

VOLUME  
**05**

BLUEPRINT CHESTERFIELD PRESENTS:

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**KEY FINANCIAL INDICATORS**  
QUARTERLY REPORT  
FOURTH QUARTER CY2019

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# KEY FINANCIAL INDICATORS

FOURTH QUARTER CY2019

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## REPORT OVERVIEW

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This report has been designed to provide strategic insight into key financial and economic measures for Chesterfield County. The County has a long standing history of evaluating and reviewing these measures on a regular basis, however, with this report, we are now able to communicate this information to a larger audience. The County remains committed to strong fiscal stewardship; this report showcases relevant and informative financial, economic, and general Countywide indicators that are important in informing both current and future programs, services, and resource allocation.

Information in this report is represented based on various time series: monthly, quarterly, and calendar year or fiscal year basis, reflecting year to year comparisons. Throughout this report are some common acronyms such as YoY, Year over Year; and YTD, Year To Date. Leading each data set is a short narrative intended to offer insight on information being presented.

In addition, the County previously published a dashboard focused on key economic indicators, titled 'Blueprint Monthly.' This new quarterly report replaces that previous publication. The data presented in the Monthly Report will continue to be reported on within this report.

# AN OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCE REPORT

This November, Chesterfield County's Comprehensive Annual Financial Report (CAFR) was released for FY2019. The report provides a detailed look at the County's financial position as of the end of FY2019. As the County prepares its FY2021 budget, it is important to consider the broader economic trends typically reported in this report, but it is equally important to look back at the County's finances from the prior year. Although the CAFR contains many useful tables to examine the results of FY2019, this report will take a closer look at three areas: the Statement of Net Position, the General Government Fund Balances, and the General Fund revenue collections.

The Statement of Net Position provides a view of the financial health of the Chesterfield County government. General government fund balances serve as an indicator of the County's ability to respond to unexpected conditions or downturns in the economy. Lastly, General Fund revenue collections provide a snapshot of the local economy, demonstrated by the growth in revenue the County collected within a fiscal year.

Used in conjunction with the economic data found in this report, the CAFR can help inform how the government should allocate its resources in future fiscal years. Readers of this report will gain a greater appreciation for the County's broader financial health.

## STATEMENT OF NET POSITION

The Statement of Net Position provides a view of County assets compared to County liabilities. The most recent CAFR presents this information as of the end of FY2019, which began on July 1, 2018 and ended on June 30, 2019.

The total primary government figures include both governmental activities, such as public safety, transportation, parks and recreation; and business-type activities, such as utilities.

County assets are made up of cash and cash equivalents, investments, receivables, capital assets (including depreciation, in some cases), and others. Also considered with assets are deferred outflows of resources, which include deferred charge on refunding, outflows related to pensions, and other post-employment benefits.

Liabilities, on the other hand, are current and long-term obligations, or debt, the County holds. Debt the County will pay more immediately, such as accounts payable and payroll is considered "current," while longer-term debts, such as bonds for capital improvements, are considered "non-current." Like assets, liabilities are also considered in conjunction with deferred inflows of resources, such as deferred revenues or deferred inflows related to pensions and other post-employment benefits.

The difference between assets and liabilities is the net position of the County. A positive net position, which the County has consistently maintained over time, indicates strong financial stability within the organization, and contributes to the County's triple-AAA bond rating.



