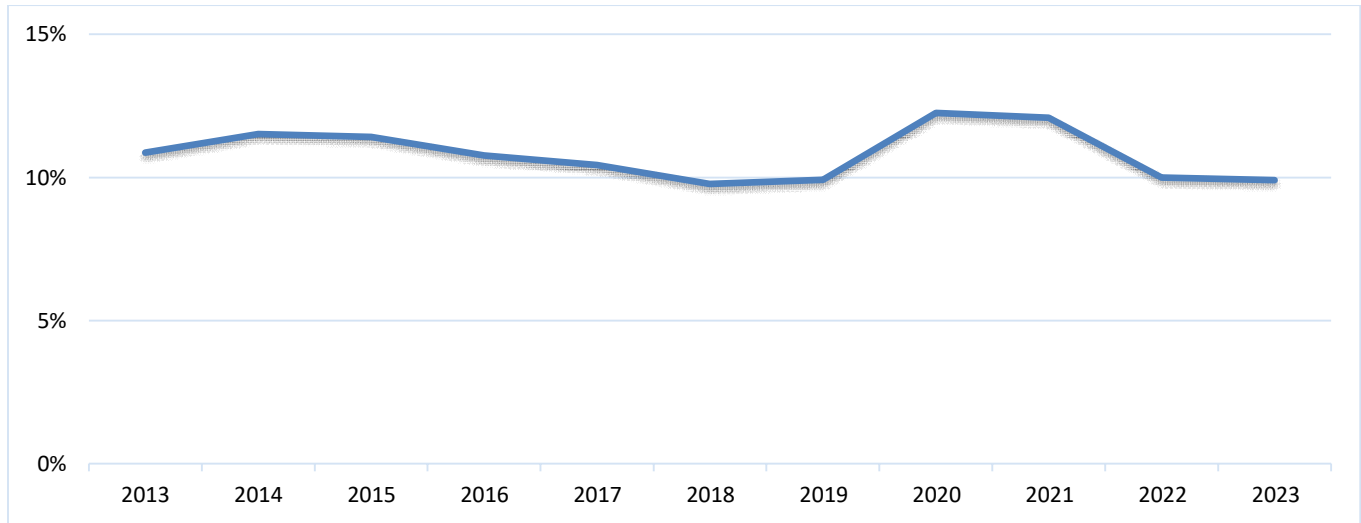


DEBT STRUCTURE INDICATORS

CURRENT LIABILITIES

(As a % of Net Operating Revenues)

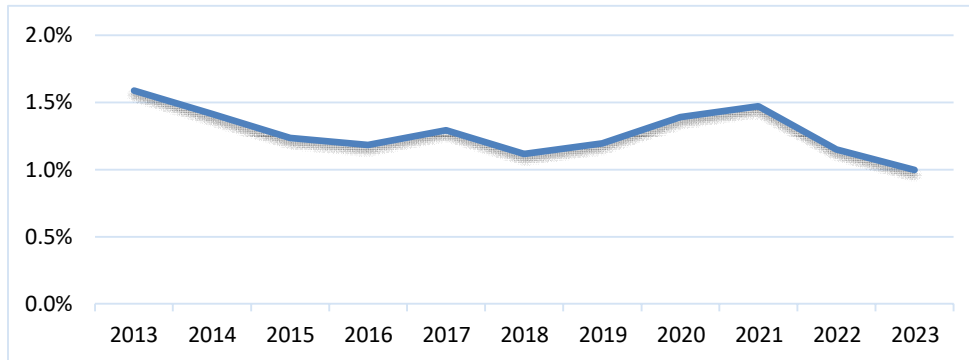


Current liabilities include short-term debt, the current debt service payments of long-term debt, accounts payable, and other liabilities due within one year of the balance sheet date. A major component of current liabilities may be short-term debt in the form of bond anticipation notes.

Current liabilities declined marginally in FY23, nearly sustaining the level seen in FY22. At 9.9%, current liabilities sit exactly at the 41-year average and indicate that the County is operating at well-leveraged, manageable levels.

LONG TERM DEBT

(As a % of Assessed Valuation of Real Property)



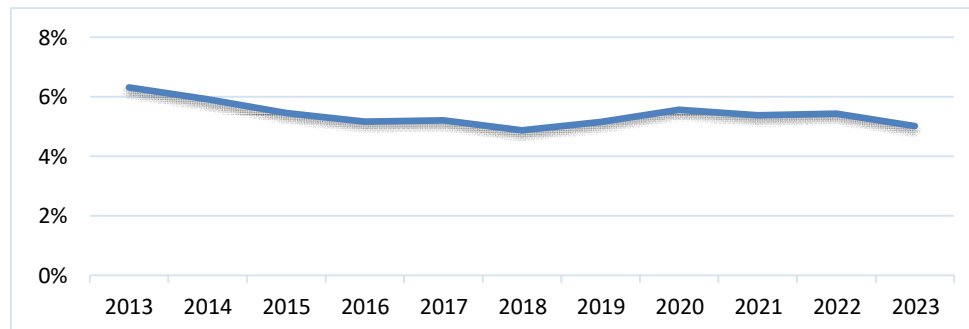
A locality's ability to repay its debt is determined by comparing net direct long-term debt (paid directly with general tax revenues) to assessed valuations. An increase in net direct long-term debt as a percentage of real property valuation can

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 real property value saw a decline in FY23 from 1.1% to 1.0% continuing the prior fiscal year's downtrend. A long-term debt affordability analysis is conducted on an annual basis to ensure the County remains within its prescribed debt guideline. The current guideline for debt as a percentage of assessed value is 1.49% and includes the total value of real and personal property.

DEBT SERVICE

(As a % of Net Operating Revenues)



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

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

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 5.0% of net operating revenues, down 0.4% from FY22. Increases in FY19 and FY20 were related to the recent issuance of low-interest debt. **Current levels are close to the 41-year average of 5.4%.** Similarly to the above ratio, the County also sets a guideline for debt service as a percentage of General Fund expenditures. That guideline is presently set at 7.75%.