

Henrico At A Glance

The County of Henrico is located in central Virginia and surrounds the City of Richmond on the north side of the James River and constitutes about 1/3 of the Richmond Metropolitan area. The County's location in the middle of the eastern seaboard is within 750 miles of 2/3's of the nation's population and is ideal for commerce due to the intersection of Interstates 95, 64, and 295 as well as Routes 895 and 288, major rail lines, and the James River, an international port. It is also home to Richmond International Airport, the primary airport for the Richmond Metropolitan Area. Henrico is also conveniently located near oceanic ports in the Tidewater region. As of June 30, 2023, an estimated 345,734 residents call Henrico County home (approximately one-third of the Richmond Metropolitan area) and enjoy a well-planned community of 244 square miles consisting of highly developed urban and suburban areas, as well as undeveloped agricultural and forest land.

Henrico follows the County Manager form of government with five voter-elected members on the Board of Supervisors who serve four-year terms. Supervisors represent the five distinct magisterial districts of Brookland, Fairfield, Three Chopt, Tuckahoe, and Varina. The County Manager is hired by the Board of Supervisors and serves at their pleasure. The County Manager's duties include implementing approved ordinances and policies, appointing Department Directors, managing the day-to-day operations of the County Government, and serving as the Director of Public Safety.



Message from the Manager

On behalf of the Board of Supervisors and the Department of Finance, I am pleased to present the County of Henrico, Virginia, Popular Annual Financial Report (PAFR) for the fiscal year 2022-2023. The PAFR is an unaudited summary of the financial activities and position of the County based on the Annual Comprehensive Financial Report (ACFR) dated June 30, 2023. Cherry Bekaert, LLP Certified Public Accountants issued an unmodified opinion for the ACFR in November 2023. These reports fulfill the Board of Supervisors and County Manager's commitment to timely and transparent financial reporting and accountability to residents and stakeholders. Our financial reports are available online at <https://henrico.us/finance/divisions/accounting/>.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the *Certificate of Achievement in Popular Annual Financial Reporting* to the County for the fiscal year ended June 30, 2022. This was the fourth consecutive year that the County has received this prestigious award.

Henrico remains a great place to live, work, and play in the region and across the Country. This year alone, we opened the new Adult Education Center at Regency Square and the Henrico Sports & Events Center at Virginia Center Commons. We also started work to deliver our 2022 bond referendum projects, which received overwhelming public support. Businesses continue to take notice, as reflected in a \$144 million investment from data center giant QTS and 200 new jobs, plus a \$16 million



investment by Berkshire Hathaway Energy GT&S.

We deliver services and attract investment in the community while maintaining the lowest tax burden of the 10 largest localities in Virginia. This type of performance is a testament to the leadership and vision of our Board of Supervisors and the result of exceptional execution by our over 11,000 school and county government employees. In recognition of this performance and historic inflation over the past two years, the County provided pay raises of 5% and 8.2% to all employees in July 2022 and July 2023 respectively.

There's a lot to be excited about in Henrico, and we appreciate you taking an interest in our annual financial results. I invite you to read further about all the great work happening in the County and to stay engaged in your community by visiting our website, henrico.us/, or contacting us at (804) 501-4000.

Respectfully,

John A. Vithoulkas
County Manager

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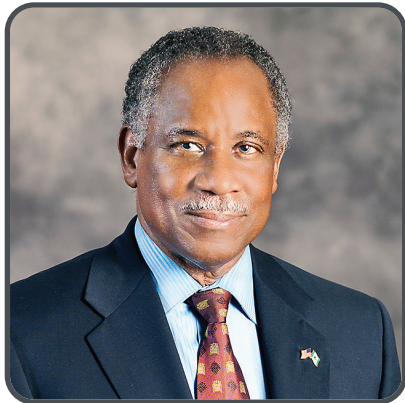
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Meet The Board of Supervisors



Frank J. Thornton (Chairman) was first elected to the Henrico Board of Supervisors in 1995 and was re-elected in 1999, 2003, 2007, 2011, 2015, and 2019 to represent the Fairfield Magisterial District. He is currently on the Richmond Regional Transportation Planning Organization, the Capital Region Collaborative Organizing Council, and the Maymont Foundation Board of Directors as well as other local, state, and national boards and commissions.

Mr. Thornton is a graduate of Virginia Union University in Richmond and The American University, Washington, D.C. He retired as a French Professor at Virginia Union in 2014.



Tyrone Nelson (Vice Chairman) was first elected to the Henrico County Board of Supervisors in 2011 to represent the Varina Magisterial District. He serves on the Richmond Region Tourism Board of Directors, Richmond Metropolitan Transportation Authority Board of Directors, and Richmond Performing Arts Alliance as well as other boards and committees.

Mr. Nelson graduated from Virginia Union University—Samuel DeWitt Proctor School of Theology with a Master of Divinity degree. He received his Bachelor of Science in Business Administration from Virginia Commonwealth University and an Associate Degree in Business from J. Sargeant Reynolds Community College.