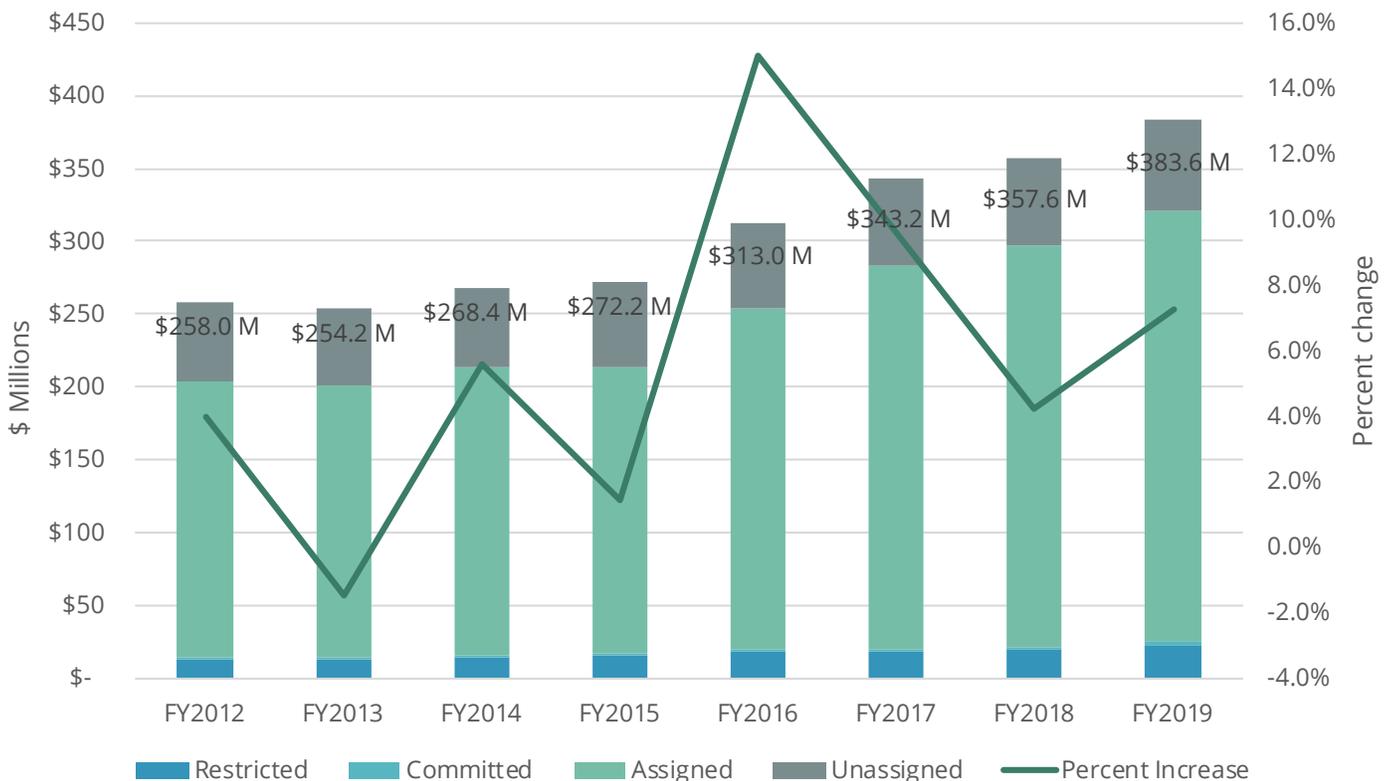
### FUND BALANCE CLASSIFICATIONS

Restricted	Amounts reserved for specific purpose by external parties, constitutional provisions, or legislation.
Committed	Amounts reserved for a specific purpose that cannot be used for any other purposes unless Board action is taken.
Assigned	Amounts intended to be used for a specific purpose.
Unassigned	Amounts that are available for any purpose.

### UNASSIGNED FUND BALANCE

The Fund Balance goes hand in hand with the Statement of Net Position. The fund balance is the difference between what the County owns (assets) and what the County owes (liabilities) in a single fund. Maintaining a positive fund balance is crucial to the County for several reasons. A fund balance can support County needs during unexpected events, such as recovery efforts in extreme weather conditions. Fund balances also reduce the need for emergency short-term borrowing for operations by providing a buffer to ensure uninterrupted cash flows. This can smooth cash flow between the two property tax collections, a major portion of County revenues. Lastly, a strong fund balance position enhances financial stability, which helps the County maintain a triple-AAA bond rating from the three rating agencies: Standard & Poor’s, Moody’s, and Fitch. Chesterfield’s bond rating allows the County to borrow capital at lower interest rates, saving on debt issuance costs, and total repayments. The County’s policy is to maintain a fund balance of at least 8 percent of the budget. At the close of FY2019, the County chose to pre-fund the next five years of fund balances, based on the projected budget through FY2024. This is an example of the cautious approach the County takes to financial stewardship that contributed to the County’s strong financial position today.

### GENERAL GOVERNMENT FUND BALANCE



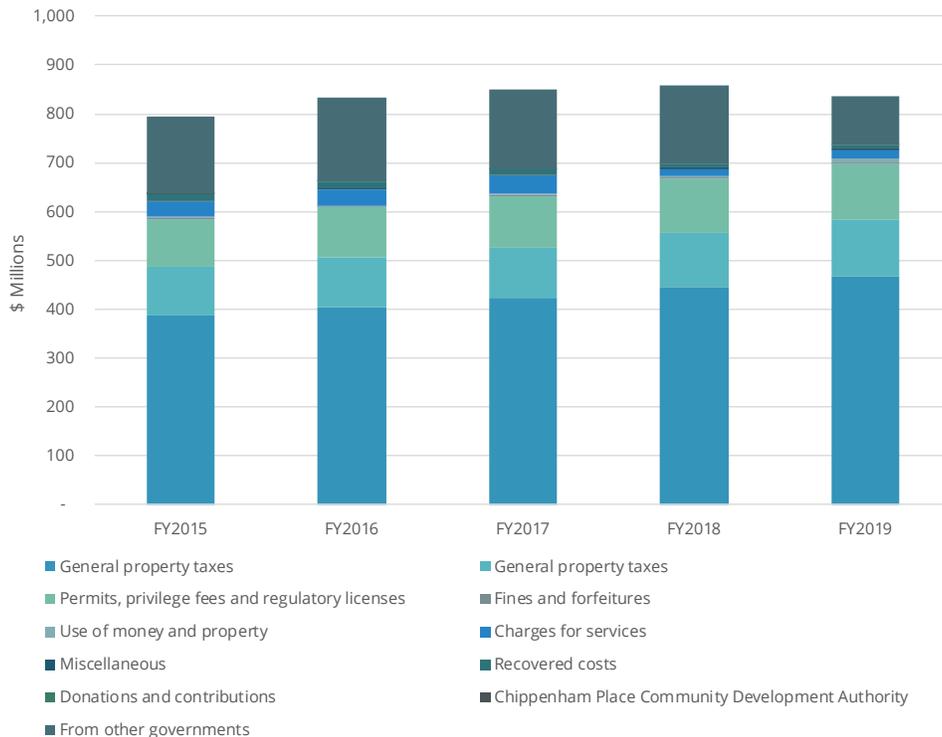
## REVENUES IN FY2019

With the FY2019 budget, Chesterfield County Public Schools began taking direct receipt of state sales tax which substantially reduces the transfer to schools and in turn reduces the General Fund collection of state sales tax, while increasing the schools operating budget. In a year over year comparison, revenues went up by 5.7 percent. General property taxes, which were responsible for the largest nominal increase, rose nearly 5.0 percent, while other local taxes rose 3.1 percent. All categories of general property taxes outperformed the budgeted number, except for machinery and tools taxes, which came in approximately \$250,000 under the budgeted amount. Additionally, while other local taxes outperformed the budget and the previous fiscal years overall, three categories came in under the budgeted amount: local sales and use taxes, telecommunications tax, and transient occupancy tax. The decline in sales and use taxes and transient occupancy taxes may serve as indicators of an economy beginning to decline, as the collection of these is tied to consumer spending on goods and travel. The decline in telecommunications, on the other hand, can be explained by the trend of consumers switching from landline telephones to cell phones.

