund unassigned balance to the net operating revenues of the General, Special Revenue and Debt Services funds was 10.2% in FY21, down 0.7% from FY20. This is the result of federal stimulus funding elevating net operating revenues. As expenses increase, the unassigned fund balance, set at 15% of general fund expenses, will increase. **This marks the steepest decline in 10 fiscal years but remains above the 35-year average of 8.5%.** It should be noted that the total general fund balance increased over $136 million.

LIQUIDITY

(Cash & Investments as a % of Current Liabilities)



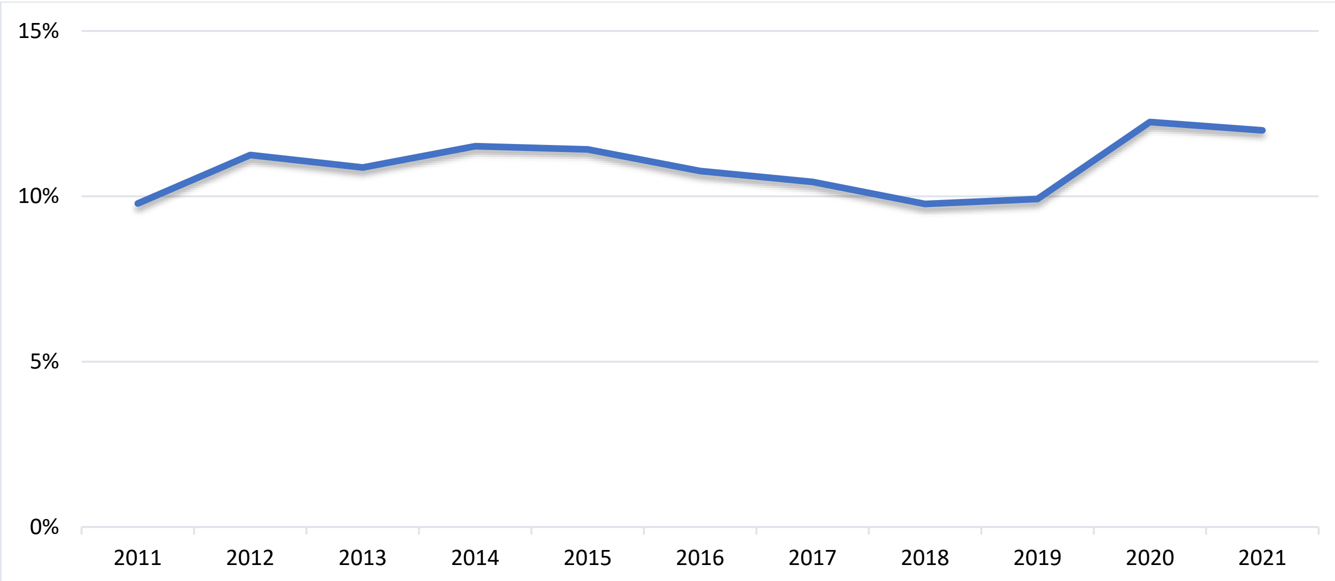
Liquidity measures a locality's ability to pay its short-term obligations through the monitoring of its cash position. "Cash position" includes cash on hand and in the bank, and assets that can be easily converted to cash, such as short-term investments. Short-term obligations include accounts payable, the payments on long-term debt and other liabilities due within one year of the balance sheet date. The effect of insufficient liquidity is the inability to pay bills or insolvency. Declining liquidity may indicate that a locality has overextended itself.

FY21 saw a substantial rise in liquidity following a notable drop in FY20. Interest rates reached record lows in FY20, prompting the County to refund approved long-term debt to take advantage of lower rates. **While lower liquidity can be a cause for concern if continuous, increased revenue flows in FY21 have alleviated these worries.**

DEBT STRUCTURE INDICATORS

CURRENT LIABILITIES

(As a % of Net Operating Revenues)



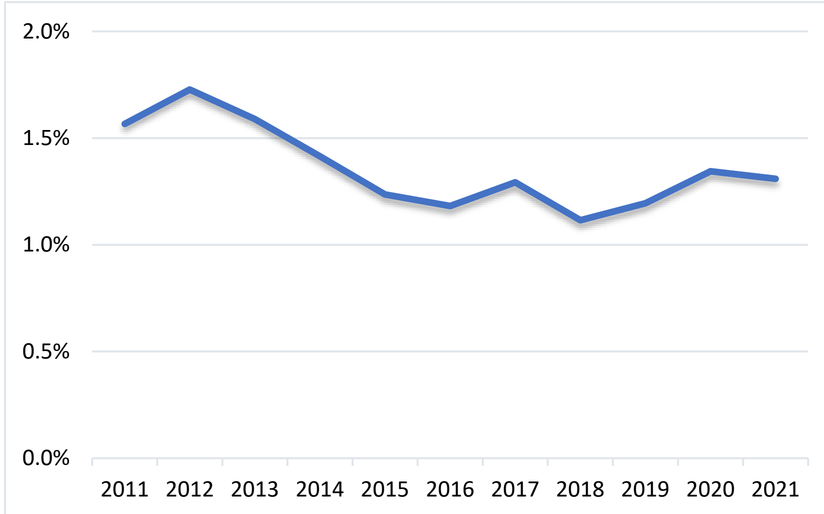
Current liabilities include short-term debt, the current debt service payments of long-term debt, accounts payable and other liabilities due within one year of the balance sheet date. A major component of current liabilities may be short-term debt in the form of bond anticipation notes. Use of short-term borrowing is an option for handling erratic flows of revenues, but an increasing amount of short-term debt outstanding at the end of successive years can indicate liquidity problems, deficit spending, or both.

Current liabilities saw a slight decline in FY21, while remaining largely consistent with those of FY20. Liabilities remain high in part due to continuing debt service payments following issuances in FY19 and FY20. **Sustained long-term increases to current liabilities could impact the County's delivery of future services in subsequent fiscal years.** At 12.1%, current liabilities sit slightly above the 35-year average of 9.9%.

LONG TERM DEBT

(As a % of Assessed Valuation of Real Property)

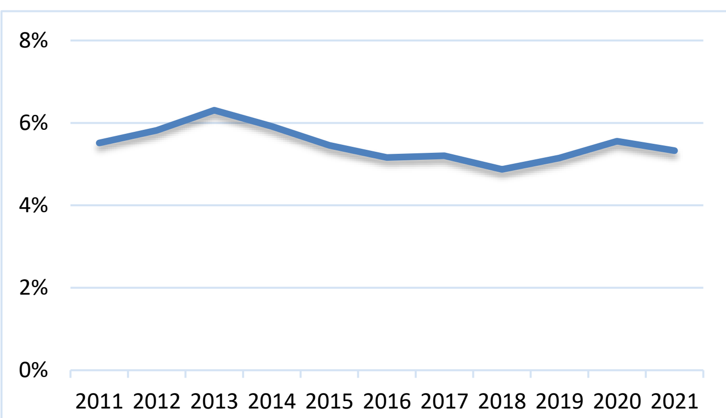
A locality's ability to repay its debt is determined by comparing net direct long-term debt (paid directly with general tax revenues) to assessed valuations. An increase in net direct long-term debt as a percentage of real property valuation can indicate that a locality's ability to repay its obligations is diminishing. The concern is that long-term debt should not exceed the locality's resources for paying the debt.