Dan Schmitt was elected in November 2018 to represent the Brookland Magisterial District. He also serves on the Sports Backers Board of Directors, Lewis Ginter Botanical Garden Board of Directors, and the Richmond Region Tourism Board of Directors, as well as other local, state, and national boards. He is particularly proud of his many years on the Glen Allen Youth Athletic Association Board of Directors, four of which were spent serving as president.

Mr. Schmitt is a graduate of the University of Richmond, where he earned a Bachelor of Science in Business Administration. He is the owner of RMC Events, an event staffing company.



Tommy Branin has served as an elected member of the Henrico County Board of Supervisors representing the Three Chopt Magisterial District since January 2016. He also serves on the Henrico Self-Insurance Trustees Committee as well as numerous other local, state, and national boards. Prior to his election to the Board of Supervisors, Mr. Branin served on the Henrico County Planning Commission for ten years representing the Three Chopt District.

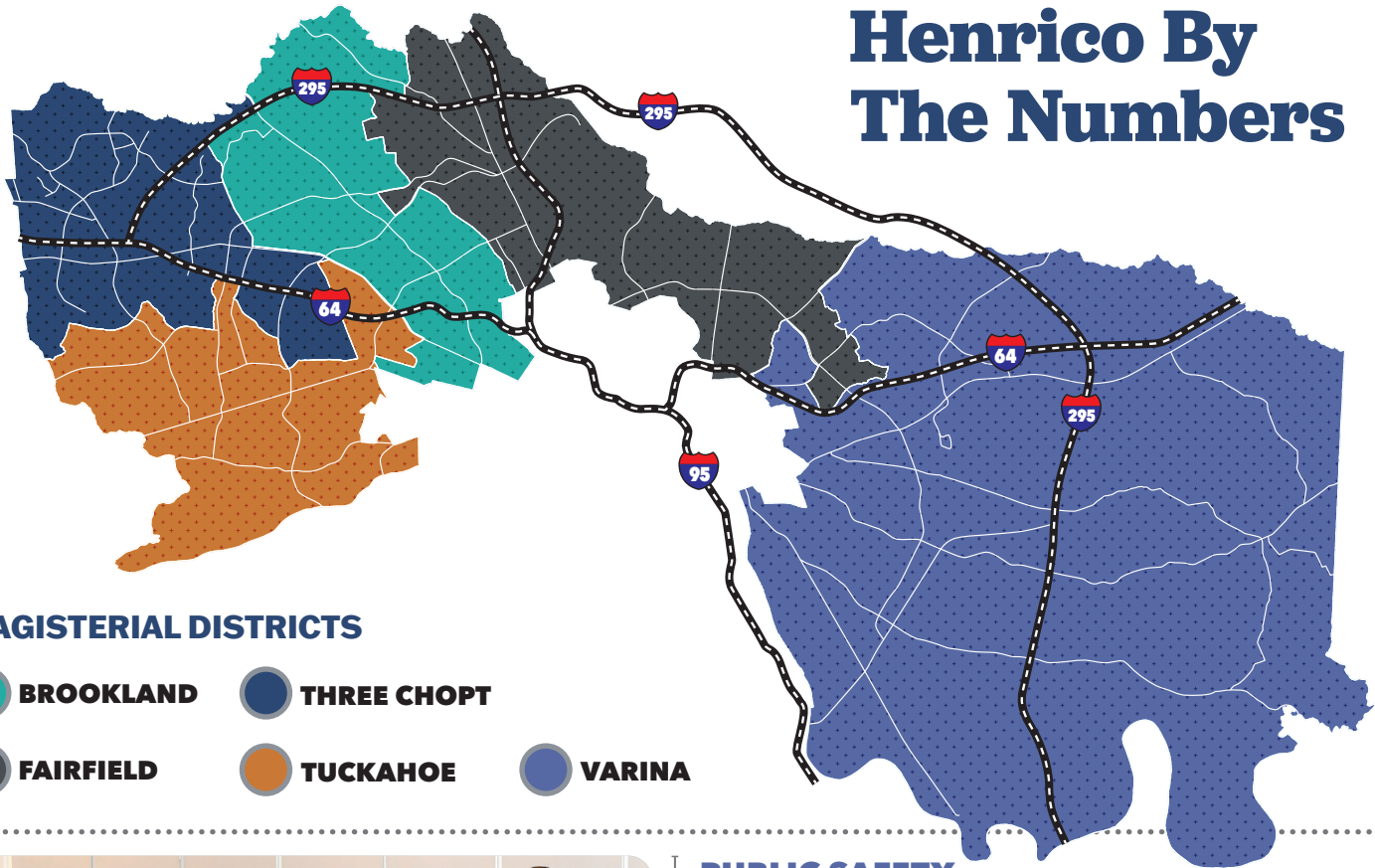
Mr. Branin is a graduate of Ferrum College where he earned a Bachelor of Science in Business as well as Psychology. He works full-time for CCM, Inc.—an international corporation. Mr. Branin is also a land disturbance consultant and erosion control expert.



