2013 PRELIMINARY YEAR END FINANCIAL REPORT

HANOVER COUNTY
FINANCE AND MANAGEMENT SERVICES

AUGUST 28, 2013

Our Mission:
To be a premier community by providing superior service through creativity, innovation and sound financial practices.

General Fund – 2013 Preliminary Year End Financial Report

Our values: Integrity, Accountability, Respect, Inclusiveness

	FY2012			FY2013		
	Twelve Months Ended June 30, 2012			Twelve Months Ended June 30, 2013		
	Appropriated	Actual	$ Variance with Appropriated	Appropriated	Preliminary YE Report	$ Variance with Appropriated
REVENUES						
Revenue from local sources:						
General property taxes	$ 128,148,000	126,110,780	(2,037,220)	$ 123,685,500	125,716,871	2,031,371
Other local taxes	28,404,000	27,362,807	(1,041,193)	28,342,000	28,841,377	499,377
Permits, privilege fees and regulatory licenses	1,522,000	1,555,734	33,734	1,551,700	2,117,648	565,948
Fines and forfeitures	1,269,100	1,123,148	(145,952)	1,269,475	1,122,896	(146,579)
Revenues from use of money and property	709,000	687,178	(21,822)	759,000	517,923	(241,077)
Charges for services	3,534,648	3,145,603	(389,045)	6,369,471	6,442,007	72,536
Miscellaneous	564,268	664,062	99,794	853,276	762,987	(90,289)
Recovered costs	3,385,147	3,589,583	204,436	3,401,558	3,720,996	319,438
Revenue from the Commonwealth	22,618,092	22,324,936	(293,156)	27,365,470	27,009,869	(355,601)
Revenue from the Federal government	3,907,835	3,339,682	(568,153)	3,401,094	3,749,704	348,610
Total revenues	194,062,090	189,903,513	(4,158,577)	196,998,544	200,002,278	3,003,734
EXPENDITURE SUMMARY						
General governmental administration	14,057,783	13,226,986	830,797	13,059,935	12,643,472	416,463
Judicial administration	4,560,061	4,319,406	240,655	4,632,777	4,526,157	106,620
Public safety	46,767,525	45,123,575	1,643,950	49,123,780	48,166,843	956,937
Public works	10,565,302	9,388,362	1,176,940	9,945,117	9,152,935	792,182
Human services	8,797,042	7,509,173	1,287,869	23,313,805	21,215,748	2,098,057
Parks, recreation and cultural	6,096,508	5,983,856	112,652	5,654,205	5,463,552	190,653
Community development	5,006,432	4,659,812	346,620	4,577,773	4,425,231	152,542
Education	92,610,611	86,899,750	5,710,861	91,672,882	87,654,681	4,018,201
Nondepartmental	-	-	-	949,740	-	949,740
Debt service:						
Principal retirement	2,270,609	2,201,996	68,613	2,541,464	2,541,464	-
Interest and fiscal charges	2,406,495	2,001,749	404,746	1,957,176	1,957,177	(1)
Total debt service	4,677,104	4,203,745	473,359	4,498,640	4,498,641	(1)
Total expenditures	193,138,368	181,314,665	11,823,703	207,428,654	197,747,260	9,681,394
Excess of expenditures over revenues	923,722	8,588,848	7,665,126	(10,430,110)	2,255,018	12,685,128
OTHER FINANCING USES						
Transfers out	11,707,551	10,254,452	1,453,099	4,514,982	4,514,982	-
Total other financing uses	11,707,551	10,254,452	1,453,099.0	4,514,982	4,514,982	-
Net use of prior year fund balance	(10,783,829)	(1,665,604)	9,118,225	(14,945,092)	(2,259,964)	12,685,128
Fund balances - beginning	47,298,460	47,298,460	-	45,632,856	45,632,856	-
Fund balances - ending	$ 36,514,631	45,632,856	9,118,225	$ 30,687,764	43,372,892 *	12,685,128