Another major driver of increased revenue for the County was use of money and property, which outperformed FY2018 by \$6.6 million, a 245.9 percent increase. Although this revenue was budgeted to rise in FY2019, it surpassed the County's original expectations by nearly \$3.8 million. This increase was driven by an increase in investment earnings due to better techniques, coupled with a rising interest rate environment compared to recent history. Charges for services also saw significant growth, gaining 14.7 percent, driven primarily by Treasurer's office fees and other miscellaneous fee growth.

Although revenues tend to lag behind the state in terms of seeing effects of economic downturns, the continued strength of revenue growth in the County provides a cautiously optimistic view as the County plans for FY2021.

### GENERAL FUND REVENUES FY2015-FY2019



## SUMMARY

The financial position of the County demonstrated at the close of FY2019 a sustained positive position. Fund balances remained strong and are well positioned to weather future downturns and other adverse events. Additionally, General fund revenues show continuous growth despite the slight rise in economic headwinds documented in this report over the last fiscal year. The outlook remains cautiously optimistic as the County implements the FY2020 budget and develops the five-year plan.

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## LOCAL ECONOMIC CONDITIONS

### SALES TAX

A key measure of consumer spending and consumer confidence in the local economy. Consumer spending in the County is up 0.68% from one year ago, but down 0.41% year-to-date for the September reading. Given that September is only three months into the fiscal year, it is early to draw conclusions from the year-to-date reading, and collection growth may improve with forecasted increase in consumer spending around the holiday season.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change	YTD YoY Change
\$4,469,998	\$4,439,733	\$4,208,823	0.68%	-0.41%
SEP 19	SEP 18	SEP 17		

### AVERAGE WEEKLY WAGE

At \$937, average weekly wages across government and private sectors in the county are down 0.53% compared to 2018. Although wages between quarters are cyclical in nature, the unanticipated decline in year-over-year wage growth appears to be attributable to lower wages in the manufacturing and professional and business services sectors. This data is subject to revision and may be revised upwards, however we will continue to monitor this trend.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
\$937	\$942	\$912	-0.53%
Q3-2019	Q3-2018	Q3-2017	

### VEHICLE REGISTRATIONS

The number of new and used vehicle registrations. This measure is beginning to see an upward tick at the beginning of FY2020, rising 1.28% compared to October of last year, and up 1.33% from year-to-date collections at this time last year. As vehicle taxes are the largest component of personal property taxes (the County's second largest General Fund revenue source), the County continues to closely monitor this activity to assess its impact on revenue growth.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change	YTD YoY Change
6,260	6,181	6,209	1.28%	1.33%
OCT 19	OCT 18	OCT 17		

### PAYROLL EMPLOYMENT

With 183,027 workers employed in the County as of September 2019, this represents an 2.6% increase compared to September 2018. As the County's labor force has increased, the number of County residents employed has increased, lowering the unemployment rate for the County. This is a sign of a continuously strong labor market in the Chesterfield area.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
183,027	178,443	177,956	2.57%
SEP 19	SEP 18	SEP 17	

### LABOR FORCE TO JOBS RATIO

This measure tracks the ratio of jobs at Chesterfield firms to the number of County residents that are actively engaged in the labor force. At 72.6%, this ratio has decreased by 1.3 percentage points from same period last year, indicating that fewer Chesterfield residents are employed within the County. One important note is that, similar to average weekly wages, this data is cyclical in nature. However, with a continued focus on economic development, the County remains committed to its goal of bringing the ratio closer to 0.8 over time and will monitor this indicator as progress is made.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
0.726	0.739	0.726	-1.34% pts
MAR 19	MAR 18	MAR 17	

### UNEMPLOYMENT RATE

Percentage of employable people living in Chesterfield County over the age of 16 who have either lost their jobs, unsuccessfully sought jobs, and are actively seeking work. Continuing the trend of low unemployment in Chesterfield, at 2.50%, the County unemployment rate is below both the national and state rates. This low rate has supported consumer confidence in the County as evidenced by stable sales tax collections and home prices in the County.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
2.50%	2.70%	3.50%	-0.20%
SEP 19	SEP 18	SEP 17	

### OCCUPANCY TAX

This a local tax levied on hotels and other lodging places within the County for any person who obtains lodging for less than thirty days. The County's rate is eight percent. As of October, collections are down 8.7% year-over year, while year-to-date collections are down 5.5%, confirming signs of a slowdown in travel related expenditures in Chesterfield. Collections of occupancy taxes appear to be in flux across the region, based on reporting from the Greater Richmond Convention Center Authority. Events that have typically been held in the region have moved to other states, affecting the overall rate of hotel stays in the region. We are tracking collections monthly to monitor this source for any sustained slowdown in revenue growth.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change	YTD YoY Change
\$445,493	\$487,928	\$464,750	-8.70%	-5.51%
OCT 19	OCT 18	OCT 17		

