



COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

John A. Vithoukas
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.

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Page 2

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. Vithoukas
County Manager

Attachment