Patricia O'Bannon was first elected in 1995 to the Board of Supervisors to represent the Tuckahoe Magisterial District. She currently serves on the Richmond Regional Transportation Planning Organization, Capital Region Airport Commission, and Greater Richmond Partnership as well as other local, state, and national boards and commissions.

She studied at the University of Oxford, England, receiving a Certificate of Attendance, and at the Virginia Polytechnic Institute and State University, receiving a Certificate as a Certified Planning Commissioner. Mrs. O'Bannon is a graduate of Virginia Commonwealth University with a B.S. in Secondary Education.

Henrico By The Numbers



MAGISTERIAL DISTRICTS

- BROOKLAND**
- THREE CHOPT**
- FAIRFIELD**
- TUCKAHOE**
- VARINA**



EDUCATION

Cost per Student.....	\$13,354
Teaching Positions.....	4,212
Student/Teacher Ratio.....	12
Elementary Schools	46
Middle Schools.....	13
High Schools.....	9
2023 Graduates.....	3,743
Scholarships Accepted	\$20 Million

PUBLIC SAFETY

Calls for Police Service	185,691
Traffic Arrests	31,130
Criminal Arrests	24,270
Civil Papers Served.....	132,000
Calls for Fire Service	53,918
Calls for EMS & Rescue.....	45,422
Building Permits Issued	15,493
Inspections	67,200



PARKS, RECREATION AND CULTURAL

Park Visitations.....	6,700,000
Library Visits.....	1,232,392



COUNTY EMPLOYEES

<i>Full time equivalents</i>	
General	4,355
Schools	7,441
Total Employees	11,796
County Population (XI).....	345,734
Citizen Ratio.....	29.31

PUBLIC WORKS

Lane Miles Maintained.....	3,573
Traffic Signals Maintained	180
Plans Reviewed	1,000
Miles of Water Mains	1,683



Henrico Local Economy

TOP TEN EMPLOYERS

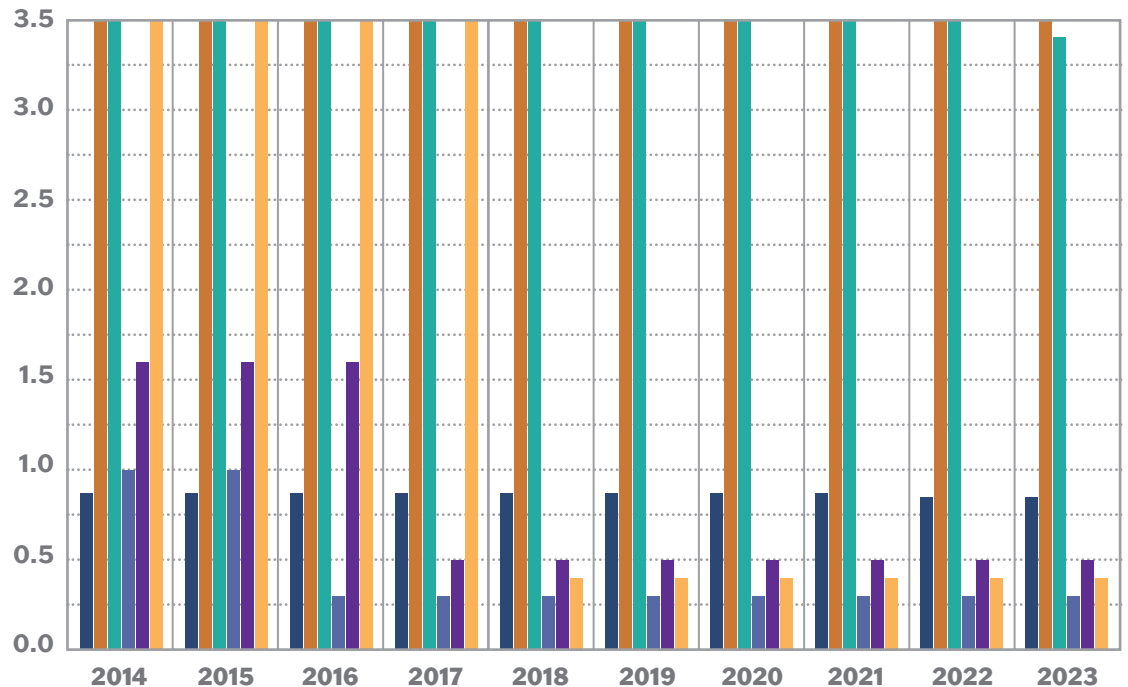
- Henrico County School Board
- County of Henrico
- Bon Secours Richmond Health System (2)
- Henrico Doctors' Hospital (HCA)
- PPD Development
- Walmart
- United States Postal Service
- Bank of America
- Anthem (Blue Cross & Blue Shield)
- Apex Systems, Inc.

