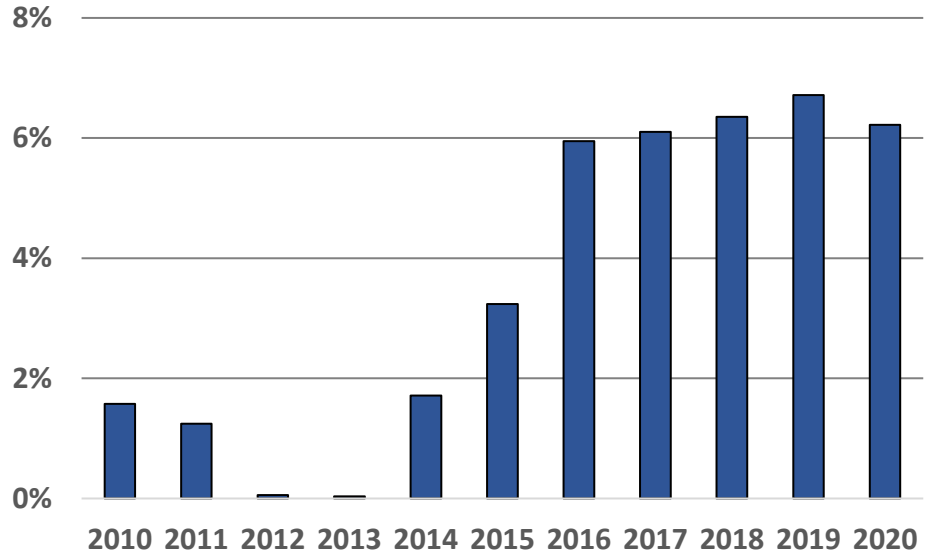


OPERATING POSITION INDICATORS

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 constitute a review of priorities and goals.

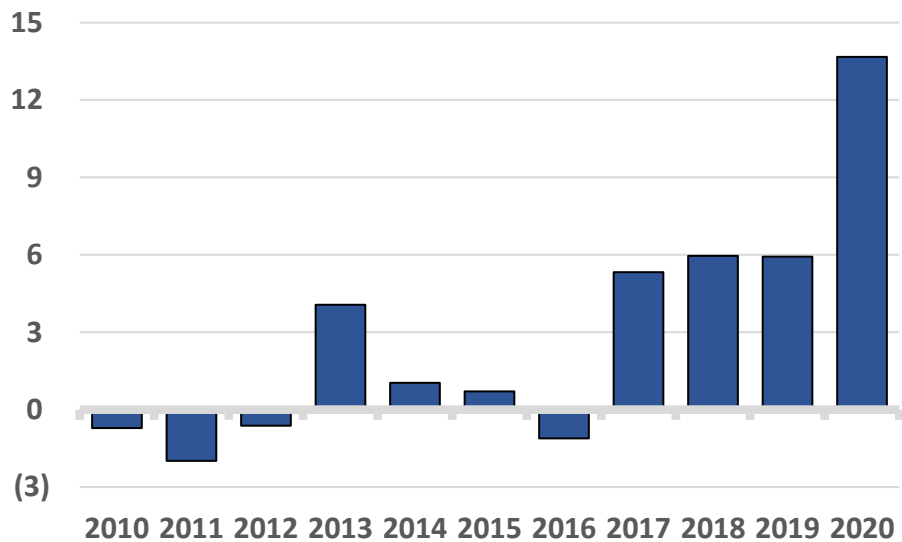


Operating surpluses slightly dipped in FY2020 in response to the COVID-19 pandemic but are still well above the 35-year average operating surplus of 5.5 percent.

ENTERPRISE LOSSES

(in Constant Dollars)

Enterprise losses occur when “for profit” programs encounter an operating 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 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 in operation.



