



COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

John A. Vithoulikas
County Manager

February 23, 2024

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 FY13 through FY23 by the Finance Department's Office of Management and Budget. This marks the *thirty-eighth* 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 FY23 Trends Report showcases a vibrant economy operating at stable and growing levels. In FY23 the County maintained a healthy net operating revenue-to-expenditure per capita ratio, following a decline in recorded revenues in FY22, a high revenue variance, the effect of conservative budgeting practices, and an increase in liquidity, allowing the County to navigate gracefully through potential economic turmoil. The County's population grew by over 4,000 residents, the second continuous year of growth following an abnormal decline in FY21. The County's operating surplus stabilized closer to that of historic norms following a sharp increase in FY21 and notable decrease in FY22, the latter an outcome of extensive tax relief efforts.

The Honorable Board of Supervisors

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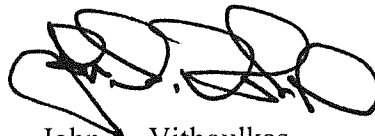
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Current liabilities remained relatively flat, as did County employees per Capita with inconsequential growth. Tax bases remained strong, with the highest residential real estate revenues in the recorded dataset, up \$48 million over FY22. This rise, the consequence of ever continuing growth in real estate values, prompted comprehensive tax relief efforts from the County to ease taxpayer burdens. County unemployment rates remain low, implying a steady and operational labor market.

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 let me know if you would like to discuss anything concerning our results.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Vithoukas". The signature is stylized with large, overlapping loops and a long horizontal stroke at the end.

John A. Vithoukas
County Manager

Enclosure