- 1** Henrico ranks 1st in taxable sales per capita in the State
- 2** Henrico ranks 2nd in jobs provided in the State
- 4** Henrico ranks 4th in Gross Domestic Product by County in the State
- 8** Henrico ranks 8th in the State for investment dollars
- 9** Henrico ranks 9th in the State for business announcements
- 13** 13 Local companies are on Inc. 5000

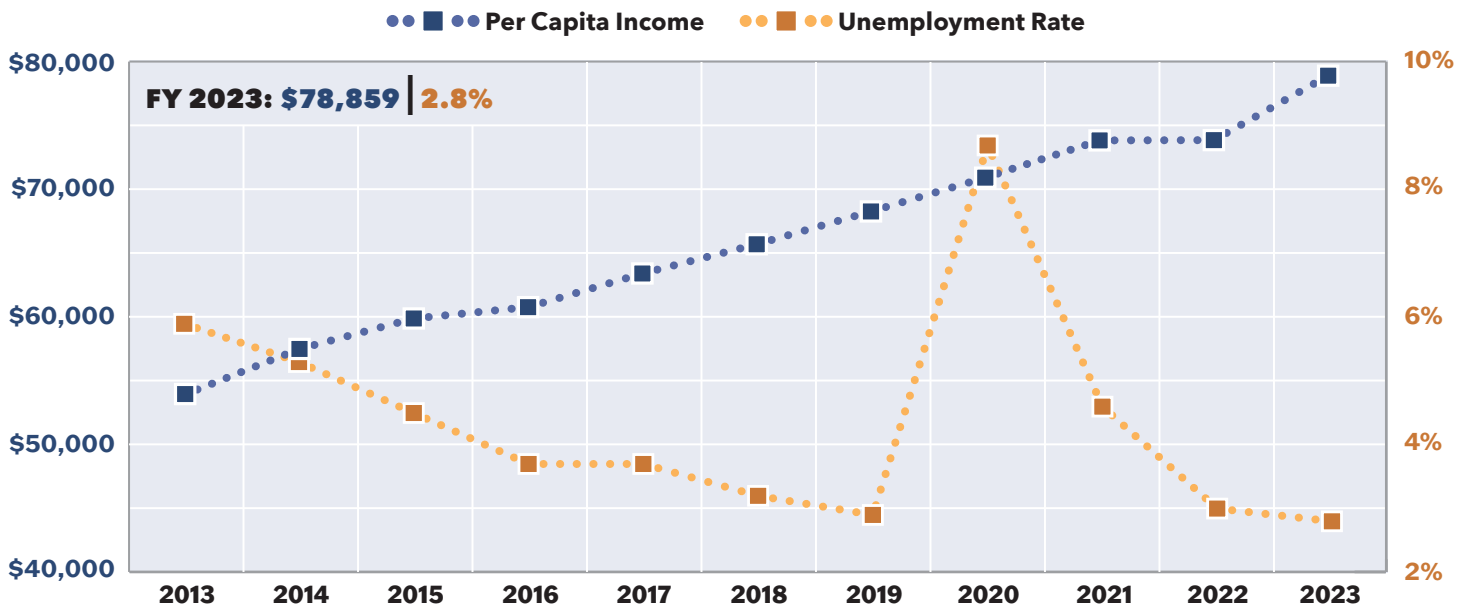
2023 TAX RATES

- Real Property \$0.85
- Tangible Personal Property \$3.50
- Vehicles \$3.40
- Machinery & Tools/ Semi-Conductor \$0.30
- Aircraft \$0.50
- Data Center \$0.40