*Net of encumbrances and reappropriations

General Fund – Year Ended June 30, 2013

Our values: Integrity, Accountability, Respect, Inclusiveness

		Appropriated	Preliminary YE Report	% Collected / Expended
Revenues:				
Operating revenues	$	196,998,544	200,002,278	101.5%
Prior year's balance		14,945,092	14,945,092	
Total revenues		211,943,636	214,947,370	
Expenditures and Transfers:				
Expenditures	$	207,428,654	197,747,260	
Transfers		4,514,982	4,514,982	
Total expenditures and transfers		211,943,636	202,262,242	95.4%

FY 2013 General Fund Operating Balance

Our Values: Integrity, Accountability, Respect, Inclusiveness

		Projected Over (Under) Budget	% of Budget
Revenues:			
Real property taxes	$	436,000	
Personal property taxes		1,368,000	
Other general property taxes		227,000	
Other local taxes		499,000	
Permits and fees		566,000	
All other revenues		(92,000)	
Total revenues		**3,004,000**	**1.5%**
Expenditures:			
County salary and benefit savings		2,005,000	
County operating savings		3,658,000	
Education savings		4,018,000	
Total expenditures		**9,681,000**	**4.6%**
Projected operating balance	**$**	**12,685,000**	

The projected operating balance is planned for reinvestment in the FY14 County and School budgets and subsequent five year financial plans

FY 2013 General Fund - Fund Balance

Our Values: Integrity, Accountability, Respect, Inclusiveness

	Preliminary YE Report 6/30/2013*	CAFR 6/30/2012	$ Change
Nonspendable	$ 198,000	170,000	28,000
Restricted	490,000	467,000	23,000
Committed - Economic Development	500,000	500,000	-
Assignments	16,985,000	20,568,000	(3,583,000)
Unassigned - 12.6% of Revenue	25,200,000	23,928,000	1,272,000
Total	$ 43,373,000	45,633,000	(2,260,000)

*net of encumbrances and reappropriations

FY 2013 General Fund Assignments Summary

Our Values: Integrity, Accountability, Respect, Inclusiveness

		Preliminary Assignment Balances at 6/30/2013
Economic Development	$	1,000,000
Education		1,000,000
Subsequent Year Budget		8,730,000
Other County Services		1,027,000
Five Year Financial Plan		2,107,000
Capital Improvements		4,165,000
	$	18,029,000

FY 2013 Public Utilities

Our Values: Integrity, Accountability, Respect, Inclusiveness

	FY2012			FY2013		
	Twelve Months Ended Ended June 30, 2012			Twelve Months Ended June 30, 2013		
	Appropriated	Actual*	$ Variance with Appropriated	Appropriated	Preliminary YE Report	$ Variance with Appropriated
REVENUES						
Operating revenues:						
Charges for services	22,170,683	21,347,221	(823,462)	21,661,430	21,866,101	204,671
Capacity fees	102,010	208,718	106,708	76,570	249,220	172,650
Miscellaneous	175,000	159,264	(15,736)	175,000	408,293	233,293
Total operating revenues	22,447,693	21,715,203	(732,490)	21,913,000	22,523,614	610,614
Nonoperating revenues:						
Revenue from the Federal government	-	174,479	174,479	-	-	-
Capacity fees - nonoperating	2,500,000	3,223,531	723,531	2,500,000	4,667,062	2,167,062
Interest income	200,000	110,750	(89,250)	100,000	56,861	(43,139)
Total nonoperating revenues	2,700,000	3,508,760	808,760	2,600,000	4,723,923	2,123,923
Capital contributions	-	1,212,323	1,212,323	300,000	3,550,185	3,250,185
Total revenues	25,147,693	26,436,286	1,288,593	24,813,000	30,797,722	5,984,722
EXPENSES						
Operating expenses:						
Personal services	4,775,416	4,541,630	233,786	4,948,077	4,647,579	300,498
Fringe benefits	1,640,534	1,832,558	(192,024)	1,590,819	1,467,456	123,363
Contractual services	5,914,686	4,768,214	1,146,472	5,568,906	5,257,174	311,732
Internal services	1,486,054	1,504,434	(18,380)	1,530,820	1,530,080	740
Other charges	4,254,715	3,811,310	443,405	4,186,302	3,587,845	598,457
Total operating expenses	18,071,405	16,458,146	1,613,259	17,824,924	16,490,134	1,334,790
Nonoperating expenses:						
Senior debt	1,359,444	1,028,784	330,660	1,162,691	1,029,248	133,443
Subordinate debt and fiscal charges	7,023	5,104	1,919	2,360	393	1,967
Total nonoperating expenses	1,366,467	1,033,888	332,579	1,165,051	1,029,641	135,410
Total expenses	19,437,872	17,492,034	1,945,838	18,989,975	17,519,775	1,470,200
CHANGE IN NET POSITION	5,709,821	8,944,252	3,234,431	5,823,025	13,277,947	7,454,922
Total net position - beginning	189,045,358	189,045,358	-	189,217,120	189,217,120	-
Total net position - ending	194,755,179	197,989,610	3,234,431	195,040,145	202,495,067	7,454,922