## STATE ECONOMIC CONDITIONS

### SALES TAX (\$000'S)

State sales tax collections reflect consumer spending across Virginia. The state saw an 8.4% increase over the same period last year. This is directly driven by newly enacted state legislation which requires out-of-state retailers to collect Virginia state taxes on purchases made by Virginia residents. Year-to-date collections are up 7.9%, ahead of state estimates, indicating strong consumer confidence at the state level.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change	YTD YoY Change
\$314,590	\$290,153	\$295,311	8.42%	7.96%
OCT 19	OCT 18	OCT 17		

### INDIVIDUAL INCOME TAX WITHHOLDING (\$000'S)

A measure of job creation and wage growth in the state economy. Tax withholdings in Virginia have increased 8.5% over the same period last year, and 7.5% year-to-date. This represents a return to the status quo after a larger-than-average increase last quarter. This signals that the underlying withholding tax growth is strong, which is indicative a robust economy.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change	YTD YoY Change
\$1,264,004	\$1,165,376	\$1,018,819	8.46%	7.50%
OCT 19	OCT 18	OCT 17		

### VEHICLE REGISTRATIONS

Vehicle registrations in October 2019 across the state are up 3.6% from October 2018, and up 3.7% year-to-date. These effects mirror the County-level vehicle registrations data.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change	YTD YoY Change
164,957	159,209	155,870	3.61%	3.75%
OCT 19	OCT 18	OCT 17		

### % CHANGE IN REAL GROSS DOMESTIC PRODUCT

The change in the value of goods and services produced in the state, less the cost of goods and services used in production. This measure grew by 1.9% on an annualized basis, as of the second quarter. This represents a decline of 0.6 percentage points from the same period one year ago. Mirroring trends at the national level, the data suggests that the economy is still growing albeit at a slower pace. The underlying data shows contraction in the construction, wholesale trade, and transportation and warehousing sectors. This was offset by growth in the information; finance; and professional, scientific and technical services sectors.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
1.90%	2.50%	2.00%	-0.60%
Q2 - CY19	Q2 - CY18	Q2 - CY17	

### LEADING INDEX FOR VIRGINIA

Predicts the growth of the state coincident index over the next six months. The coincident index models multiple indicators to form a single indicator of the overall state economy. The leading index for Virginia is 1.2% in September 2019, representing a 0.2 percentage point increase from September 2018. The slight increase in this measure is indicative of a currently stable economic outlook.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
1.23%	0.99%	1.43%	0.24% pts
SEP 19	SEP 18	SEP 17	

### UNEMPLOYMENT RATE

Percentage of employable people living in Virginia over the age of 16 who have either lost their jobs, unsuccessfully sought jobs, and are actively seeking work. The state unemployment rate as of September 2019 is slightly higher than the County unemployment rate at 2.7%. This represents a slight decline of 0.1 percentage points from September of 2018. While other indicators suggest slowing growth, the maintenance of a low unemployment rate is a positive sign for the state's economy. We will continue to monitor this indicator for signs of increasing unemployment.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
2.70%	2.80%	3.60%	-0.10% pts
SEP 19	SEP 18	SEP 17	

### NUMBER OF FILED BANKRUPTCIES

In June of 2019, the state saw 1,818 bankruptcies filed, a decline of 3.7% from June of 2018. The year-to-date reading shows an increase of 0.4%, signaling a modest increase in bankruptcies overall. This measure is tracked because it is a leading indicator of potential financial difficulties for both consumers and businesses. Any sustained uptick in this indicator suggests that business and consumer financial positions may be weakening, which may precipitate a decline in spending in the economy. This has an impact on the strength of the state economy and will be monitored for further growth.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change	YTD YoY Change
1,818	1,888	1,914	-3.71%	0.42%
JUN 19	JUN 18	JUN 17		

# NATIONAL ECONOMIC CONDITIONS

## ADVANCE RETAIL SALES - EXCLUDING FOOD SERVICES (\$ MILLIONS)

Provides an early estimate of the dollar value of monthly sales in retail trade. The reading for October is \$459,640, reflecting sustained consumer demand. This measure has risen steadily since 2009, and the 3.8% growth between October 2018 and October 2019 is representative of this overall trend.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
\$459,640	\$442,814	\$427,552	3.80%
OCT 19	OCT 18	OCT 17	

## CONSUMER PRICE INDEX (CPI)

Measures the average change in the price of goods and services paid by urban consumers. The percentage change in the CPI between October 2018 and 2019 is 1.8%, which is about 0.76 percentage points lower than the previous year-over-year change. Stable growth from year to year is a sign of normal inflation within the economy.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
1.76%	2.52%	2.04%	-0.76%
OCT 19	OCT 18	OCT 17	

## MANUFACTURERS' NEW ORDERS - DURABLE GOODS (\$ MILLIONS)

Provides current data on industrial activity and indicates future business trends in the domestic manufacturing sector. At \$247,660 in October 2019, this indicator shows a 5.6% decrease from October 2018. This continues the previous quarter's indication that this measure is beginning to contract. However, this indicator tends to fluctuate from month to month, so the overall trend will be monitored monthly as the effects of this trend trickle down to the state and county levels.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
\$247,660	\$262,205	\$242,818	-5.55%
OCT 19	OCT 18	OCT 17	