HENRICO COUNTY TAX TRENDS FOR THE LAST TEN YEARS



2023 UNEMPLOYMENT RATE AND PER CAPITA INCOME

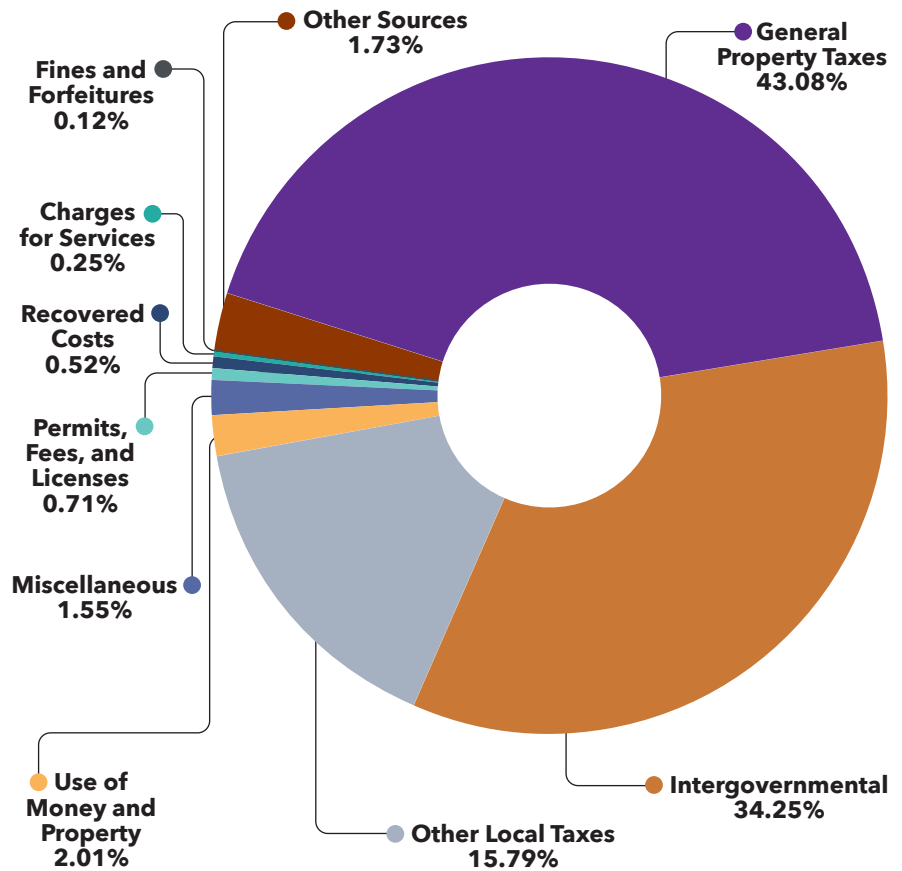


Where The Money Comes From

The general funds of the County and School Board account for all revenues of the County which are not accounted for in the other funds. Revenues are primarily derived from general property taxes, local sales taxes, license and permit fees, and revenues received from the Commonwealth of Virginia. The County's component units include the School Board and James River Juvenile Detention Center, however, for purposes of this report, only School Board component unit information is included.

Real estate tax revenue is the County's largest revenue source and reflects the recognition of the second half of the calendar year 2022 and the first half of the calendar year 2023 real property tax. The Real estate tax revenue collected during fiscal year 2023 was \$452.7 million, an increase of \$46.5 million or 11.45% from fiscal year 2022 due to increased property values. Through prudent financial management, Henrico County has maintained the lowest real estate tax rate among Virginia's ten largest localities.

FISCAL YEAR 2023 REVENUE SOURCES



GENERAL FUND RESULTS - REVENUES

For the Fiscal Years Ended June 30, 2023

Revenues	Governmental Funds	Component Unit School Board	Combined General Fund	FY22 Comparison	FY21 Comparison	\$ Change (FY22-23)
General property taxes	607,588,432	-	607,588,432	538,134,543	487,532,127	69,453,889
Other local taxes	222,617,999	-	222,617,999	222,552,512	188,049,081	65,487
Licenses and permits	9,760,443	299,040	10,059,483	11,308,150	8,617,724	(1,248,667)
Fines and forfeitures	1,683,002	-	1,683,002	1,674,840	1,678,666	8,162
Use of money and property	28,345,062	-	28,345,062	1,739,092	2,830,644	26,605,970
Charges for services	3,393,168	65,550	3,458,718	3,561,012	3,070,720	(102,294)
Miscellaneous	10,775,062	11,094,477	21,869,539	12,368,946	8,699,073	9,500,593
Recovered costs	6,711,737	585,892	7,297,629	6,596,963	6,316,478	700,666
Intergovernmental	149,763,682	333,254,690	483,018,372	443,248,903	461,624,190	39,769,469
TOTAL REVENUES	1,040,638,587	345,299,649	1,385,938,236	1,241,184,961	1,168,418,703	144,753,275
Other Sources						
Lease and SBITA obligations	24,039,192	12,507,108	36,546,300	1,622,546	248,604	34,923,754
TOTAL REVENUE AND OTHER SOURCES	1,064,677,779	357,806,757	1,422,484,536	1,242,807,507	1,168,667,307	179,677,029