Long-term debt as a percentage of assessed value saw a small decline in FY21 following 2 years of consecutive increases; these increases were attributable to bond issuances which took advantage of low interest rates. As the County prepares to issue additional G.O. bonds, long term debt will continue to rise over fiscal years to come but are expected to remain manageable, particularly given the recent rise in assessed values of real property. **FY21 levels remain below those of FY12 and the 35-year historic average.**

DEBT SERVICE

(As a % of Net Operating Revenues)



Note: "Net Operating Revenues" includes the General, Special Revenue, and Debt Services Funds.

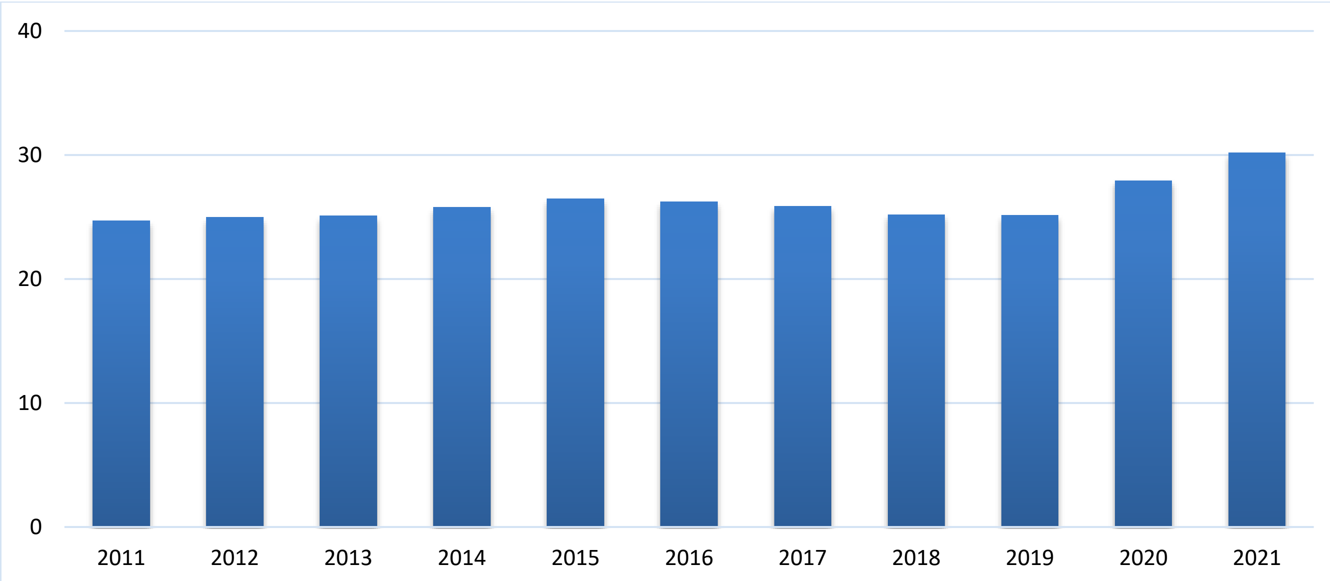
Debt service is the amount of principal and interest that a locality must pay each year on direct long and short-term debt. As debt service increases, it adds to a locality's obligations and reduces the locality's expenditure flexibility which may be an indication of fiscal strain. Debt service for this indicator includes principal and interest payments for General Obligation bonds, Virginia Public School Authority (VPSA) debt, Literary Loan debt, and Lease Revenue bonds. The indicator does not include Enterprise Fund debt.

Current debt service levels are 5.3% of net operating revenues, down 0.3% from FY20 and up 0.4% from FY18. As noted in the analysis of Current Liabilities and Long-Term Debt, increases in FY19 and FY20 were related to the recent issuance of low-interest debt. **Current levels are equal to the 35-year average of 5.3%.**

EMPLOYEE LEAVE INDICATORS

ACCUMULATED VACATION LEAVE

(Days per Employee)



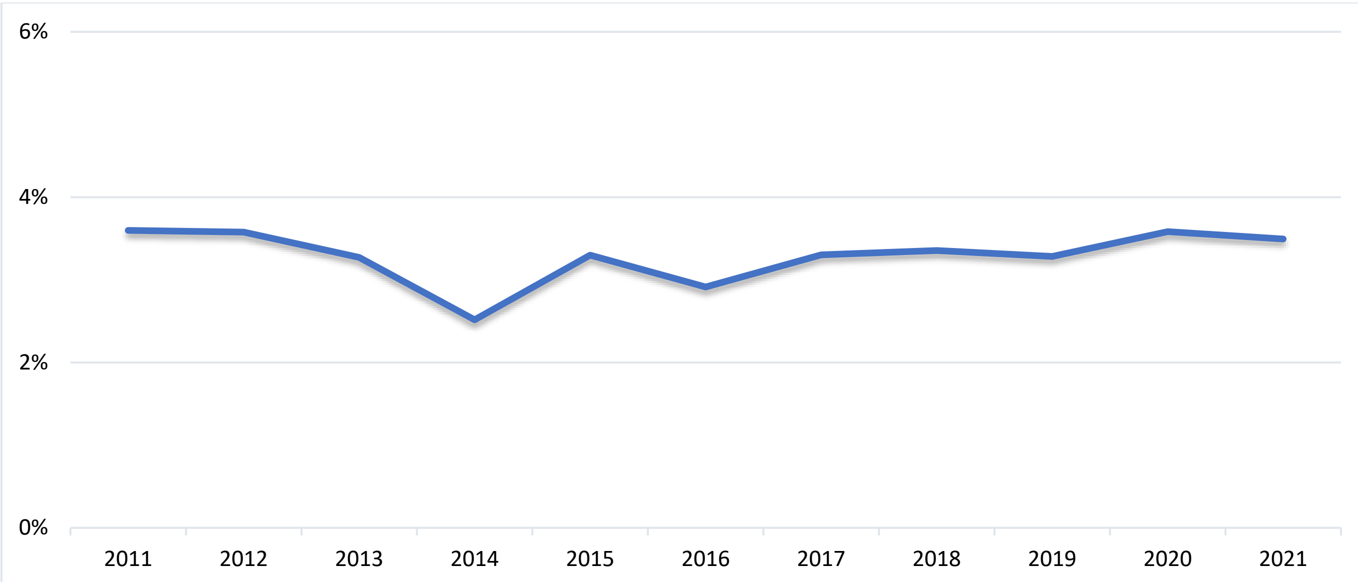
Localities usually allow their employees to accumulate some portion of unused paid leave, which may be paid at termination or retirement. This expenditure is rarely funded while it is being accumulated although the costs of the benefit are covered through normal attrition and the related compensation differential. While there is no direct fiscal impact that arises from this indicator, its inclusion is useful in depicting overall employee behavior, which impacts the previously discussed Fringe Benefits indicator and personnel related expenditures.