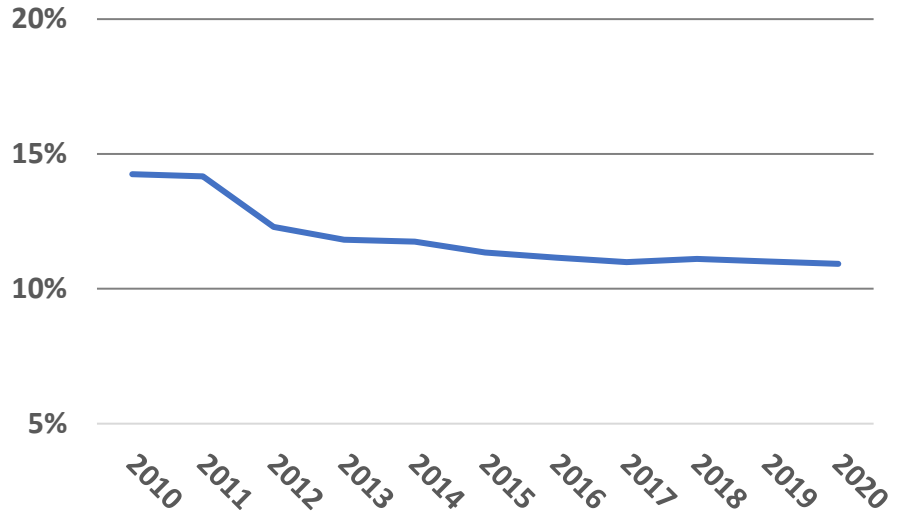
The enterprise surplus in FY2020 represent the largest gain in this 11-year timeline and the second largest surplus in the FTMS. The driver of the surplus comes from expenditure levels not changing from FY2019 to FY2020 matched against increasing revenues in the same timeframe from water and sewer services.

GENERAL FUND UNASSIGNED BALANCES

(As a % of Net Operating Revenues)

The level of a locality's unassigned fund balance may determine its ability to withstand unexpected financial emergencies, which may result from natural disasters, revenue shortfalls, or steep rises in inflation. It also may determine a locality's ability to accumulate funds for large-scale one-time purchases without having to incur debt.

The ratio of general fund unassigned balance to the total balance of the General, Special Revenue and Debt Services funds is 10.9 percent for FY2020. **Current levels have been maintained for the past 5 fiscal years and are above the 35-year average of 8.5 percent.**

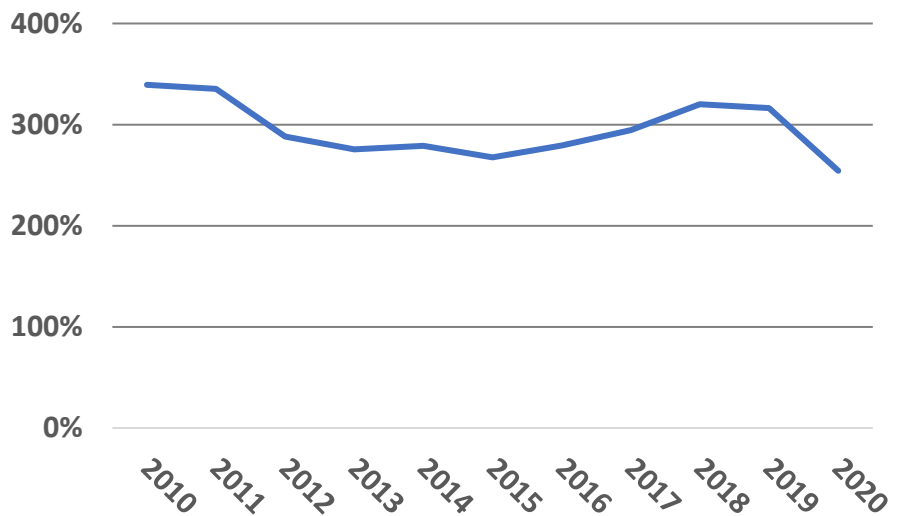


Note: This historical depiction is reflected differently than the percentages referred to in the Annual Fiscal Plan as "net operating revenues." The graph above includes the General, Special Revenue and Debt Service Funds, causing the percentage reflected on this page to be lower than what is reflected in the Annual Fiscal Plan.

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, the payments on long-term debt and other liabilities due within one year of the balance sheet date. The effect of insufficient liquidity is the inability to pay bills or insolvency. Declining liquidity may indicate that a locality has overextended itself.



Declining liquidity may indicate that a locality has overextended itself.

FY2020 marks a substantial drop in liquidity compared to other fiscal years in this 11-year timeline. Interest rates reached record lows in FY2020 which prompted the county to refund already approved long-term debt in order to take advantage of the lower rates. As issuances were retired and then re-issued, the total principal due in twelve months was inflated, bringing liquidity down. **The lower liquidity is cause for concern if it is an ongoing trend in subsequent fiscal years.**