Where The Money Goes

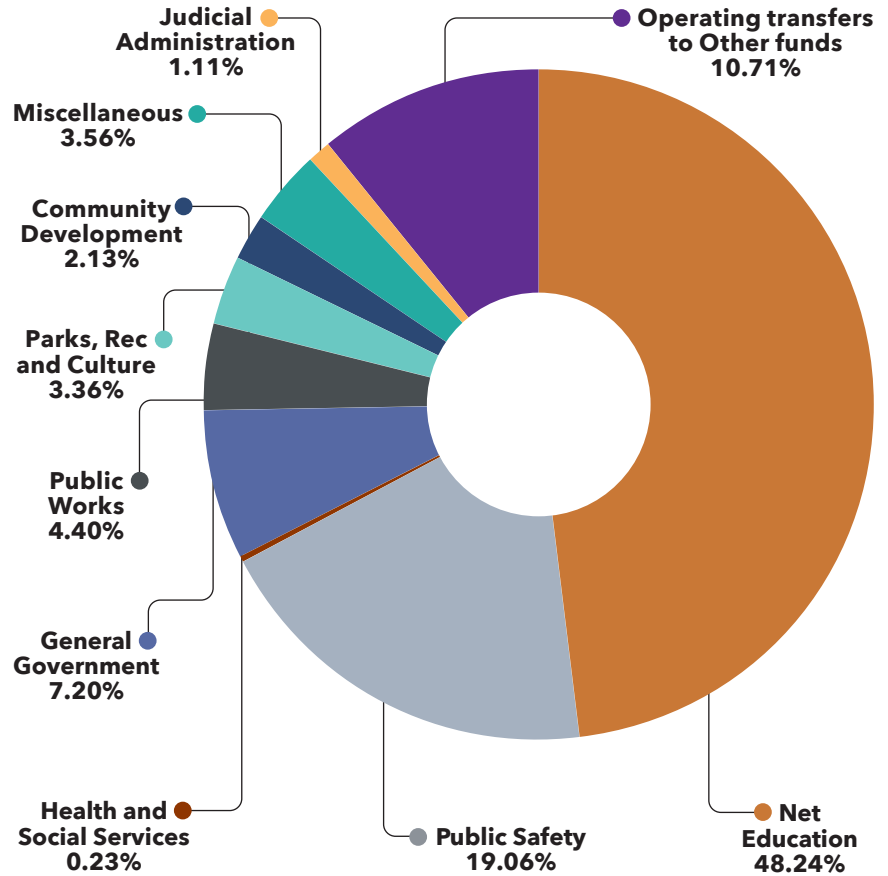
Expenditures for the County and School Board identify the uses of funding that are being spent on behalf of its residents. The chart identifies major expenditure sources and reflects the Board's commitment to serving the community. The County's component units are the School Board and James River Juvenile Detention Center, however, for purposes of this report, only the School Board component unit is included. For the fiscal year ended June 30, 2023, the general fund reflects a combined fund balance of \$462.71 million, an increase of \$34.48 million from fiscal year 2022.

Did you know?

Expenditures for Education of \$662.7 million and Public Safety of \$246.5 million represent 67.4% of total expenditures for the County's Combined General Fund. Education and Public Safety are two of the County's highest priorities and commitments.



FISCAL YEAR 2023 EXPENDITURES



GENERAL FUND RESULTS - EXPENDITURES

For the Fiscal Years Ended June 30, 2023

Expenditures	Governmental Funds	Component Unit School Board	Combined General Fund	FY22 Comparison	FY21 Comparison	\$ Change (FY22-23)
General Government	98,928,276	-	98,928,276	75,630,631	72,952,802	23,297,645
Judicial Administration	15,296,078	-	15,296,078	12,873,375	12,308,544	2,422,703
Public Safety	261,806,718	-	261,806,718	230,743,089	211,292,966	31,063,629
Public Works	60,438,358	-	60,438,358	50,024,602	44,374,920	10,413,756
Health and Social Services	3,130,561	-	3,130,561	2,888,239	2,484,119	242,322
Parks, recreation, and culture	46,157,149	-	46,157,149	40,562,724	36,148,711	5,594,425
Community Development	29,243,094	-	29,243,094	26,921,548	21,332,877	2,321,546
*Education	319,339,248	343,357,963	662,697,211	586,549,674	497,233,835	76,147,537
Miscellaneous	48,974,386	-	48,974,386	47,232,200	24,415,804	1,742,186
TOTAL EXPENDITURES	883,313,868	343,357,963	1,226,671,831	1,073,426,082	922,544,578	153,245,749
Other Uses						
Operating Transfers to Other Funds	147,109,979	-	147,109,979	154,464,294	113,815,639	(7,354,315)

TOTAL EXPENDITURES AND OTHER USES .. 1,030,423,847 ... 343,357,963..... 1,373,781,810.... 1,227,890,376..... 1,036,360,217145,891,434

*Component Unit School Board expenditures are shown net (gross expenditures of \$610,223,090 reported on Schedule 9 less adjustment of multi-fund reporting of \$266,865,127)