Accumulated paid leave has reached an all-time high of 30.2 days per employee, even exceeding the FY20 record of 27.9. The COVID-19 pandemic is the leading cause for this increase in unused leave. Henrico has implemented a telework policy in several departments of its workforce and, in some cases, has allowed for greater flexibility to working hours. COVID-19 has also increased some responsibilities for departments to alleviate COVID-19 induced issues and employees have responded by working more and using less vacation time. **When the pandemic subsides and global travel restrictions are lifted, there is expected to be a greater than normal usage of leave that may return this trend to FY19 levels or lower.** Due to the exceptional nature of the employee response to the COVID-19 pandemic, leave balances were carried over without capping at the end of FY20 and FY21, causing the sharp rise in retained leave. As those balance caps are planned to be progressively restored at the end of FY22 and beyond, a reduction in leave balances is anticipated.

CONDITION OF CAPITAL PLANT INDICATORS

LEVEL OF CAPITAL OUTLAY

(As a % of Net Operating Revenues)



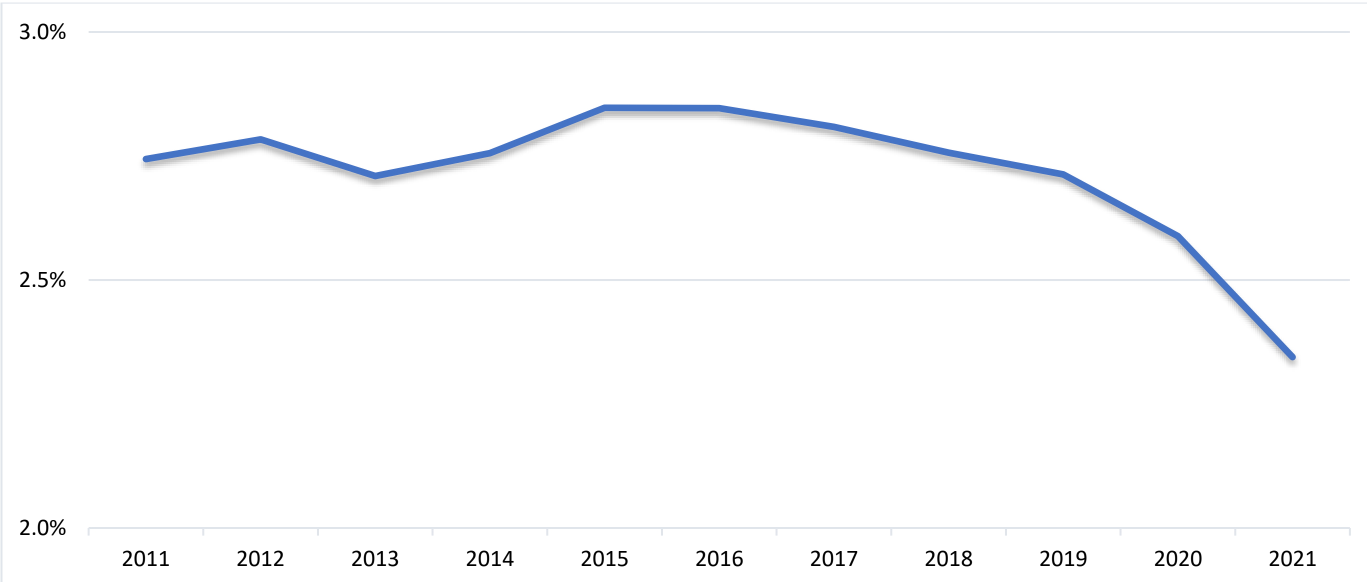
Capital outlay includes expenditures for equipment in the operating budget, such as vehicles or computers. It normally includes equipment that will last longer than one year. Capital outlay does not include capital improvement expenditures for construction of capital facilities such as streets, buildings, fire stations, or schools.

The purpose of capital outlay in the operating budget is to replace worn equipment or add new equipment. The level of capital outlay is a rough indicator of the status of equipment and determine if it is being maintained in good condition. A declining trend in the short run of one to three years may not be concern for alarm as it could mean that a locality's needs have temporarily been satisfied. If the decline persists over three or more years, it can be an indication that capital outlay needs are being deferred, resulting in the use of obsolete and inefficient equipment, increased infrastructure costs, and the creation of future unfunded liabilities.

The overall trend for the level of capital outlay is relatively flat for the 11-year timeline depicted. **FY21 levels decreased slightly from 3.6% to 3.5%.** As technology usage remains high across departments and efficiencies developed in response to COVID-19 become continuous operating fixtures, it is anticipated that capital outlay will remain consistent in future fiscal years.

DEPRECIATION

(As a % of Assets)



Depreciation is the mechanism by which a cost is associated with the use of a fixed asset over its estimated useful life. Depreciation is recorded only in the Enterprise and Internal Service Funds. Total depreciation expense typically remains at a relatively stable proportion of the cost of the entity's fixed assets, as older assets, which are fully depreciated, are usually removed from service and newer assets take their place. If depreciation expenses start to decline as a proportion of the fixed asset cost, the assets on hand are likely being used beyond their estimated useful life.

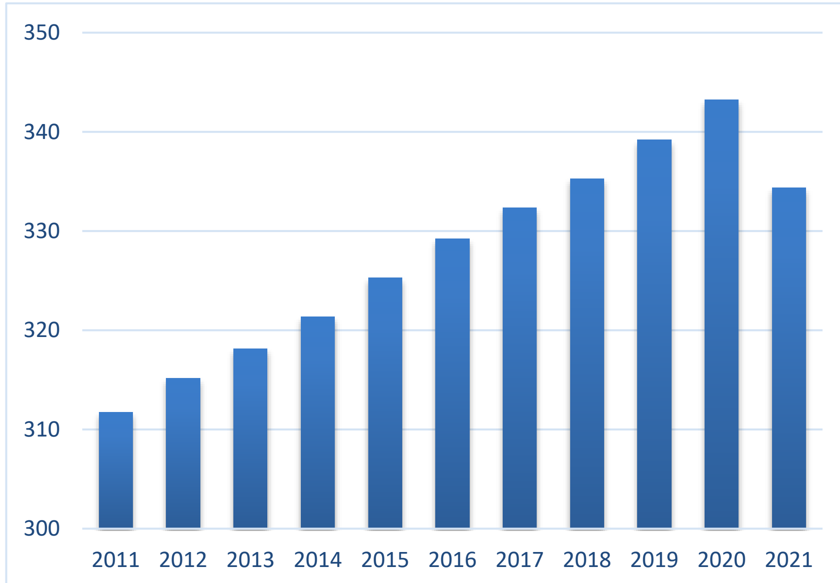
Depreciation as a percent of assets saw a sharp decline in FY21 down to 2.3% from 2.6% in FY20. Depreciation expenses fell 8.4% from their FY20 value despite relatively stable increases in depreciable fixed assets. This disparity resulted in the observed drop. **A decrease in depreciation is a cause for concern if it is a reoccurring trend in subsequent fiscal years.** FY20 saw the full depreciation of many County assets and are scheduled for replacement in the near future. This metric may be modified in future years to reflect accumulated depreciation as a percentage of total assets.