## % CHANGE IN REAL GROSS DOMESTIC PRODUCT

Gross Domestic Product (GDP) measures the percent change in the value of goods and services produced in the U.S. less the cost of production. This measure read 1.9% in the first quarter of FY2020, a decrease of 1.0 percentage points from the same period last year. Prior growth was spurred in large part due to changes in federal tax law, the effect of which is now beginning wane. Coupled with other leading indicators, this decline in growth was expected and will be monitored for any sudden changes in the future.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
1.90%	2.90%	3.20%	-1.00%
Q1 - FY20	Q1 - FY19	Q1 - FY18	

## LEADING INDEX FOR THE UNITED STATES

Predicts the growth of the U.S. coincident index over the next six months. The coincident index models multiple indicators to form a single statistic to characterize the national economy. After a recent uptick in the first quarter of 2019, the second quarter declined, mirroring another valley that began in the third quarter of 2018 and continued through the fourth. As with the state leading index, this indicator alone does not signal certain economic distress in the coming months, but it does complement other statistics that indicate a slowing in the economy.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
1.33%	1.52%	1.38%	-0.05%
JUL 19	JUL 18	JUL 17	

## UNEMPLOYMENT RATE

Percentage of employable people living in the United States over the age of 16 who have either lost their jobs, unsuccessfully sought jobs, and are actively seeking work. In October 2019, the national unemployment rate was 3.6, which is down 0.2 percentage points from October 2018. This is a positive sign of the strength of the national economy, which is reflected by even lower unemployment rates at the state and County levels.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
3.60%	3.80%	4.10%	-0.20%
OCT 19	OCT 18	OCT 17	

## NET PERCENTAGE OF DOMESTIC BANKS TIGHTENING STANDARDS ON CONSUMER LOANS

Measures the willingness of domestic banks to issue consumer installment loans. The net percentage tightening standards was 10.4% in the third quarter of 2019, a significant uptick from the recent low of -2.2% in the third quarter of 2018. Since 2016, there has been a discernible upward trend in the tightening of credit conditions for consumers. This is potentially driven by an uptick in new delinquent balances on consumer loans as indicated in the latest data from the Federal Reserve and Equifax.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
10.40%	-2.20%	9.10%	12.60%
Q2 - FY20	Q2 - FY19	Q2 - FY18	

## HOUSING AND REAL ESTATE

### HOME SALES

Indicating the number of homes sold (new and existing) in a given month, compared to historical data. After a large increase in September, representing a 21.9% increase over September 2018, sales are up 3.95% year-to-date, which is indicative of a strong housing market. The County will monitor continued changes in the market.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change	YTD YoY Change
552	453	567	21.9%	3.95%
SEP 19	SEP 18	SEP 17		

### BUILDING PERMITS

As a leading indicator, this measure provides insight on the new housing market and commercial activity in Chesterfield. Following a period of slower growth, single family permits are up 16.8% year-over-year and 10.2% year-to-date. While the current housing inventory has appeared tight in recent quarters based on existing home sales, the increase in permits suggests a possible increase of future inventory, sustaining the local real estate market. Multi-family permits and commercial permits are often lumpy, demonstrated by the 33.3% year-over-year decline, following the large growth of 797.3% year-over-year in multi-family permits reported in June.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change	YTD YoY Change
<b>MULTIFAMILY PERMITS</b>				
16	24	25	-33.3%	7.8%
<b>SINGLE FAMILY PERMITS</b>				
139	119	100	16.8%	10.2%
<b>COMMERCIAL PERMIT VALUE</b>				
\$33,323,765	\$35,216,065	\$21,854,310	-5.4%	4.2%
OCT 19	OCT 18	OCT 17		

### OFFICE AND RETAIL VACANCIES

As a component in assessing the economic vitality of the local market, this measure offers insight in the vacancy ratio among office and retail businesses. Continuing last quarter's downward trend, the first quarter of FY2020 saw a 3.3 percentage point decline in office vacancies. This continues last quarter's return to decreased rates, suggesting growing demand for office space. Retail vacancies continue to fall as well, with the latest measurement showing a 0.5 percentage point decline year-over-year, which, coupled with continued growth in retail space suggests a robust market.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
<b>OFFICE VACANCIES</b>			
6.6%	9.9%	8.8%	-3.3 % pts
<b>RETAIL VACANCIES</b>			
4.8%	5.3%	6.9%	-0.5% pts
Q1-FY20	Q1-FY19	Q1-FY18	

### LOT INVENTORY

A review of available, ready-to-build lots.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
16,182	15,048	15,600	7.5%
Q2-FY19	Q2-FY18	Q2-FY17	

### HOMES PRICES

Indicating the average value for homes sold during a given month, compared to historical data. Year-over-year change shows a 3.8% increase, reflecting a healthy demand for Chesterfield housing.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
\$293,025	\$282,182	\$276,154	3.8%
SEP 19	SEP 18	SEP 17	

### MEDIAN HOME/MEDIAN HOUSEHOLD INCOME

A measure reviewing countywide household income data. Household income can provide insight into the overall economic health of a given area and when compared against real estate prices can be an indicator on whether the market might be getting overheated.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
\$80,573	\$76,260	\$75,107	5.7%
CY2017	CY2016	CY2015	

### ANNUAL RESIDENTIAL REVALUATION

A key annual measure to monitor assessments and housing market trends. Tracking the overall year-over-year change in value for existing residential properties.