Schedule of Activities

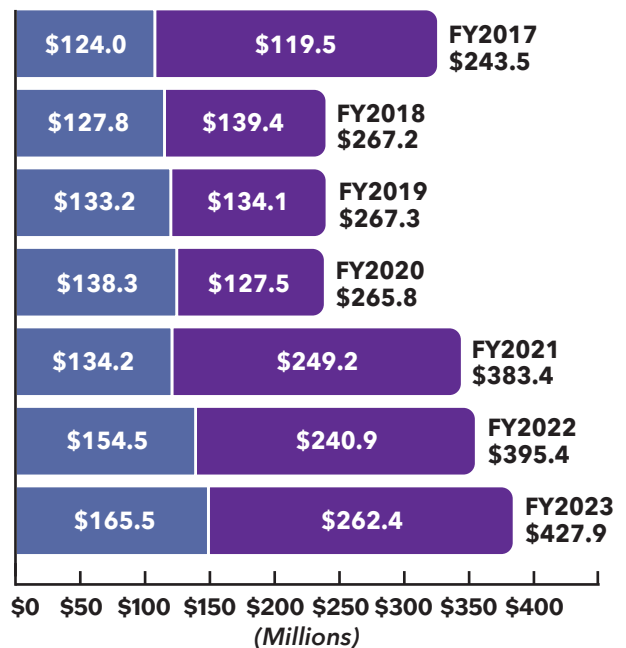
GENERAL FUND BALANCE FOR FISCAL YEAR ENDED JUNE 30, 2023 (\$ in millions)

Maintaining a healthy fund balance demonstrates the County's conservative approach to finances and aids the County in continuing to receive the highly coveted triple-AAA bond rating.

Combined Fund Balance	Governmental Funds	Component Unit School Board	Combined General Fund
Total Fund Balance, ..\$395.38	32.85		\$428.23
June 30, 2022			
Plus Revenue and Other Sources	1040.64	345.3	1385.9
Less Expenditures	(1008.10)	(343.36)	(1,351.46)
Total Fund Balance, June 30, 2023	\$427.92	\$34.79	\$462.71

GENERAL FUND BALANCE

■ Unassigned ■ Assigned/Restricted



PRIMARY GOVERNMENT NET POSITION

The Governmental Accounting Standards Board (GASB) defines Net Position as: Assets + Deferred Outflows less Liabilities + Deferred Inflows. In other words, Net Position of governmental activities reflects the difference between all economic assets and liabilities, both short-term and long-term. This chart summarizes the revenues and expenses (in millions) for all the County's activities for the fiscal years ended June 30, 2022, and 2023 and how the difference in revenues and expenses increased ending net position. More details can be found in Exhibits 1 and 2 of the Annual Comprehensive Financial Report for Fiscal Year ended June 30, 2023.

The County's net position increased by 8.6%, or \$258.0 million to \$3,258.5 million from \$3,000.6 million. Both Governmental Activities and Business-type Activities contributed to the increase in net position.

The net position of the County's governmental activities increased by 11.9%, or \$199.7 million to \$1,878.4 million (ACFR, Exhibit 2). Net Investment in Capital Assets increased by \$156.0 million. GAAP requires the County to report all assets financed by the issuance of general obligation bonds backed by the full faith and credit of the County. Restricted net position decreased by \$78.2 million due to capitalizing projects and by additional funds reserved for grants. The unrestricted net position increased by \$121.9 million to \$219.9 million on June 30, 2023, due mainly to the changes in the deferred pension and OPEB outflows and inflows.

SUMMARY OF CHANGES IN NET POSITION

Total Primary Government For the Fiscal Year Ended June 30, 2023 (\$-millions)

	2022	2023
Program Revenues		
Charges for services	\$180.0	\$189.6
Operating grants & contributions	\$152.4	\$194.7
Capital grants & contributions	\$14.9	\$15.0
General Revenues		
Property tax	\$543.9	\$606.7
Local sales and use tax	\$88.0	\$92.8
Business licenses	\$46.3	\$51.1
Other taxes	\$94.0	\$84.5
Unrestricted grants & contributions	\$109.3	\$116.1
Revenue from use of money	\$1.0	\$38.0
Recovered costs & miscellaneous	\$1.7	\$2.3
TOTAL REVENUES	\$1,231.50	\$1,390.80
Expenses		
General government administration	\$132.4	\$145.1
Judicial administration	\$14.3	\$15.9
Public safety	\$242.9	\$248.1
Public works	\$89.7	\$92.0
Health and welfare	\$73.5	\$80.8
Education	\$308.0	\$331.6
Parks, recreation and culture	\$48.8	\$46.2
Community development	\$32.3	\$35.3
Interest on long-term debt	\$14.4	\$13.1
Water and sewer	\$115.1	\$124.8
TOTAL EXPENSES	\$1,071.4	\$1,132.9
Increase in net position	\$160.1	\$257.9
Beginning net position	\$2,840.5	\$3,000.6
ENDING NET POSITION	\$3,000.6	\$3,258.5

Capital Assets

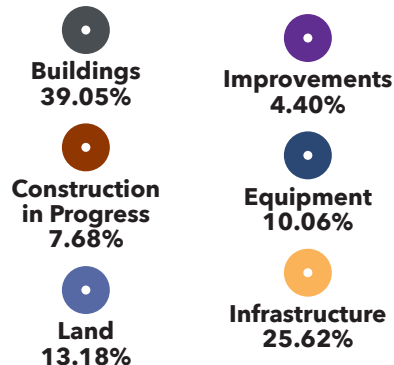


Members of the Board of Supervisors and other Henrico officials celebrated the opening of a 1.3-mile extension of Woodman Road with a ribbon-cutting ceremony in August 2022.

