



COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

John A. Vithoulkas
County Manager

February 26, 2019

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 FY2007-08 through FY2017-18 by the Department of Finance, Office of Management and Budget. This marks the *thirty-third* year that we have prepared this report prior to examination of the operating budget for the subsequent fiscal year. The Financial Trends Monitoring System is a unique document in that economic trends presented are different than the typical budgetary indicators seen by the Board of Supervisors during the year.

This report analyzes existing economic conditions in Henrico County through the use of 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.

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 does not just examine the General Fund. It looks at the largest operating funds, which include the General Fund, Special Revenue Fund, and the Debt Service Fund.

As you review this document, you will notice continued improvement in the County's economic indicators, which directly result in moderate growth in a number of County revenue sources. Of the twenty-eight individual trends, only four are noted as warning signs. With limited resource growth and macro-economic concerns at the national and international levels, it is important to emphasize the importance of estimating resources conservatively, as well as continuing to invest in the County's core services, mainly Education and Public Safety. Not only will these trends be discussed in the FY2019-20 Manager's Proposed Budget, but many of the initiatives in it will directly address these concerns.

We will continue to provide this information to the Board of Supervisors in an effort of verifying 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.

I look forward to meeting with you to discuss any questions that you may have concerning our results.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Vithoulkas".

John A. Vithoulkas
County Manager