YEAR	PERCENT CHANGE
2019	3.25%
2018	3.77%
2017	3.10%
2016	2.50%
2015	2.90%
2014	2.10%
2013	-1.30%
2012	-5.30%
2011	-5.00%
2010	-4.80%

### COMMERCIAL/RESIDENTIAL RATIO

An annual review of the commercial base compared with the residential base.

YEAR	RESIDENTIAL	COMMERCIAL
2019	79.24%	20.76%
2018	79.12%	20.88%
2017	78.75%	21.25%
2016	78.27%	21.73%
2015	78.25%	21.75%
2014	78.08%	21.92%
2013	77.91%	22.09%
2012	78.42%	21.58%
2011	79.57%	20.43%
2010	80.19%	19.81%

## FINANCE AND BUDGET

**OPERATING CASH INVESTMENT BALANCE**

General overview of Countywide cash investment balances. The amounts listed here represent the short-term cash component of the County's total investment balances. This balance has decreased over time as more cash has moved into longer-term investments generating higher returns for the County. The balance is not a reflection of lower overall balances.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
\$150.8M	\$116.8M	\$295.3M	29.17%
AUG 19	AUG 18	AUG 17	

**AVERAGE YIELD ON INVESTMENTS**

Measuring the county's investment effectiveness. The objective is to obtain the highest possible yield on available financial assets, consistent with constraints imposed by safety objectives, cash flow considerations, and the laws of the Commonwealth of Virginia that restrict the placement of public funds. Compared to the prior year, yields are up by 0.26 percentage points.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
2.30%	2.04%	1.13%	0.26%
AUG 19	AUG 18	AUG 17	

**INTEREST EARNINGS**

This is the amount that the County is earning per month on longer-term investment balances in investment vehicles permissible by State Code. For the month of August, investment earnings reached \$1,967k. Compared to the same period one year ago, investment earnings are up by 51.3%, and for the fiscal-year-to-date are up by 70.3%. Higher interest rates, coupled with moving operating cash into longer-term investments, are driving this surge in earnings.

CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change	YTD YoY Change
\$1.967M	\$1.300M	\$237K	51.35%	70.33%
AUG 19	AUG 18	AUG 17		

**LONG-TERM LIABILITIES**

As required by GAAP, a long-term liability has been recorded for the VRS Plan, the County Supplemental Retirement Plan, Retiree Healthcare, and the County Line of Duty Plan for the cumulative difference between the total pension/OPEB liabilities and fiduciary net position as of the measurement date. Incremental improvement to the funded status of each could be a result of additional funding directed to the respective trust, investment returns, or program eligibility/participation.

	FY2019	FY2018	FY2017	FY2016
<b>VRS AGENT MULTIPLE-EMPLOYER</b>				
	85.61%	84.48%	79.67%	82.05%
<b>COUNTY SUPPLEMENTAL RETIREMENT PLAN</b>				
	98.77%	99.84%	97.86%	88.86%
<b>RETIREE HEALTHCARE</b>				
	33.63%	28.57%	22.43%	20.63%
<b>LINE OF DUTY</b>				
	59.86%	73.56%	51.99%	55.70%

**TAX COLLECTION RATE**

Property taxes are primarily generated from levies on real estate and personal property and are the dominant revenue source for the County, more than half of the general fund budget. Therefore, timely collection of those revenues are critical to operations. This metric is demonstrating the percentage of the original tax level collected within the fiscal year of the levy.

98.86%	97.26%	95.03%	95.71%
FY2019	FY2018	FY2017	FY2016

**PERCENT SPEND WITH CHESTERFIELD BUSINESS**

Measuring the percent of Chesterfield businesses responding to and entering into agreements for Chesterfield County goods and services and construction contracts. With several large capital project expenditures over the last few years, county expenditures with national companies that specialize in such projects have significantly increased. The county continues to monitor this measure and is committed to utilizing local businesses for county goods and services. In the future, this indicator will report out on goods and services versus capital expenditures.

8.25%	10.04%	16.13%	14.91%
FY2019	FY2018	FY2017	FY2016

**NET CHANGE IN FUND BALANCE**

The net increase or decrease resulting from the use of and contribution to reserves in a given fiscal year. Each year, results of operations (both county and schools) are set aside for revenue stabilization needs in less favorable economies as well as \_\_ such as capital projects. Contributions from restricted revenues that cannot be used to fund general operations (occupancy taxes, BPOL) are also included below.

\$25.9M	\$14.4M	\$30.2M	\$40.8M
FY2019	FY2018	FY2017	FY2016

**APPEALS DATA**

As an indicator of the accuracy of the assessment data, this measures the number of residential assessments actually changed by the Board of Equalization (BOE).

	FY2019	FY2018	FY2017	FY2016
<b>TOTAL NUMBER OF APPLICATIONS</b>				
	140	116	108	103
<b>TOTAL NUMBER OF APPEALS REVIEWED BY BOE</b>				
	12	8	5	4
<b>NUMBER OF APPLICATIONS OVERTURNED BY BOE</b>				
	2	0	1	0
<b>AVERAGE VALUE CHANGED</b>				
	(\$11,949,650)	\$0	(\$15,000)	\$0

# FINANCE AND BUDGET

## KEY FINANCIAL RATIOS

### DEBT PER CAPITA

Indicating the county's per capita tax supported debt burden as well as a general indicator of the county's debt burden. A smaller ratio indicates a lighter burden.

