Virgil R. Hazelett, P.E.
County Manager

COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

February 22, 2011

The Honorable Board of Supervisors
County of Henrico
Virginia

Honorable Members of the Board:

It gives me great pleasure to present this report on financial trends prepared for the period FY 2000-2010 by the Department of Finance, Office of Management and Budget. This marks the *twenty-fifth* year that we have prepared this report prior to examination of the operating budget for the subsequent fiscal year. The Financial Trends Monitoring System is a unique document in that economic trends presented are different than the typical budgetary indicators seen by the Board of Supervisors during the year.

This report analyzes existing economic conditions in Henrico County through the use of 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.

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 does not just examine the General Fund. It looks at the largest operating funds, which include the General Fund, Special Revenue Fund, and the Debt Service Fund.

We will continue to provide this information to the Board of Supervisors in an effort of verifying 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. It should be noted, however, that the Financial Trends Monitoring System is not a definitive document on the County's financial position. The County's financial position may only be determined after examining the Comprehensive Annual Financial Report (CAFR) and the Annual Fiscal Plan in conjunction with this document.

I look forward to meeting with you to discuss any questions that you may have concerning our results.

Sincerely,

Virgil R. Hazelett, P.E.
County Manager

(804) 501-4206 PARHAM & HUNGARY SPRINGS ROADS/P.O. BOX 90775/HENRICO, VIRGINIA 23273-7032
FAX (804) 501-4162