COMMUNITY NEEDS & RESOURCES INDICATORS

POPULATION

(In Thousands)

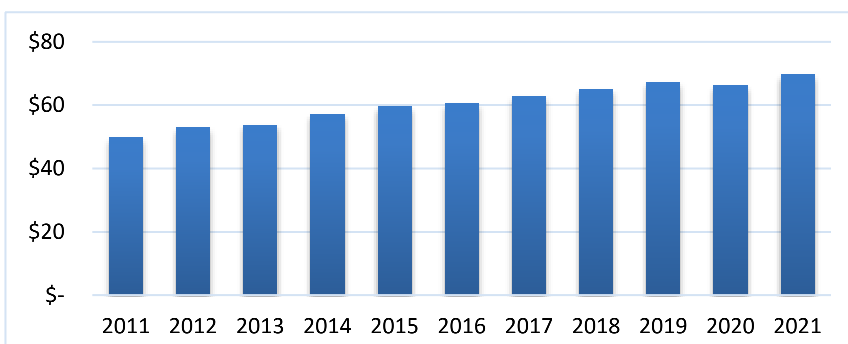
Empirical evidence indicates that changes in population can have a direct effect on a locality's revenue because of the impact upon related factors, such as employment, income, and property value. A sudden increase in population can create immediate pressures for new capital outlays, infrastructure and for higher levels of service, particularly in the areas of Education, and Recreation. A locality faced with a declining population is rarely able to reduce expenditures at the same rate as population loss as many expenditures such as debt service, government mandates, and salaries are fixed and cannot effectively be reduced in the short run.



Population growth experienced the first ever recorded decline in the 11-year observational period. This is an anomaly that requires continued analysis. This figure was sourced from the United States 2020 Census for FY21, while non-Census years are estimated by the County's Department of Planning. While revenue streams have been seemingly unaffected, this is an issue of importance to the future financial wellbeing of Henrico County and cannot be unexamined.

PER CAPITA INCOME

(In Thousands)

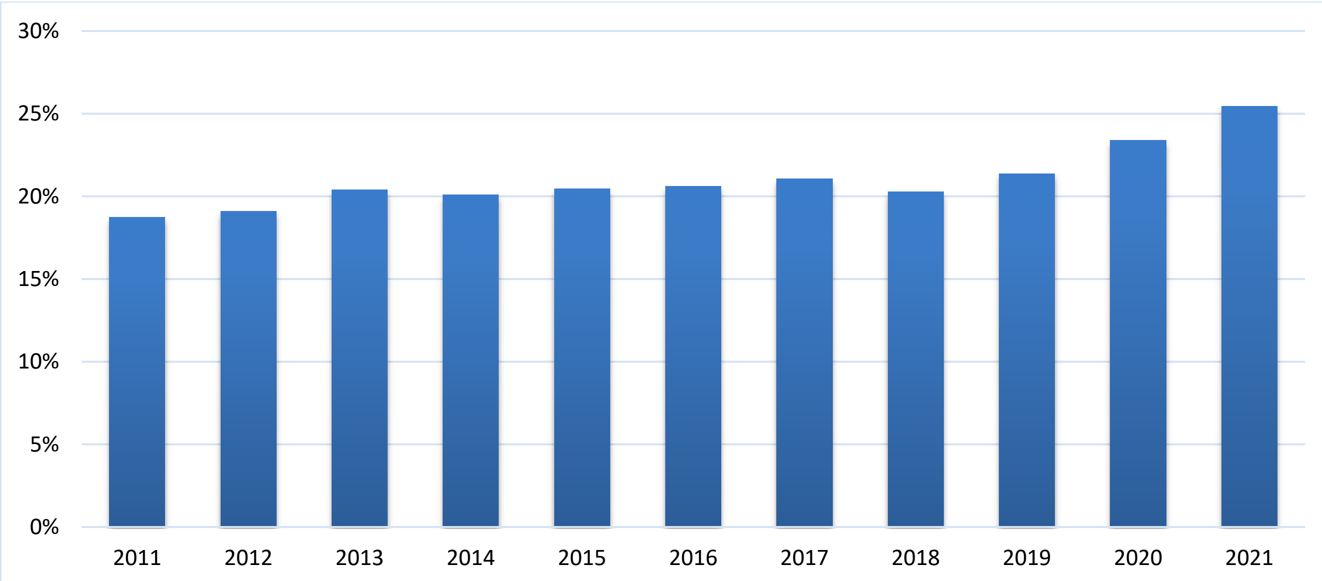


Per capita income is a measure of a community's overall wealth. Credit rating agencies use per capita income as an important measure of a local government's ability to repay debt. A decline in per capita income may result in a drop in consumer purchasing power and can provide advance notice that businesses, will suffer a decline that can ripple through the rest of the local economy. Changes in per capita income are especially important for communities that have little commercial or industrial tax base because personal income is the primary source from which taxes can be paid.

Per capita income in FY21 increased to $69,740 per person from $66,152 in FY20, a 5.4% increase. This increase is in part due to an economic recovery following the initial shock and unemployment from the first wave of the COVID-19 pandemic. Declining population numbers have also impacted the upwards growth of this metric.

PUBLIC ASSISTANCE RECIPIENTS

(As a % of Total Population)

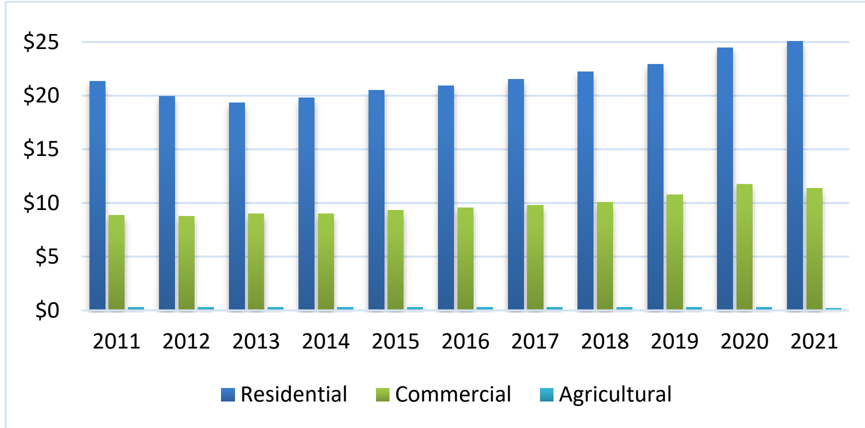


This trend is generally associated with a decline in personal income. The indicator measures the number of public assistance recipients against the number of residential households in the County. An increase in the number of public assistance recipients can signal a future increase in expenditures because of the relatively higher needs of low-income residents combined with their relative lack of personal wealth.