	Actual	Planning Cap	Planning Ceiling
FY2019	\$1,503	\$1,838	\$2,068
FY2018	\$1,371	\$1,838	\$2,068
FY2017	\$1,502	\$1,802	\$2,027
FY2016	\$1,389	\$1,802	\$2,027

### DEBT SERVICE AS PERCENT OF GENERAL FUND EXPENDITURES

Measuring the county's ability to repay debt without hampering other county services. A small ratio indicates a lesser burden on the county's operating budget.

	Actual	Planning Cap	Planning Ceiling
FY2019	6.47%	10.00%	11.00%
FY2018	6.61%	10.00%	11.00%
FY2017	6.26%	10.00%	11.00%
FY2016	6.32%	10.00%	11.00%

### 10-YEAR PAYOUT RATIO

Percentage of currently outstanding bonds scheduled to be retired in the next 10 years; ensuring continued responsible debt management practices.

	Actual	Planning Cap	Planning Ceiling
FY2019	74.90%	65.00%	60.00% (floor)
FY2018	77.50%	65.00%	60.00% (floor)
FY2017	76.00%	65.00%	60.00% (floor)
FY2016	79.20%	65.00%	60.00% (floor)

### DEBT AS PERCENTAGE OF ASSESSED VALUE

Indicating the relationship between the county's tax supported debt burden and taxable value of property in the county. An important indicator of the county's ability to repay debt, because property taxes are the county's primary revenue source to repay debt. A small ratio is an indication that the county will be better positioned to withstand possible future economic downturns and continue meeting its debt obligations.

	Actual	Planning Cap	Planning Ceiling
FY2019	1.15%	2.50%	3.00%
FY2018	1.09%	2.50%	3.00%
FY2017	1.24%	2.50%	3.00%
FY2016	1.19%	2.50%	3.00%

### UNASSIGNED FUND BALANCE AS A PERCENT OF GENERAL FUND EXPENDITURES

This ratio indicates the general ability of the county to cope with financial emergencies and fluctuations in revenue cycles. The County has established a target of 8% with a floor of 6%.

	Actual	Planning Cap	Planning Ceiling
FY2019	9.49%	8.00%	6.00% (floor)
FY2018	8.64%	8.00%	6.00% (floor)
FY2017	8.60%	8.00%	6.00% (floor)
FY2016	8.69%	8.00%	6.00% (floor)

### DEBT TO PERSONAL INCOME

This measure adds to the comprehensive assessment of the county's debt portfolio, offering insight on the county's ability to manage debt payments.

	Actual	Planning Cap	Planning Ceiling
FY2019	2.80%	5.00%	6.00%
FY2018	2.65%	5.00%	6.00%
FY2017	3.03%	5.00%	6.00%

## FINANCIAL REPORTING

Reflecting the quality and effectiveness of the policies and procedures, guidance, and training Accounting provides to internal customers. This indicator reviews the unmodified auditor opinion for the financial statements, as well as internal controls over financial reporting.

FY2019	FY2018	FY2017	FY2016
YES	YES	YES	YES

## BOND RATING

Maintaining a triple AAA bond rating ensure that the county is well run, has prudent financial planning and management, and will receive the best interest rate available when going on the bond market to sell debt.

	FY2019	FY2017	FY2017	FY2016
COUNTY	Triple AAA	Triple AAA	Triple AAA	Triple AAA
UTILITIES	Triple AAA	Triple AAA	Triple AAA	Triple AAA

# FINANCE AND BUDGET



## KEY RESERVE BALANCES

### RESERVE FOR CAPITAL IMPROVEMENT PROGRAM (RFCIP)

Each year the county sets aside approximately five percent of general government expenditures for pay-as-you-go funding for capital projects. While the majority of that funding is allocated to specific projects, some portion is set aside to deal with unforeseen issues with approved projects or capital needs that arise out of the normal budget cycle. As projects are completed, remaining balances are usually transferred to the reserve as well.

\$7.162M	\$7.687M	\$7.749M	\$7.951M
FY2019	FY2018	FY2017	FY2016

### BUSINESS PROFESSIONAL AND OCCUPATIONAL LICENSE (BPOL) FEES

Most local businesses are subject to BPOL fees which licenses their business activity within the County and are generally calculated upon gross receipts in the prior year. The county voluntarily caps the amount of BPOL revenue that it uses to sustain operations at \$15.7M annually. Any BPOL appropriated above that amount is dedicated to transportation projects (including debt service) and economic development incentives. Often BPOL comes in above the budgeted amount; that excess is reserved annually for future transportation or economic development related needs.

\$11.053M	\$7.579M	\$6.590M	\$6.427M
FY2019	FY2018	FY2017	FY2016

### OCCUPANCY

A tax paid on the number of room nights a person stays in the county. Holistically, a measure of the strength or success of the county's tourism efforts. These revenues are designated for restricted use on tourism related activities as prescribed by state code.

\$3.624M	\$2.320M	\$1.343M	\$3.088M
FY2019	FY2018	FY2017	FY2016

### UNASSIGNED FUND BALANCE

The unassigned fund balance has been established over many years to provide the county with sufficient resources to finance unforeseen emergencies without borrowing. The unassigned fund balance target is funded for the upcoming fiscal year from prior year surpluses and budgeted additions. The county remains in compliance with the 8% percent level.

\$63.004M	\$60.004M	\$60.004M	\$58.668M
FY2019	FY2018	FY2017	FY2016

Balances shown here are reflective of the total year end balance, not cumulative.