* Does not include depreciation expense which is reflected in the audited financial statements in accordance with generally accepted accounting principles.

FY 2013 School Operating Fund

Our Values: Integrity, Accountability, Respect, Inclusiveness

	FY2012			FY2013		
	Twelve Months Ended June 30, 2012			Twelve Months Ended June 30, 2012		
	Appropriated	Actual	$ Variance with Appropriated	Appropriated	Preliminary YE Report	$ Variance with Appropriated
REVENUES						
Revenue from local sources:						
Tuition and other charges for services	$ 890,000	750,808	(139,192)	957,000	840,409	(116,591)
Miscellaneous:						
Sale of assets	2,000	-	(2,000)	2,000	-	(2,000)
Miscellaneous	287,016	548,248	261,232	1,289,377	632,735	(656,642)
Total miscellaneous revenue	289,016	548,248	259,232	1,291,377	632,735	(658,642)
Recovered costs	927,900	771,688	(156,212)	753,900	656,094	(97,806)
Payments from primary government:	92,610,611	86,899,750	(5,710,861)	91,672,882	87,654,681	(4,018,201)
Total revenue from local sources	94,717,527	88,970,494	(5,747,033)	94,675,159	89,783,919	(4,891,240)
Revenue from the Commonwealth:						
Non-categorical aid:						
Lottery proceeds and basic school aid	58,888,597	59,022,588	133,991	61,231,980	61,191,702	(40,278)
Categorical aid:						
Categorical aid programs	18,065,647	18,166,519	100,872	18,164,232	18,846,706	682,474
Total revenue from the Commonwealth	76,954,244	77,189,107	234,863	79,396,212	80,038,408	642,196
Revenue from the Federal government:						
Categorical aid:						
Department of Education	11,644,624	10,938,312	(706,312)	7,150,587	6,815,608	(334,979)
Total revenue from the Federal government	11,644,624	10,938,312	(706,312)	7,150,587	6,815,608	(334,979)
Total revenues	183,316,395	177,097,913	(6,218,482)	181,221,958	176,637,935	(4,584,023)
EXPENDITURES						
Education:						
General support	9,827,279	9,007,188	820,091	9,323,244	9,062,773	260,471
Pupil transportation	8,707,620	8,208,788	498,832	8,258,503	8,229,703	28,800
Operations and maintenance	12,904,837	11,888,745	1,016,092	12,738,113	11,796,520	941,593
Instruction	137,304,839	131,610,533	5,694,306	135,546,699	133,173,632	2,373,067
Facilities	1,849,911	1,329,554	520,357	2,152,051	2,132,145	19,906
Total education	170,594,486	162,044,808	8,549,678	168,018,610	164,394,773	3,623,837
Debt service:						
Principal retirement	15,616,718	10,502,253	5,114,465	15,716,000	10,723,304	4,992,696
Interest and fiscal charges	-	5,092,904	(5,092,904)	-	4,992,396	(4,992,396)
Total debt service	15,616,718	15,595,157	21,561	15,716,000	15,715,700	300
Total expenditures	186,211,204	177,639,965	8,571,239	183,734,610	180,110,473	3,624,137
Excess (deficiency) of revenues over (under) expenditures			2,352,757	(2,512,652)	(3,472,538)	(959,886)
Net change in fund balance	(2,894,809)	(542,052)	2,352,757	(2,512,652)	(2,512,652)	-
Fund balance - beginning	2,894,809	3,054,704	159,895	2,512,652	2,512,652	-
Fund balance - ending	-	2,512,652	2,512,652	-	- *	-

*Net of encumbrances and reappropriations

Questions?