Public assistance recipients continued to rise in FY21, experiencing the highest levels in an 11-year timespan at a rate of 25.5%, a 2.1% increase from FY20. Rates increased in FY10 in response to the Great Recession and then remained relatively stable at approximately 20% from FY12 through FY18. With the U.S. economy already slowing down, the COVID-19 pandemic exacerbated market conditions, leading many to seek public assistance through government stimulus funding. Furthermore, recent Medicaid expansions have approved additional subsets of applicants, creating a wider pool of people eligible for public assistance. **Public assistance recipients are not expected to decrease until FY22 or later.**

REAL PROPERTY VALUES

(In Constant Dollars, Billions)

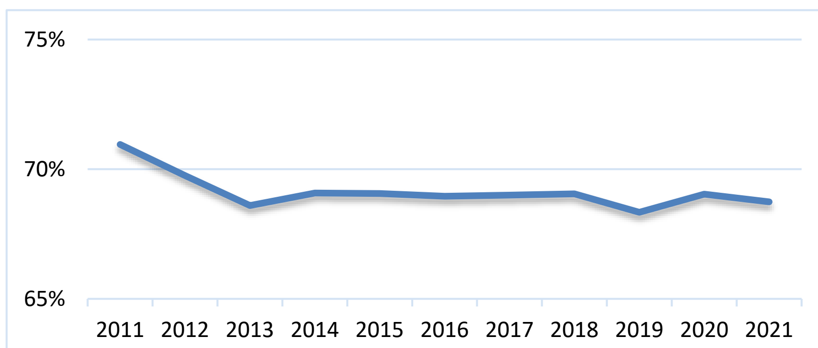


Changes in real property values are important as property taxes tend to be the largest source of revenue for localities. If a locality has a stable tax rate, the tax revenues will increase with property values. Localities experiencing rapid population and economic growth are likely to experience growth in property values in the short run. This is because the supply of housing is fixed short-term and the increase in demand due to growth will force prices up. The extent to which declining real property values affect a locality's revenues will depend on the locality's reliance on property tax revenue and other related revenues.

Residential real property values continue to increase and currently exceed FY09 levels. Despite the COVID-19 pandemic, record low mortgage rates have increased demand for homes with higher-than-average transactions. This is a nationwide trend due to limited housing supply and increased location flexibility due to remote work. **Real property taxes are an inelastic revenue source and indicates healthy revenues in the future.** Commercial and Agricultural real property values both experienced slight declines, an abnormality against traditional growth patterns, but are anticipated to rebound in FY22.

RESIDENTIAL DEVELOPMENT

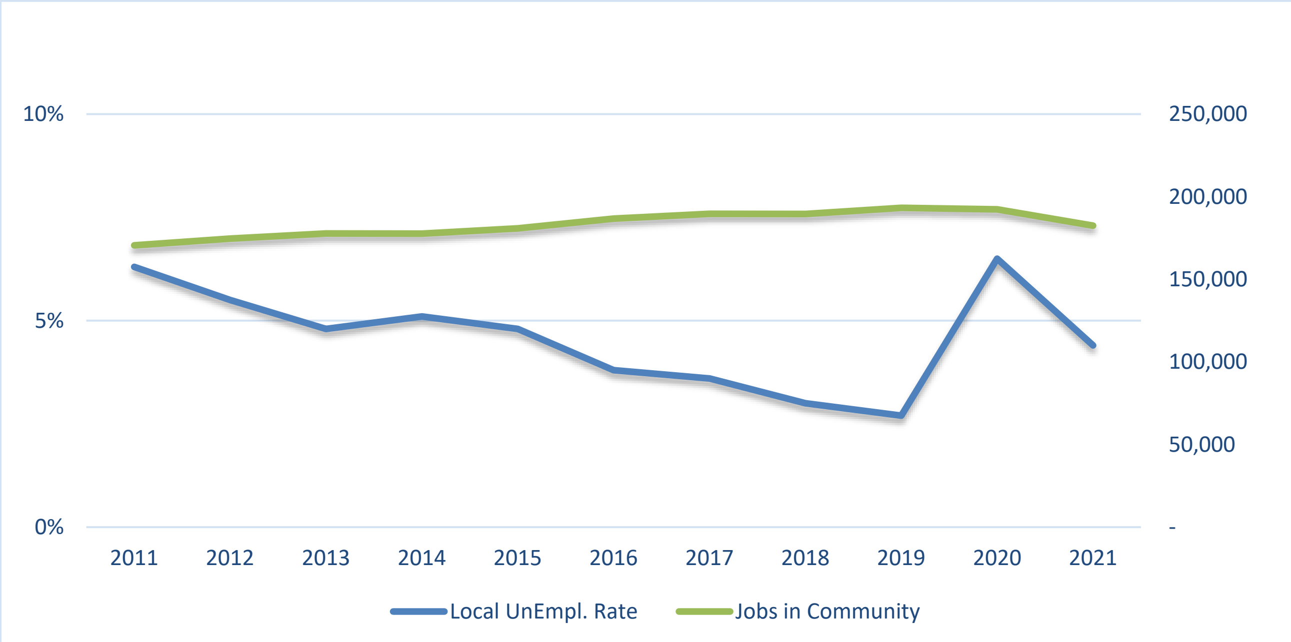
(As a % of Total Property)



The net cost of servicing residential development is generally higher than the net cost of servicing commercial or industrial development due to the related demands for public services such as Public Safety, Public Utilities, and Education. This demand also impacts the location of new residential development as houses built outside of current service areas can impose greater initial costs to localities than houses built within developed areas. The extent to which new residential development affects the financial condition of a community will depend on the community's economy, tax structure, and expenditure profile. A locality must balance development type with current zoning and availability of public services to maintain fiscal viability. Henrico County has determined that a 70.0% level of residential valuation is optimal.

Residential development decreased slightly in FY21 to 68.7%, down 0.3% from FY20. Levels remain stable with only slight variances year to year. The additional demand for housing witnessed through FY21 may result in increased levels of development in fiscal years to come.

EMPLOYMENT BASE

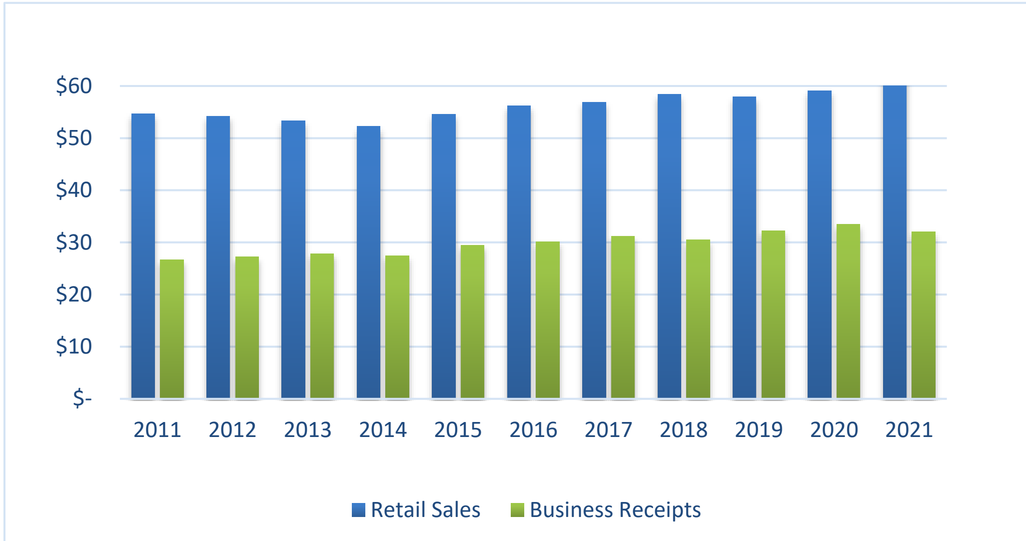


Employment base considers the unemployment rate and the total number of jobs within the locality. This indicator is significant because it is directly related to the levels of business activity and personal income. The two trend lines tend to move in opposite directions. Changes in the number of jobs provided by the community are a measure of business activity and changes in the rate of employment of the community's residents is related to fluctuations in personal income and, thus, is a measure of the community's ability to support its local business sector. A change in employment base can provide preliminary information on business sector changes and provide notification if further research is warranted.