## COMMUNITY AND DEMOGRAPHICS

### 2019 ECONOMIC DEVELOPMENT ANNOUNCEMENTS

The tables below show the projects announced in Chesterfield in each of the past five years.

Please note, the projects listed below utilized the services of the Chesterfield County Department of Economic Development. The figures were supplied by company at the time of the announcement.

This list does not represent all development projects that occurred in the county during the specified time period. These are only projects that were announced through the Economic Development office.

Announcement Date	Company	New or Expansion	Investment	# of New Employees	Square Footage
3/15/2019	The Results Company	New	\$1,500,000	600	26,866
3/15/2019	IMPREG Group	New	\$2,000,000	35	45,000
4/15/2019	ERNI Electronics	New	\$25,000,000	105	80,000
4/15/2019	Coesia - G. D USA, Inc.	Expansion	\$3,750,000	26	20,000
5/15/2019	Petal	New	\$300,000	80	8,000
6/15/2019	Shamin Hotels	New	\$125,000,000	600	n/a
10/15/2019	Productiv	New	\$1,000,000	50	105,000
10/15/2019	Cartograf	New	\$65,300,000	63	275,000
<b>Totals</b>			<b>\$223,850,000</b>	<b>1,559</b>	<b>533,000</b>



## COMMUNITY AND DEMOGRAPHICS

### GROUP A CLEARANCE RATE AND CRIME RATE

A measure of the effectiveness of the Police Department in resolving Group A incidents. The number of National Incident Based Reporting System (NIBRS) Group A actual incidents that are solved, cleared by arrest, or cleared exceptionally. The incidents include arson, assault, burglary, drug/narcotic offenses, fraud, homicide, kidnapping, theft, vandalism, and weapon violations.

	FY2019	FY2018	FY2017	FY2016
CLEARANCE RATE	46%	52%	59%	55%
REPORTED INCIDENTS	16,147	16,126	16,569	16,417
CRIME RATE (PER 100K CITIZENS)	4,627	4,688	4,873	4,872

### REHABILITATION INCENTIVE PROGRAM

Intended to offer funding assistance in mature or older areas of the county, participation in this program grants partial tax exemption for the rehabilitation, renovation, or replacement of aging structures. Increased utilization in this program (for commercial, industrial, historic, or residential properties) can be an indication of investment in revitalization areas.

CY2018	CY2017	CY2016	CY2015
11	5	9	10

### SOCIAL SERVICES RECIPIENTS

Measuring unduplicated counts of residents in need and accessing assistance through TANF, SNAP, or Medicaid. Staff will continue to closely monitor these figures as Medicaid expansion rolls out.

	CURRENT READING	YEAR AGO	TWO YEARS AGO	YoY Change
MEDICAID	58,153	49,288	47,276	17.99%
TANF	1,174	1,264	1,401	-7.12%
SNAP	26,229	26,432	28,360	-0.77%
	OCT 19	OCT 18	OCT 17	

### TAX RELIEF FOR THE ELDERLY AND DISABLED

Program which allows relief on real estate taxes for the elderly, disabled, surviving spouses of certain emergency service providers, and surviving spouses of Members of the Armed Forces Killed in Action or died of wounds received in action. This measure tracks the value of Real Estate taxes relieved for such exemptions.

FY2019	FY2018	FY2017	FY2016
\$7,745,665	\$7,451,824	\$6,666,904	\$5,744,939

### COUNTY WORKFORCE

Identified below are the number of full-time vacancies within Chesterfield County government, as well as the voluntary turnover rate. These measures provide valuable personnel insight.

FY2019	FY2018	FY2017	FY2016
NUMBER OF FULL-TIME VACANCIES AT FISCAL YEAR END			
260	264	216	195
VOLUNTARY TURNOVER RATE			
11.3%	7.1%	6.4%	6.8%

### POPULATION

Chesterfield County is the most populated locality in the Richmond/Petersburg MSA and the fifth most populated locality in the Commonwealth of Virginia. The County's population continues to experience gradual but steady increase.

FY2019	FY2018	FY2017	FY2016
349,000	344,000	340,000	337,000

### SCHOOL ENROLLMENT

Chesterfield County Public Schools is one of the 100 largest school systems in the US and the fifth largest in Virginia and educated more than 61,000 students in 2018-2019. Student growth in the County has stabilized with minimal increases for the past decade. Projections suggest this student membership trend around 1-2% increases annually will continue for the foreseeable future.

2019-2020	2018-2019	2017-2018	2016-2017
62,669	61,608	60,976	60,103



VOLUME  
**05**

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**KEY FINANCIAL INDICATORS  
QUARTERLY REPORT**  
FOURTH QUARTER CY2019

## SOURCES

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Data in this document has been sourced from various county departments including, Accounting, Budget and Management, Building Inspection, Chesterfield County Public Schools , Commissioner of the Revenue, Procurement, Real Estate Assessments, and Treasurer. External resources include the Administrative Offices of the United States Courts, Bureau of Economic Analysis, Bureau of Labor Statistics, Equifax, Federal Reserve, Federal Reserve Bank of New York (FRBNY), Federal Reserve Bank of Philadelphia, IHS Market, Richmond Association of Realtors, Thalhimer, Virginia Department of Education, Virginia Department of Motor Vehicles, Virginia Department of Taxation, Virginia Employment Commission, and Weldon Cooper.

*This report was prepared by Budget and Management. For comments or question regarding this document, call (804) 748-1548 or visit [www.chesterfield.gov](http://www.chesterfield.gov). Published December 2019.*