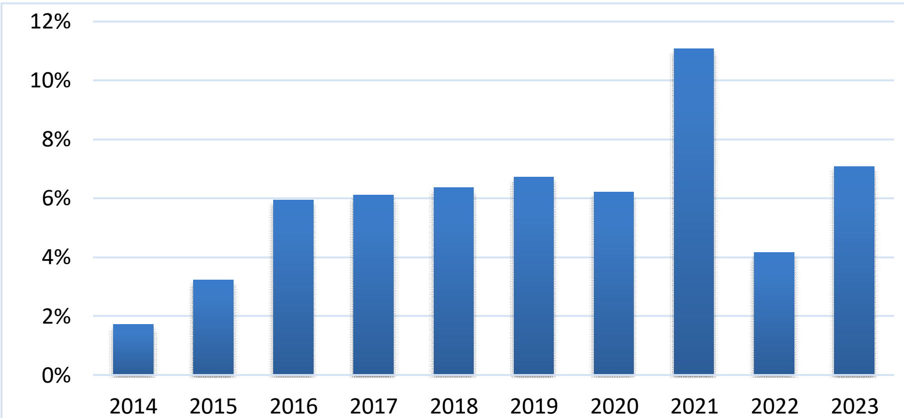
OPERATING POSITION INDICATORS

OPERATING SURPLUS

(As a % of Net Operating Revenues)

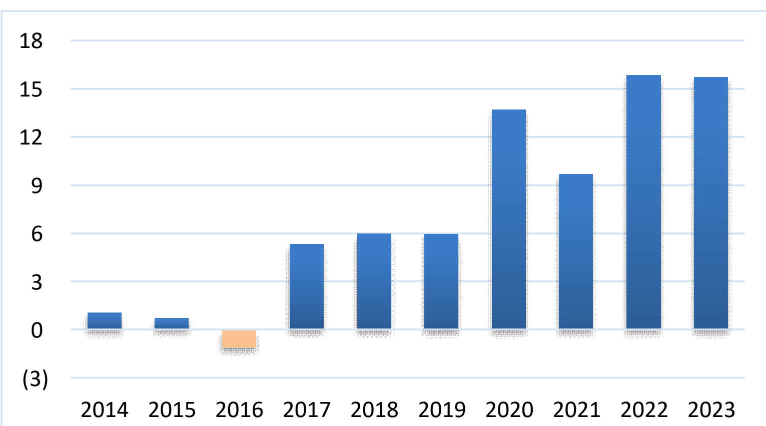


An operating surplus occurs when current revenues exceed current expenditures. If the reverse is true, it means that there is a deficit, and the locality is spending more than it receives. There can be isolated cases where spending more than collecting is prudent and may not be reason for alarm. Frequent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

Operating surpluses saw a sharp rise in FY23, up from a significant low in FY22, bringing the County back in line with where it was before the COVID-19 pandemic. The drop in FY22's surplus was due to a return of operating capacity across the County as well as the County's comprehensive real estate tax relief provided to citizens.

ENTERPRISE GAINS/LOSSES

(in Constant Dollars)

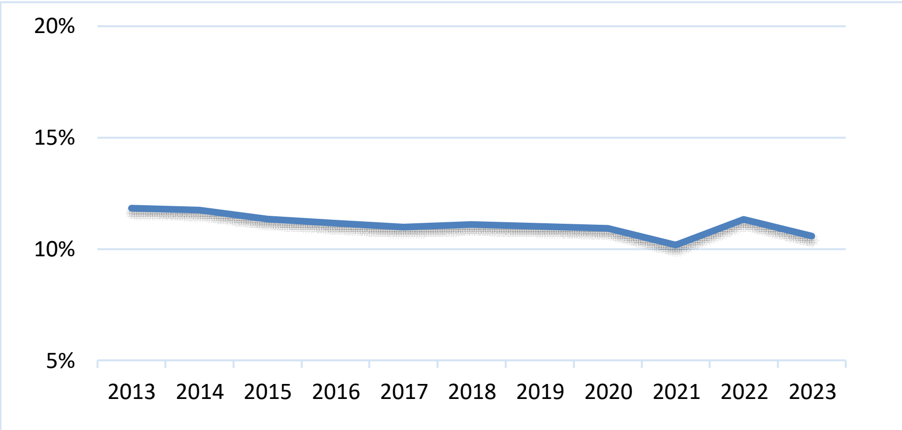


Enterprise gains and losses occur when self-sufficient enterprise programs result in an operating surplus or deficit. Negative numbers on the scale represent program losses (inclusive of depreciation expenses). Enterprise operations included in this analysis were Water and Sewer services and formerly 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.

In FY23, the County's Enterprise programs continued to maintain a substantial surplus, as observed over the past 6 fiscal years. **FY23 decreased only slightly from FY22 and continues to stand well above the 11-year average.**

GENERAL FUND UNASSIGNED BALANCES

(As a % of Net Operating Revenues)



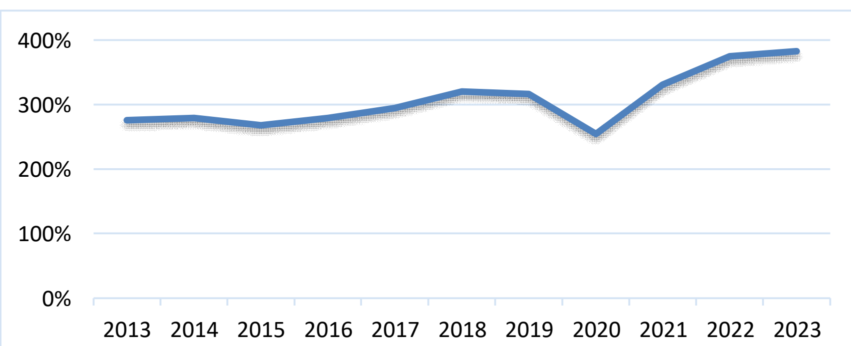
The level of a locality's unassigned fund balance contributes to its ability to withstand unexpected financial emergencies, including natural disasters, revenue shortfalls, or temporary rises in inflation. It may also provide a locality with the ability to accumulate funds for one-time purchases without 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 10.6% in FY23, down 0.7% from FY22. This decrease was driven by a sizable rise in net operating revenues up from $1.428B in FY22 to $1.565B in FY23, the largest single increase in the observed timeframe. This ratio remains within historic normalcy and affords the County greater flexibility to address economic unknowns.

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, current payments on long-term debt, and other liabilities due within one year of the balance sheet date. Insufficient liquidity could lead to the inability to pay bills or eventual insolvency. Declining liquidity may indicate that a locality is overextended.

FY23 continued the upward growth witnessed in FY22 and FY21, with liquid assets representing 390% of current liabilities. This greater liquidity assists the County in paying all of its bills and highlights the financial stability of the County.