Total jobs in the community decreased in FY21 despite a decrease in the local unemployment rate. This is the result of the pandemic's impact on the service sector of the economy. **This marks the first decline in job growth within the 11-year observational period.**

LOCAL RETAIL SALES & BUSINESS RECEIPTS

(In Constant Dollars, Millions)



The level of business activity can provide information about a locality's financial condition in two ways:

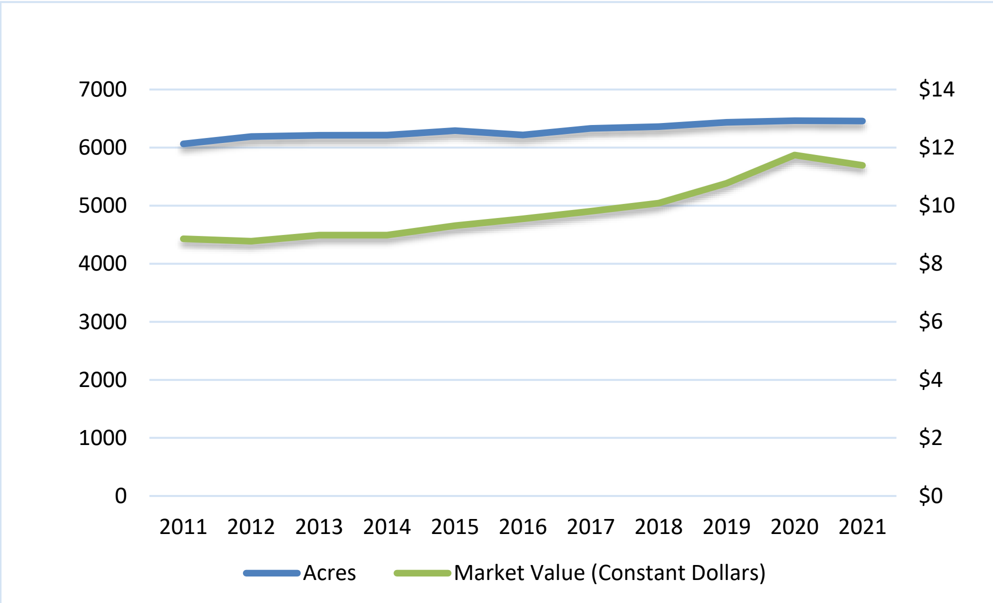
1. It directly affects revenue yields of sales taxes and gross receipts taxes as these are direct products of business activity.

2. There is an indirect effect on other demographic and economic areas such as employment base, personal income, or property values. A decline in business activity will tend to have a negative impact on employment base, personal income and/or commercial property values.

Retail sales trended upwards in FY21, reaching all-time highest levels in the FTMS. Conversely, business license revenue experienced a slight decline, down $1.44 million, or 4.3%. This is indicative of the increase in the County’s exemption of gross receipts from $400,000 to $500,000. Both indicators remain stable relative to prior fiscal years.

COMMERCIAL ACRES & MARKET VALUE OF BUSINESS PROPERTY

(In Constant Dollars, Billions)



Another measurement of business activity is the Commercial Acres & Market Value of Business Property indicator. As previously noted, there must be balance of land uses in a locality to ensure that the higher costs of residential areas are off-set by lower-cost commercial and industrial areas, which are monitored through commercial acreage. Similarly, the value of business property can be indicative of the overall health of a business as it is common practice to determine fair market value of a commercial property through use of a business' Net Operating Income.

The market value of business property saw a slight decline in FY21, an abnormality against historic trending, but continues to remain strong relative to prior fiscal years. Commercial acreage, like fiscal years prior, remained largely stagnant. Values were impacted by pandemic changes, particularly in hotels, motels, office buildings, and retail space. These values are expected to rebound in FY22 with post pandemic economic activity. Future development may see select commercial properties redeveloped for residential or mixed-use projects.

APPENDIX A

FINANCIAL INDICATORS GRAPHICALLY

Description	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues Per Capita	2,892.9	2,835.5	2,803.0	2,796.4	2,938.5	2,954.6	2,995.9	2,985.5	3,056.5	3,116.6	3,330.4
Expenditures Per Capita	2,890.0	2,850.9	2,818.1	2,859.5	2,833.0	2,810.9	2,888.4	2,838.6	2,894.6	2,964.2	3,043.6
(In Constant Dollars)											
Intergovernmental Revenues (without PPTRA)	39.4%	39.7%	40.7%	40.8%	40.0%	39.9%	39.5%	39.4%	38.6%	39.9%	41.1%
Intergovernmental Revenues (PPTRA only)	3.9%	3.9%	3.8%	3.7%	3.5%	3.4%	3.3%	3.2%	3.0%	2.9%	2.8%
Elastic Tax Revenues	9.2%	9.4%	9.3%	9.4%	11.8%	11.8%	11.8%	12.1%	11.7%	11.4%	11.1%
(as a % of Net Operating Revenue)											
Property Tax Revenues (Millions)	338	330	325	332	340	347	354	360	377	394	405,028
(In Constant Dollars)											
Uncollected Property Tax Revenues	1.1%	1.3%	1.4%	1.3%	1.2%	1.2%	1.0%	1.0%	0.8%	0.7%	0.7%
(as a % of Total Levy)											
User Charge Coverage	52.5%	51.0%	51.9%	54.2%	55.4%	53.3%	52.5%	52.9%	49.9%	47.6%	46.8%
(Revenues/Expenditures)											

Revenue Variance	1.2%	0.5%	1.3%	2.4%	4.2%	3.6%	4.0%	4.2%	4.9%	2.2%	7.4%
(as a % of Net Operating Revenue)											
Employees Per Capita	12.6	12.5	12.3	12.2	12.1	12.1	12.1	12.2	12.3	12.4	12.8%
(Employees per thousand population)											
Fringe Benefits	33.0%	34.5%	33.9%	34.8%	36.0%	35.8%	35.8%	36.4%	36.6%	37.2%	38.9%
(as a % of Salaries)											
Operating Surpluses	1.2%	0.1%	0.0%	1.7%	3.2%	6.0%	6.1%	6.4%	6.7%	6.2%	11.1%
(as a % of Net Operating Revenue)											
Enterprise Losses (In Constant Dollars)	(1.985)	(0.621)	4.064	1.039	0.707	(1.114)	5.327	5.960	5.930	13.672	9.679
Unassigned General Fund Balances	14.2%	12.3%	11.8%	11.7%	11.3%	11.2%	11.0%	11.1%	11.0%	10.9%	10.2%
(as a % of Net Operating Revenue)											
Liquidity	335.4%	288.2%	275.5%	279.0%	267.8%	279.3%	294.7%	320.0%	316.5%	254.4%	330.4%
(Cash & Investments as a % of Current Liabilities)											
Current Liabilities	9.8%	11.2%	10.9%	11.5%	11.4%	10.8%	10.4%	9.8%	9.9%	12.2%	12.1%
(as a % of Net Operating Revenue)											