As illustrated in the chart below, at the end of the fiscal year, the County's governmental activities (including Internal Service Funds) had net capital assets totaling

\$1,946.2 million, which represents a net increase of \$134.7 million or 7.4% over the previous fiscal year-end balance. Infrastructure assets include roads, bridges, and water and wastewater systems..

TOTAL CAPITAL ASSETS: FY23



FY 2023 TOTAL GOVERNMENTAL CAPITAL ASSETS

Capital Assets	Primary Government
Land.....	\$415,677,106
Construction in Progress	\$242,185,045
Buildings.....	\$1,231,378,847
Infrastructure	\$807,984,688
Equipment.....	\$317,079,702
Improvements	\$138,896,825
Total Capital Assets	\$3,153,202,213
Accumulated Depreciation.....	\$(1,206,967,537)
TOTAL CAPITAL ASSETS	\$1,946,234,676

Did you know?

Henrico opened an indoor Sports and Event Center in December 2023. This 185,000 square foot facility has the capacity for 12 basketball or 24 volleyball courts and a 3,500 seat arena. As part of the County's growing sports tourism infrastructure, this facility is already scheduled to host the A-10 Women's Basketball Championship, among numerous other events, in 2024.



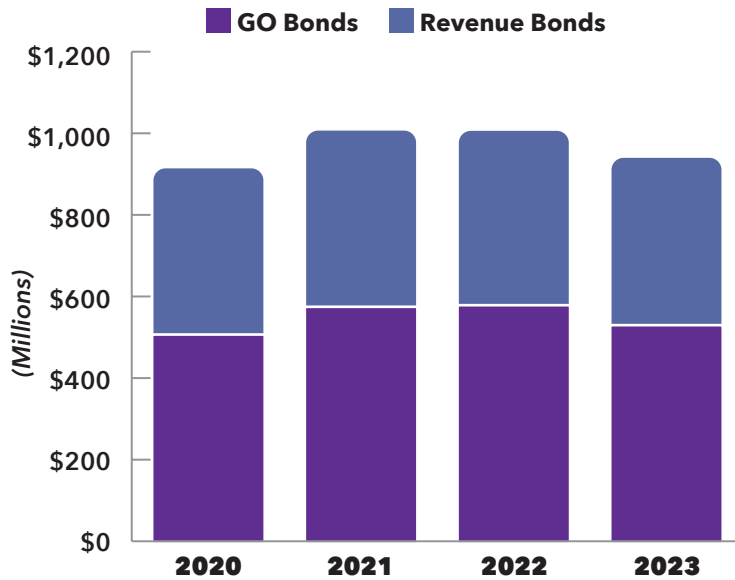
The County's Credit Rating

CREDIT RATINGS GIVEN BY MOODY'S, S&P AND FITCH

Top bond ratings allow capital projects to be financed at extremely competitive interest rates. Henrico County capitalized on its premier credit rating by taking advantage of historically low interest rates in recent years. The County continues to monitor the municipal market as part of an actively managed debt program.

BOND PROGRAM	MOODY'S	S&P GLOBAL	FITCH RATINGS
General Obligation	Aaa	AAA	AAA
Water & Sewer Revenue	Aaa	AAA	AAA

OUTSTANDING DEBT AS OF JUNE 30, 2023



The County's Debt

A long-term debt affordability analysis is completed on an annual basis as a means of ensuring that the County does not exceed its ability to service current and future debt requirements. This analysis verifies that the County is maintaining the following prescribed ratios and will be performed in conjunction with the County's Capital Improvement Program Process. The maximum guidelines that are utilized are as follows:

- Debt Service as a Percentage of General Fund Expenditures: 7.75%
- Net Bonded Debt as a Percentage of Assessed Value: 1.49%

The County's Mission

In partnership with our residents, Henrico County Government is dedicated to enhancing the quality of life for all our residents. As a nationally-acclaimed local government, the County accepts the challenges of our changing social, physical, and economic environments by serving in an efficient manner with pride and concern for the present and excitement for the future.

We value diversity and strive to meet the needs of our ever-changing community. Our differences enhance our performance; through individual contributions, involvement, and creativity, the quality and effectiveness of our government are strengthened. By working together and learning from each other, we reach common goals and fulfill our responsibilities.



**Do you like this report?
What other information would you
like to see contained in this report?
Please let us know by contacting:**

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**Henrico County's
Popular Annual Financial Report
is a publication of the
Henrico County Department of Finance
and is designed by the
Henrico County Department of Public Relations**
Produced 2/24

**PO Box 90775
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