Long Term Debt	1.6%	1.7%	1.6%	1.4%	1.2%	1.2%	1.3%	1.1%	1.2%	1.4%	1.5%
(as a % of Assessed Valuation)											
Debt Service	5.5%	5.8%	6.3%	5.9%	5.5%	5.2%	5.2%	4.9%	5.2%	5.6%	5.4%
(as a % of Net Operating Revenue)											
Accumulated Employee Leave Liability	24.7	25.0	25.1	25.8	26.5	26.2	25.9	25.2	25.1	27.9	30.2
(in Days)											
Level of Capital Outlay	3.6%	3.6%	3.3%	2.5%	3.3%	2.9%	3.3%	3.4%	3.3%	3.6%	3.5%
(as a % of Net Operating Expenditures)											
Depreciation	2.7%	2.8%	2.7%	2.8%	2.8%	2.8%	2.8%	2.8%	2.7%	2.6%	2.3%
(Depreciation Expense as a % of Assets)											
Population	311.726	315.157	318.158	321.374	325.283	329.227	332.368	335.283	339.191	343.258	334.389
Per Capita Income (restated)	49.849	53.016	53.733	57.214	59.670	60.451	62.778	65.072	67.128	66.152	69.740
Public Assistance Recipients (restated for 2016 Trends)	18.7%	19.1%	20.4%	20.1%	20.4%	20.6%	20.7%	20.3%	21.4%	23.4%	25.5%
(as a % of Total Population)											

Property Values	-4.3903	-4.89	-1.38	1.58	3.55	2.20	2.87	3.03	4.35	7.41	0.39
% Change											
Residential	21.335	19.943	19.348	19.792	20.491	20.930	21.537	22.225	22.950	24.486	25.073
Commercial	8.860	8.775	8.984	8.985	9.311	9.547	9.807	10.088	10.770	11.743	11.387
Agricultural	0.308	0.292	0.279	0.285	0.292	0.279	0.293	0.283	0.294	0.304	0.217
(In Constant Dollars)											
Residential Development	71.0%	69.8%	68.6%	69.1%	69.1%	69.0%	69.0%	69.1%	68.3%	71.3%	68.7%
(as a % of Total Property)											
Employment Base											
Local Unemployment Rate	0.0630	0.0550	0.0480	0.0510	0.0480	0.0380	0.0360	0.0300	0.0270	0.0650	0.0440
Jobs in Community	170,581	174,628	177,810	177,647	180,877	186,728	189,618	189,572	193,284	192,419	182,508
Business Activity - #1											
(In Constant Dollars)											
Retail Sales	54,679.24	54,228.28	53,331.99	52,251.09	54,604.94	56,260.49	56,930.63	58,421.94	57,915.42	59,106.34	62,816.76
Annual Business Receipts	26,649.98	27,228.74	27,840.38	27,475.94	29,502.77	30,134.76	31,193.61	30,486.54	32,259.21	33,504.20	32,060.62
	-2.8%	2.2%	2.2%	-1.3%	7.4%	2.1%	3.5%	-2.3%	5.8%	3.9%	-4.3%
Business Activity - #2											
Market Value of Business Property	8,859.95	8,774.94	8,983.87	8,985.44	9,311.14	9,546.71	9,807.43	10,087.66	10,769.50	11,743.02	11,387.39
Acres Devoted to Business	6,064.00	6,189.00	6,211.00	6,214.00	6,291.00	6,217.00	6,331.00	6,360.00	6,435.00	6,463.19	6,457.44

GENERAL FINANCIAL AND ECONOMIC DATA

Item	Description	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1.3	Cash & Short-Term Investments	309,643	308,287	289,131	318,999	323,342	326,848	347,810	365,651	386,403	394,217	535,392
1.4	Accounts Payable	48,717	53,348	52,155	61,604	58,946	55,431	60,925	60,128	62,176	64,762	67,148
1.7	Principle due in 12 months	32,825	38,725	38,510	38,890	39,255	38,605	41,700	39,845	43,775	67,321	79,305
1.8	Other Current Liabilities	10,769	14,881	14,284	13,853	22,553	22,969	15,405	14,279	16,146	22,883	15,582
1.9	Total Current Liabilities	92,311	106,954	104,950	114,346	120,754	117,005	118,030	114,252	122,098	154,966	162,035
1.10	Net Direct Long Term Debt	499,930	533,180	492,025	454,095	411,405	406,150	464,530	424,685	480,305	593,260	649,040
1.1	Cost Depreciable Fixed Assets	1,109,368	1,124,786	1,143,806	1,176,897	1,205,603	1,249,751	1,300,142	1,357,128	1,434,087	1,482,192	1,498,813
1.1	Depreciation Expense	30,439	31,308	30,993	32,433	34,326	35,573	36,517	37,412	38,905	38,365	35,141
1.1	General Fund Operating Surplus	11,751	533	336	17,000	34,246	64,678	69,053	74,332	82,706	78,705	148,514
1.2	Enterprise Operating Results	(2,078)	(661)	4,400	1,148	782	(1,244)	6,051	6,963	7,041	16,171	11,650
1.2	General Fund Balances	230,524	221,639	197,540	210,567	224,205	232,416	253,995	279,926	281,896	274,646	413,312
1.2	General Fund Assigned Balances	96,798	104,751	83,364	93,945	104,259	111,167	129,679	150,038	146,258	136,394	276,935
1.2	General Fund Unassigned Balances	133,727	116,888	114,175	116,622	119,946	121,249	124,316	129,887	135,638	138,252	136,377
1.2	Uncollected Property Taxes	3,737	4,604	5,025	4,815	4,645	4,506	3,994	4,046	3,504	3,402	3,485
1.20	Full Property Tax Levy	349,269	347,803	357,613	361,689	373,457	374,674	389,341	409,080	433,550	455,726	479,222
2.1	Property Tax Revenues	353,555	351,142	352,275	367,120	375,685	387,388	402,026	420,786	447,469	466,198	487,532

2.2	Committed User Charges	30,207	31,424	31,336	33,266	33,372	33,680	33,971	38,084	36,866	35,727	31,438
2.3	Uncommitted User Charges	3,321	3,152	3,323	3,379	3,378	3,552	5,678	3,617	3,544	3,151	1,433
2.4	Other Revenue greater than 5%	127,013	129,354	125,872	125,113	158,824	165,920	176,154	182,032	186,844	183,291	188,049
2.5	Other Revenue less than 5%	21,028	21,220	22,343	21,664	25,951	25,143	29,010	27,406	44,323	35,487	26,471
2.6	Total Local Operating Revenue	535,125	536,292	535,150	550,542	597,210	615,683	646,840	671,925	719,046	723,853	734,923
2.7	Intergovernmental Operating Revenue	408,589	414,459	430,280	442,504	460,328	471,181	484,181	497,572	512,094	541,451	605,557
2.7	Intergovernmental Operating Revenue (without PPTRA reimbursements)	371,587	377,457	393,278	405,502	423,327	434,180	447,180	460,570	475,092	504,449	568,555
2.10	Gross Operating Revenues	943,714	950,751	965,430	993,046	1,057,538	1,086,864	1,131,022	1,169,497	1,231,140	1,265,304	1,340,480
2.1	Net Operating Revenues	943,714	950,751	965,430	993,046	1,057,538	1,086,864	1,131,022	1,169,497	1,231,140	1,265,304	1,340,480
2.1	Restricted Operating Revenues	334,149	337,442	353,421	354,991	374,039	375,575	384,747	400,198	418,949	424,529	472,187
2.2	Elastic Operating Revenue	87,182	89,098	90,097	92,893	124,352	128,416	132,959	141,977	143,776	144,266	149,381
2.2	Net Operating Revenue Budgeted	932,150	946,188	953,214	969,062	1,013,213	1,047,214	1,085,742	1,119,821	1,170,974	1,237,845	1,248,356
3.1	Salaries and Wages	472,724	480,853	495,822	496,472	508,111	526,875	538,928	554,880	577,497	604,277	601,428
3.2	Fringe Benefits	156,088	165,696	167,899	172,540	183,080	188,878	192,860	201,806	211,170	224,655	233,774
3.3	Supplies	46,168	43,383	42,775	48,999	49,833	42,677	41,628	47,488	47,679	41,740	35,597
3.4	Services	113,118	109,529	105,315	144,336	111,340	109,868	118,046	120,684	145,237	121,429	122,399

3.5	Capital Outlay *(restated for 2017 Trends)*	33,920	34,201	31,748	25,555	33,639	30,132	36,013	37,298	38,276	43,129	42,810
3.6	Principal-Long term Debt	32,300	32,290	38,510	37,615	38,285	38,605	41,700	39,845	43,775	48,870	47,585
3.7	Interest-Long term Debt	19,722	23,035	22,393	21,132	19,392	17,481	17,144	17,143	19,632	21,432	24,395
3.8	Total Direct Debt	52,022	55,325	60,903	58,747	57,677	56,086	58,844	56,988	63,407	70,302	71,980
3.9	Other Expenditures	45,527	43,982	41,361	44,052	49,701	53,866	69,189	59,539	63,631	66,186	101,532
3.10	Internal Service Fund Transfers	23,195	22,949	24,815	24,779	26,177	25,609	34,955	33,250	33,162	31,697	15,538
3.1	Total Net Operating Expenditures	942,761	955,918	970,638	1,015,481	1,019,557	1,033,991	1,090,463	1,111,934	1,165,903	1,203,415	1,225,058
3.1	Number of General Government Employees	3,927	3,927	3,927	3,927	3,937	3,986	4,032	4,100	4,183	4,245	4,267
3.1	Unused Annual Leave (in days)	96,974	98,048	98,496	101,198	104,232	104,592	104,368	103,290	105,173	118,561	128,738
3.1	Unused Sick Leave (in days)	288,847	292,650	286,114	290,157	286,638	280,967	275,656	268,414	264,097	259,544	254,976
3.2	Expenditures Covered by Charges	57,538	61,630	60,360	61,408	60,245	63,189	64,717	72,042	73,891	75,045	67,142
7.1	Population (Calendar Year)	311,726	315,157	318,158	321,374	325,283	329,227	332,368	335,283	339,191	343,258	334,389
7.3	Total Personal Income (Thous. of $) - *restated*	15,539,295	16,708,471	17,095,572	18,387,012	19,409,625	19,902,117	20,865,472	20,865,472	22,006,480	22,707,121	23,321,002
	Per Capita Income - *restated*	49.849	53.016	53.733	57.214	59.670	60.451	62.778	65.072	67.128	66.152	69.74
7.4	Public Assistance Recipients (restated for 2016 Trends)	58,387	60,188	64,927	64,583	66,505	67,849	68,693	67,948	72,519	80,277	85,114
7.6	Market Value of Property (Mil. of $)	31,921	30,865	30,973	32,114	33,295	34,364	35,937	38,083	40,391	42,851	44,307

7.7	Assessed Property Values (Mil. of $)	31,921	30,865	30,973	32,114	33,295	34,364	35,937	38,083	40,204	42,658	44,118
7.8	Market Value-Residential (Mil. of $)	22,327	21,218	20,945	21,871	22,670	23,386	24,463	25,966	27,253	28,961	30,180
7.9	Market Value-Commercial (Mil. of $)	9,272	9,336	9,726	9,929	10,302	10,667	11,140	11,786	12,789	13,889	13,707
7.10	Market Value-Agricultural (Mil. of $)	322	311	302	315	323	312	333	330	349	359	261
7.1	Residential Households (Calendar Year)	130,482	131,044	131,652	132,363	133,020	134,153	134,747	135,623	136,619	138,219	134,234
7.1	Vacancy Rates-Residential (Calendar Year)	2.5%	2.4%	2.0%	1.6%	1.4%	1.4%	1.5%	1.6%	1.5%	1.4%	4.6%
7.2	Local Unemployment Rate	6.3%	5.5%	4.8%	5.1%	4.8%	3.8%	3.6%	3.3%	2.5%	2.8%	4.4%
7.2	Jobs Within Community	170,581	174,628	177,810	177,647	180,877	186,728	189,618	189,572	193,284	192,419	182,508
7.2	Retail Sales (Thous. of $)	57,222	57,694	57,736	57,738	60,414	62,861	64,666	68,256	68,775	69,908	75,613
7.2	Annual Business Receipts (Thous. of $)	27,889	28,969	30,139	30,361	32,641	33,670	35,432	35,618	38,308	39,627	38,591
7.20	Business Acres (Calendar Year)	6,064	6,189	6,211	6,214	6,291	6,217	6,331	6,360	6,435	6,463	6,457
7.21	CPI	225.7	229.5	233.5	238.3	238.6	241.0	245.0	252.0	256.1	257.8	271.7
7.2	CPI-Index	1.0465	1.0639	1.0826	1.1050	1.1064	1.1173	1.1359	1.1683	1.1875	1.1827	1.2037

APPENDIX B

EXTERNAL ECONOMIC DATA SOURCES

Bureau of Economic Analysis

Bureau of Labor Statistics

Evaluating Financial Condition, A Handbook for Local Government - International City/County Management Association

Federal Reserve Bulletins

U.S. Census Bureau (2020)

Virginia Department of Social Services, Local Profile Report
Virginia Economic Indicators
Virginia Employment Commission

Weldon Cooper Center for Public Service

INTERNAL ECONOMIC DATA SOURCES

Department of Human Resources, Annual Reports

Departments of Finance, Human Resources, Planning, and Social Services

Henrico County Approved Annual Fiscal Plans

Henrico County Comprehensive Annual Financial Reports

Manager's Monthly Reports